



Environmental and Social Policy

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Version: 1

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Introduction

Fondo Acción recognizes that a safe and healthy environment is essential to generate well-being for its employees, executors, suppliers, contractors, subcontractors, and communities in the areas where it executes actions since they are the basis of sustainable development and management.

Fondo Acción accepts and complies with the guidelines established in national and international regulations, its internal codes and policies, as well as the eight Environmental and Social Performance Standards of the International Financial Corporation (IFC).

This policy is established as a framework for the process of planning, implementation, and evaluation of the environmental and social management of each project executed by Fondo Acción, directly or through third parties; it must be observed by donors, allies, executors, contractors, subcontractors, suppliers, and employees.

Objectives

The purpose of this policy is to ensure the early identification of possible environmental and social risks so that in cases where prevention is not possible, adverse environmental, social and human rights impacts can be minimized, mitigated, compensated or a remedy be ensured, and at the same time increase the positive impacts. Fondo Acción favors preventive measures against mitigation or compensation measures, whenever possible.

In turn, the policy seeks to improve predictably, transparently and responsibly decision-making, including meaningful participation, informed and accessible by the affected people and the general public.

Scope and Coverage

This policy is applied to all projects and interventions executed directly by Fondo Acción or through third parties, which may have environmental or social risks or impacts, regardless of the source of financing.

Principles

As part of this policy, Fondo Acción undertakes to execute the following principles of action:

➤ **Respect for human rights**

Guaranteeing respect for the principles, rights and freedoms of all people; grant to employees working conditions and terms of work relationship in accordance with national legislation, providing equal opportunities and guaranteeing the necessary conditions for their safety; always act without any type of discrimination due to social status, race, gender, age, social, political or ideological beliefs.

➤ **Evaluation and management of risks and environmental and social impacts**

Recognizing the relevance of environmental and social management of projects, applying all necessary measures to identify, prevent, mitigate, correct or control and/or compensate for the risks and impacts of projects that affect executors, contractors, subcontractors, employees, suppliers, ethnic communities, social groups, biodiversity, and natural resources. Considering the planning processes the actions and resources necessary to develop the social and environmental management plans that contemplate the measures and implementation actions necessary to manage the risks and impacts identified.



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➤ **The efficiency of the use of natural resources and prevention of pollution**

Applying the necessary measures to promote initiatives that promote the sustainable use of resources, implementing the necessary actions to prevent, mitigate, correct and/or compensate adverse impacts on human health and the environment, avoiding and minimizing the pollution generated by the activities of the different projects.

➤ **Health and safety of the community**

Ensure the health and safety of the communities in the areas of influence of the different projects, through the design and implementation of the necessary measures to prevent, mitigate and control the risks and possible impacts generated by the projects.

➤ **Conservation of biodiversity and sustainable management of living natural resources**

Implement the necessary steps to promote the conservation of ecosystems and natural resources through the adoption of practices that maintain the benefits derived from ecosystem services.

➤ **Indigenous peoples and ethnic communities**

For all the projects carried out in areas of influence of ethnic communities, carrying out the processes of prior consultation, complying with the national legislation and IFC performance standards, preserving cultural identity and ancestral practices, assuming the processes in an adequate and understandable manner for these communities, aimed at reducing the impacts, and promoting the benefits of the projects carried out in their territories.

Roles and responsibilities

Compliance with this policy will be the responsibility of all Fondo Acción staff.

The **Technical Department** is responsible for:

- Prepare, adopt and disseminate the Environmental and Social Management Framework (ESMF) as a means of implementing this Policy and the Environmental and Social Management System (ESMS).
- Include the ESMS within the annual training priorities, aimed at developing and strengthening the skills of the Fund team.
- Promote organizational learning associated with the implementation of this policy.

The **Communications Coordination**

Will disseminate this policy on the Fondo Acción website and will design materials for communication to personnel and implementing and allied organizations.

The **project coordinators and managers**

Will guarantee the application of the ESMF in the project cycle, including design, implementation, tracking and monitoring.

Evaluation and update: Fondo Acción will evaluate, review and, if necessary, adjust this policy when the conditions and circumstances make it necessary.