

New Development Bank

Code of Business Conduct and Ethics

Owner: Compliance and Investigations Department

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Change Log

Revision Date	Paragraph revised	Revision Details
November 20, 2017	Page 22 – Paragraph 4.22	Changes as per note submitted to ARBC
March 1, 2018	(i) Page 4 & 5 Chapter I (ii) Page 12 – Paragraph 4.5	Changes as per note submitted to BHRC
September 23, 2021	(i) Page 8 – Paragraph 3.8 (ii) Page 13 – Paragraph 4.5 (iii) Page 18 – Paragraph 4.11 (iv) Page 21 – Renumbering paragraph from 4.23 to 4.24 (addition of new Paragraph) (v) Page 22 – Amendment of Last Paragraph under 4.24	Changes as per note submitted to ARC
December 14, 2021	Overall review to standardized terms without change in the context of the document	Changes as per note submitted to ARC
January 19, 2024	Code of Business Conduct and Ethics (2021 V2) repealed in its entirety	Replaces the Code of Business Conduct and Ethics (2021 V2) in its entirety

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Abbreviations and Definitions

Abbreviations

AOA	Articles of Agreement of the New Development Bank annexed to the Agreement on the New Development Bank
Bank or NDB	New Development Bank
The Code	The Code of Business Conduct and Ethics

Definitions*

Staff Member	Any person who has countersigned an Offer of Appointment and Employment Contract with the Bank and who is holding full-time regular appointment with the Bank
Other Personnel	Consultants, interns, and other personnel engaged by the Bank from time to time from outsourcing agencies or various entities
Reporting Manager	A person who assigns tasks and responsibilities to an individual and is holding the position of President/Vice-President/Director General/Chief (as the case may be). This person can either be set forth in an individual's Letter of Appointment with the Bank or any other formal official communication from the Bank from time to time, or implied from actual practice if not specified.
Internal Rules	Rules, regulations, policies and guidelines in force at the Bank
Bank Personnel	Refers to Staff Members and Other Personnel of the Bank
Close Relative	The spouse, child, parent, or sibling of a person

**Note: definition of each term includes both singular and plural forms and shall be construed as required by context.*

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1. Introduction

1.1 Purpose

NDB has been established to mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries to complement the existing efforts of multilateral and regional financial institutions for global growth and development.

Bank Personnel are expected to maintain the highest ethical standards and conduct themselves at all times in a manner befitting their status as employees of an international organization.

The Code sets forth the obligations for Bank Personnel, relating to their conduct and behavior both on and off duty. The Code does not provide an exhaustive list of every conceivable form of acceptable or unacceptable conduct expected. Bank Personnel are expected to use good judgment to conform with the terms, the intent and the spirit of the Code. Failing to adhere to the Code may constitute misconduct and result in administrative and/or disciplinary measures being instituted by the Bank as per the Whistleblower Procedures as amended from time to time

1.2 Applicability

a) This Code applies to:

- all Bank Personnel, except where otherwise specified;
- where so provided, former Bank Personnel.

b) Bank Personnel are accountable for the conduct of their Close Relatives as set out in this Code. Where the Code affects the interests and activities of Close Relatives of Bank Personnel or requires disclosures pertaining to them, such persons must make appropriate inquiries and use their best efforts to secure compliance with the Code in respect of such Close Relatives.

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2 Core Values

2.1 Integrity

Bank Personnel shall uphold the highest standards of integrity and ethics. The concept of integrity includes, but is not limited to, fairness, honesty, and truthfulness in all matters affecting their work and status as employees of an international organization.

2.2 Accountability

Bank Personnel shall take responsibility for their actions and decisions and shall act within the scope of their authority at all times.

2.3 Loyalty

Bank Personnel shall perform their duties solely with the interests and objectives of the Bank in mind and shall maintain their independence from influence from governments or other organizations and entities. Considering NDB's unique character, situations may arise where staff are in the employment of and/or associated and/or affiliated with their respective governments, which is also a consideration in terms of this Code.

2.4 Collaboration

Bank Personnel shall treat their colleagues with respect and demonstrate a spirit of collaboration and shall not unduly withhold information or engage in obstructive behavior.

3 General Principles of Conduct

3.1 Status of Bank Personnel and Propriety of Action

In the discharge of their functions, Bank Personnel owe their duty entirely to the Bank and to no other authority.

As such, Bank Personnel must avoid any action, and in particular any kind of pronouncement, which may reflect unfavorably upon their position as employees of an international organization, either in their own country or elsewhere.

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3.2 Privileges and Immunities, Exemptions and Facilities

The privileges, immunities, exemptions, and facilities that Bank Personnel may enjoy under the AOA and any other agreements entered into between the Bank and governments of other countries are solely granted in the interest of the Bank for the fulfillment of its purpose and functions and not for the personal benefit of individuals.

Therefore, applicable Bank Personnel shall not take advantage of these privileges, immunities, exemptions, and facilities for non-compliance with their private obligations or failure to observe the laws and regulations of national or sub-national governments.

4 Internal Activities

4.1 Intellectual Property

- a) All rights to any work or intellectual property created by Bank Personnel in the course of their official duties belong to the Bank unless otherwise authorized by the Bank.
- b) Intellectual property belonging to the Bank may not be used for private benefit or for the benefit of others except with appropriate authorization in accordance with NDB's Internal Rules

4.2 Use of Bank Property, Services and Facilities

- a) All Bank Personnel must protect and preserve Bank property and assets and must use such resources as efficiently as possible, guarding against waste, mismanagement, and abuse.
- b) The Bank services, supplies and facilities shall be used by Bank Personnel in compliance with relevant Internal Rules of the Bank, and only for the performance of official functions and duties.

4.3 Accurate Record Keeping

Bank Personnel shall follow relevant Internal Rules for the maintenance, categorization, classification, retention and archiving of records.

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5 Discrimination and Harassment

5.1 Anti-Discrimination

- a) All Bank Personnel must, in their dealings with colleagues, behave in a manner that creates an environment free of discrimination.
- b) 'Discrimination' includes any unfair treatment or arbitrary distinction between individuals or groups based on a person's race, gender, nationality, age, religion, ethnic or social origin, political opinion, sexual orientation, physical disability or other status.

5.2 Anti-Harassment

- a) Harassment of any kind is unacceptable and prohibited.
- b) 'Harassment' means any improper and unwelcome conduct that might reasonably be expected or be perceived to cause offense or humiliation to another person.

It may take the form of words, gestures, actions or omissions which tend to annoy, abuse, demean, intimidate, belittle, humiliate or embarrass another or which create an intimidating, hostile or offensive work environment.

Disagreement on work performance or the mere provision of criticism or disapproval by Reporting Managers does not in and of itself constitute harassment.

- c) 'Harassment' includes sexual harassment, which is any unwelcome conduct of a sexual nature that might reasonably be expected, or be perceived to cause offence or humiliation, when such conduct interferes with work, is made a condition of employment, or creates an intimidating, hostile or offensive work environment.

Sexual harassment may occur in the workplace or in connection with work.

5.3 Appropriate Use of Power

- a) Reporting Managers serve as role models and therefore have a special obligation to uphold the highest standards of conduct.
- b) Any improper use of influence, power or authority against another person in a manner that is offensive, humiliating, embarrassing or intimidating is prohibited.

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6 Confidentiality

6.1 Disclosure and use of information

- a) Except in the course of their official duties or with express authorization, Bank Personnel may not:
 - i. disclose any unpublished and/or confidential information to any person internal or external to the Bank who is not authorized to receive such information, including their Close Relatives; or
 - ii. use or allow the use of any unpublished and/or confidential information for private advantages directly or indirectly, or for any interest contrary to the interests of the Bank.
- b) 'Confidential information' refers to information that is considered as such by the Bank under the Information Disclosure Policy, as amended from time to time.
- c) This obligation applies to former Bank Personnel after separation from the Bank.

6.2 Publications and Public Statements

The President and Vice Presidents of the Bank may :

- i. publish, cause to be published, or assist in the publication of any book, article, letter or other document relating to the policies or activities of the Bank;
- ii. deliver any speech or presentation, hold press conferences interviews on such policies or activities of the Bank;
- iii. post on social media, or broadcast through radio, television or other channels on such policies or activities of the Bank; and
- iv. speak on behalf of the Bank in seminars, conferences or other events.

All other Bank staff and personnel may only engage in the activities in (i) to (iv) above with express authorization to do so.

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The Director General of the Independent Evaluation Office may not engage in activities in (i) to (iv) above without express authorization to do so, but may interact with the media on evaluation matters.

7 External Activities

7.1 Outside Employment

- a) Bank Personnel shall not engage in any outside employment without appropriate authorization from the Compliance and Investigations Department and the Human Resource Department.

Such authorization will normally be given if the outside employment is not incompatible with the full and proper performance of official duties of Bank Personnel and does not give rise to a conflict of interest.

- b) Employment includes self-employment and employment with, or the rendering of services to, any outside entity, with or without remuneration.

7.2 Other Outside Activities

- a) Other outside activities carried out during personal time and in the private capacity of Bank Personnel do not require authorization under section 7.1, provided that such activity does not infringe upon the intellectual property of the Bank, does not affect the relations of the Bank with its members and the public and does not reflect poorly on or to the detriment of the Bank in whatsoever manner.

Such activities include, but are not limited to:

- i. teaching, publishing and researching;
 - ii. non-remunerated voluntary activities for charitable, social, educational, religious or other similar entities.
- b) Bank Personnel may seek advice from the Compliance and Investigations Department in case of doubt.

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7.3 Political Activities

- a) Nothing in this Code affects the legitimate interest of Bank Personnel in exercising their political rights. However, Bank Personnel must refrain from participation in political activities which may interfere or conflict with their duties or status.
- b) Bank Personnel must not hold public office or appointment that, in the Bank's opinion, is incompatible with the proper performance of their official duties.

Bank Personnel who are standing for election or who accept nomination for a political office must obtain prior approval from the President of the Bank or his or her delegate.

If Bank Personnel accept appointments to any national public office of a political character, they must immediately resign from the Bank.

8 Conflict of Interest

8.1 General Requirement

- a) A conflict of interest occurs when, by any act or omission, the private interests of Bank Personnel interfere with the performance of his or her official duties and responsibilities, or with the integrity, independence and impartiality required by his or her status as Bank Personnel.

In this regard, private interests include any advantage for themselves, their Close Relatives.

- b) Bank Personnel have a duty to avoid actual conflicts of interest, potential conflicts of interest and perceived conflicts of interest. In this regard, an actual conflict of interest refers to a conflict that is established based on facts, a potential conflict refers to a conflict that does not exist at present, but could arise in the future, and a perceived conflict refers to a conflict that appears to exist, but requires further investigation.
- c) In cases where a conflict of interest arises, Bank Personnel shall bring the matter to the attention of their Reporting Manager and the Compliance and Investigations Department without undue delay for advice.

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Bank Personnel shall excuse himself or herself from any matter that gives rise to the conflict.

8.2 Business Affiliations

Bank Personnel must exercise due care in relationships with former and future employers to avoid potential, actual or perceived conflicts of interest. The following paragraphs are intended to manage these concerns but are not intended to be exhaustive. The restrictions imposed in these paragraphs can be waived by express authorization from the President of the Bank or his or her delegate.

8.2.1 Involvement in the decision-making process regarding former employers

Bank Personnel who, prior to joining NDB, held a position in an entity other than a government or international organization, shall not participate in any determinative process that involves or includes that entity if:

- i. the entity is a supplier of goods or services (including consulting or construction services) to be acquired or financed by NDB, or which is being considered as such; or
- ii. the entity is a financial institution from which NDB is a borrower or to which NDB is otherwise indebted, or which has been selected or is being considered for selection as an underwriter for issuance of securities by NDB; or
- iii. the entity otherwise engages in financial transactions with NDB.

This prohibition continues for 1 year after Bank Personnel have separated from their former employers.

8.2.2 Prospective Employment

Bank Personnel who are seeking, negotiating or have an arrangement concerning prospective employment other than at NDB must not exercise any decision-making responsibility with respect to an NDB transaction in which the prospective employer, to the best of the Bank Personnel's knowledge, has or may have an interest.

8.2.3 Subsequent Employment

Staff Members who have separated from the Bank may not, within six months after their

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separation, perform services for any other entity (other than an international organization or government) or person in respect of any matter in which the Bank has an interest or to which the Bank is a party, and in which the Staff Member participated personally and substantially while at the Bank.

8.3 Gifts, Honors and Other Benefits

- a) The acceptance by Bank Personnel of any gifts, decorations, honors, awards, or advantages (direct or indirect) in connection with their official duties from any person or entity outside the Bank should be strictly avoided.
- b) Notwithstanding the above subsection, in circumstances which make it difficult to refuse or decline the gifts, decorations, honors, awards, or advantages, in particular where there may be a reputational loss to the Bank:
 - i. Tangible items of market value less than US \$100 may be accepted and reported to the Compliance and Investigations Department within twenty-one calendar days;
 - ii. Tangible items of market value more than US \$100 may be accepted and surrendered to the Compliance and Investigations Department within twenty-one calendar days; and
 - iii. Limited hospitality may be accepted, provided that the scope and cost of such hospitality is reasonable and customary.

8.4 Close Relatives

Close Relatives of Bank Personnel of NDB are not permitted to work for the Bank through any channel other than as may be permitted as per the Internal Rules of the Bank.

9 Financial Interests, Investment and Trading Activities

9.1 Purchase of interest in the recipient of NDB's financing

- a) Except as otherwise provided in subsection (c) below, Bank Personnel or their Close Relatives must not make investments in:

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- i. securities (including investment funds) with respect to which the Bank Personnel's departments or offices advised or invested;
 - ii. securities of an entity known by the Bank Personnel to be an actual or prospective recipient of NDB financing or in financial institutions from which NDB is a borrower or to which NDB is otherwise indebted, or which has been selected or is being considered for selection as an underwriter for issuance of securities by NDB; or
 - iii. securities of any company or other entity upon whose board of directors or trustees the Bank Personnel serve or served as part of such Bank Personnel's duties for NDB, except with respect to qualifying shares required by law or by the articles of such company or other entity.
- b) If Bank Personnel or their Close Relative have or come into possession of any securities referred to in this section 9.1, the Bank Personnel must immediately disclose to his or her Reporting Manager and take steps for their prompt divestiture.
- c) The provisions of subsection (a) will not apply to securities held by trusts, estates, investment funds or similar investment vehicles, provided that neither the Bank Personnel nor any of his or her Close Relatives has the right to exercise investment discretion over investments made by such investment vehicles.

9.2 Prohibited purchases of securities of selected entities with involvement in the decision-making process

- a) Except as otherwise provided in section 9.3 below, Bank Personnel who are or were involved, to any extent, in the decision-making process to determine the selection of any entity that:
- i. is a supplier of goods or services (including consulting or construction services) to be acquired or financed by NDB, or which is being considered as such;
 - ii. is a financial institution from which NDB is a borrower or to which NDB is otherwise indebted, or which has been selected or is being considered for selection as an underwriter for issuance of securities by NDB; or
 - iii. otherwise engages in financial transactions with NDB;

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must not purchase, directly or indirectly, debt or equity securities of, or any interest in, any such entity referred to above or any of its affiliates.

9.3 Permitted Purchases of securities of recipients of NDB's Financing

Notwithstanding the foregoing, Bank Personnel of NDB and their Close Relatives may purchase and hold securities of, or an interest in, an entity if the security or interest is publicly traded.

9.4 Short-term trading of securities issued by NDB

Bank Personnel and their Close Relatives may invest in securities issued by the Bank, but, must not engage in short-term trading in such securities. For these purposes, 'short-term trading' means any combination of the buying and selling of securities within six months. Buying or selling of a right or obligation to buy or sell such securities shall be treated as buying or selling the securities.

9.5 Disclosure of Financial Interests

- a) Bank Personnel must promptly disclose to his or her Reporting Manager any financial interest of himself or herself or of a close relative, which might be an actual, potential or perceived conflict.

Upon such disclosure, Bank Personnel must refrain from exercising any responsibility that might affect such interest, except as otherwise directed by the Reporting Manager.

- b) In the event the Bank has reason to believe that a Bank Personnel or a Close Relative has engaged in conduct or entered a transaction prohibited under this Code, such Bank Personnel may be required to provide to the Bank a certified statement of relevant financial interests.