



**Galápagos**  
**life fund**

GLF ESMS Annex A

**ENVIRONMENTAL AND SOCIAL POLICY**

## ENVIRONMENTAL AND SOCIAL POLICY

### INTRODUCTION

The Galápagos Life Fund (GLF) Environmental and Social Policy (the Policy) supports the GLF's vision of the people of Galápagos taking ownership of their ocean and islands and securing enduring, sustainable benefits for future generations. It aligns with GLF's mandate to support conservation and sustainable ocean resource management, contribute to a sustainable future for Galápagos, and ensure financial responsibility and integrity.

The Policy's purpose is to ensure that GLF projects and activities provide significant net benefits for the environment of the Hermandad Marine Reserve (HMR), the Galápagos Marine Reserve (GMR), and the Galápagos National Park (GNP), as well as for the communities with vested interests in these areas and avoid environmental and social adverse impacts. The Policy provides principles to avoid or minimize adverse environmental and social impacts while enhancing positive impacts to the greatest extent possible. The Policy outlines GLF's commitments to responsible investments.

GLF has adopted a suite of environmental and social policies which enable GLF to manage environmental and social risks in its operation in accordance with regulatory requirements and best practice<sup>1</sup>.

GLF adopts an Environmental and Social Management System (ESMS) to manage its projects' environmental and social risks. The ESMS is aligned with the International Finance Corporation Performance Standards (IFC PS) to manage environmental and social risks associated with its activities and projects. GLF and GLF-funded projects shall comply with the IFC PS and implement the GLF ESMS to manage E&S risks throughout the project lifecycle, including preparation, execution and closure.

GLF seeks to align with the Sustainable Blue Economy Finance Principles of the United Nations Environment Programme Finance Initiative (UNEP FI), thereby demonstrating its long-term commitment to sustainable use of the world's oceans, seas, and marine resources.

### SCOPE

The Policy applies to all GLF activities and projects, whether wholly or partially funded by GLF. It also covers sub-projects, grants, and sub-grants financed directly or indirectly by GLF. The Policy applies to GLF management, coordination, and implementation structures, including the Board of Directors, the Executive Director and GLF staff. It applies to GLF committees, such as the Technical Advisory Committee, Finance Committee and the broader GLF team. The Policy also applies to GLF Grantees.

### PRINCIPLES

The general guiding principles are set out below:

- Avoid, reduce or limit negative environmental, social and climate change impacts and maximise environmental and social benefits;

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<sup>1</sup> Legal and other requirements applicable to GLF and GLF-funded projects are set out in Annex D of the ESMS.

- Adopt governance and management arrangements so that environmental and social impacts and risks associated with the activities of GLF and its Grantees can be managed in an appropriate, accountable and transparent manner;
- Support the preservation and protection of natural habitats and sustainably manage natural assets;
- Avoid negative impacts on the living conditions, livelihoods and land tenure of communities.
- Ensure and improve the health and safety at work of its employees, subcontractors and partners;
- Respect at all times human rights of all individuals including those that work for and on behalf of GLF or involved in any of its activities;
- Condemn forced labor and child labor, prohibit discrimination as well as combat harassment and support the freedom of association and the right to collective bargaining of workers;
- Mainstream gender equality throughout the organization and its activities;
- Contribute to climate change adaptation and mitigations as well as managing business impact through substantial reduction in the use of fossil fuels, control of emissions of greenhouse gases and energy conservation;
- Conduct ongoing monitoring and reporting of the environmental and social performance and impacts of GLF and its Grantees;
- Make timely disclosures of information relating to its activities in accordance with legal and investor requirements; and
- Comply with all relevant environmental, social, health, safety, and land acquisition policies, laws and regulations of the countries of intervention.

The Policy adopts **twelve (12) core principles** which are outlined below:

1. PRINCIPLE OF IDENTIFYING AND MANAGING ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

GLF will systematically identify, assess, and manage its activities and projects' environmental and social risks and impacts. GLF will conduct environmental and social screening, evaluation, and management according to its ESMS, in line with IFC PS 1 and any other relevant standards or guidelines. GLF activities and projects must produce net benefits in maintaining biodiversity and existing ecological processes, connecting marine and coastal ecosystems, and promoting the well-being of local communities.

2. PRECAUTIONARY PRINCIPLE AND COMPLIANCE WITH THE MOST STRINGENT STANDARD PRINCIPLE

GLF will not provide financing for activities and projects if their environmental and social risks or impacts have not been adequately assessed or if there are well-founded concerns about the risks and impacts despite proposed mitigation measures. Additionally, if there is uncertainty about the appropriate environmental and social risk category for an activity or project, GLF will use the

highest risk classification. If multiple relevant national or international standards equally apply to the same activity or project, GLF will adhere to the more stringent of them.

### 3. PRINCIPLE OF THE MITIGATION HIERARCHY

GLF prioritizes anticipating and preventing environmental and social risks and adverse impacts. If such risks and impacts cannot be anticipated or prevented, GLF will strive to minimize them. In those cases where risks and impacts cannot be anticipated, prevented, or minimized, GLF will seek to mitigate them.

### 4. PRINCIPLE OF RESPECT FOR HUMAN RIGHTS AND RESPECT FOR DIVERSITY

GLF is fully committed to respecting human rights and fundamental freedoms without exception. GLF is dedicated to upholding this principle by paying particular attention to the rights, needs, and challenges of individuals from groups or populations that may be at higher risk of vulnerability or marginalization. GLF explicitly acknowledges the human right to a clean, healthy, and sustainable environment.

### 5. PRINCIPLE OF GENDER EQUALITY BETWEEN MEN, WOMEN AND NON-BINARY PEOPLE

GLF promotes the equal participation of women, men, and non-binary individuals in decision-making and implementing GLF's activities and projects. It also supports reducing gender and other intersecting inequalities and discrimination. Therefore, GLF is committed to identifying, evaluating, and addressing risks and adverse impacts for women, girls, and non-binary individuals and to preventing their recurrence.

### 6. PRINCIPLE OF ZERO TOLERANCE FOR SEXUAL AND GENDER-BASED VIOLENCE

GLF does not tolerate any form of sexual and gender-based violence (SGBV) under any circumstances. GLF recognizes the importance of striving to achieve and maintain an equitable environment where all people are respected and feel safe and free from discrimination or violence. Consequently, GLF is committed to identifying SGBV risks, preventing the occurrence of SGBV, supporting survivors with a human rights-based approach, ensuring a timely and efficient response to SGBV incidents, and mitigating their negative impacts.

### 7. WORKERS' RIGHTS AND LABOR CONDITIONS PRINCIPLE

GLF endeavours to ensure that internationally recognized worker rights are respected for all individuals directly engaged with GLF and individuals involved in GLF-supported projects, including implementation structures, directors, staff, advisors, and other personnel. This follows the standards outlined in the International Labour Organization (ILO) Core Conventions and the ILO Declaration on Fundamental Principles and Rights at Work. Projects supported by GLF must conform to IFC PS 2 and have human resources policies and clearly defined organizational structures, roles, responsibilities, and authorities. They should allocate appropriate human and financial resources to ensure optimal working conditions and provide adequate training for employees and contractors. Personnel at GLF and Projects supported by GLF should have access to a mechanism to report worker grievances which is confidential and anonymous.

#### 8. SUPPLY CHAIN PRINCIPLE

GLF will ensure, to the best of its ability, that the supply chain of goods and services required throughout the lifecycle of its projects meets the requirements of IFC PS 2. When the supply chain involves local contractors and subcontractors in the Galápagos or mainland Ecuador, GLF will have a high degree of influence and, therefore, will seek to ensure that the supply chain abides by the Worker's Rights and Labour Conditions Principle in addition to the Ecuadorian labour legislation. When the supply chain extends beyond Ecuadorian borders and involves other countries or is global in nature, GLF will seek only reputable and accepted suppliers in the market. Under no circumstances will the low cost of labour be the sole determining factor in the competitiveness of the required goods or services.

#### 9. POLLUTION PREVENTION, CLIMATE CHANGE AND GREENHOUSE GASES PRINCIPLE

GLF acknowledges the urgent need to prevent pollution, address the impact of climate change, and reduce greenhouse gases. Each project financed by GLF must comply with the requirements of IFC PS 3. The combined activities and projects funded by GLF must contribute positively to climate adaptation and mitigation.

#### 10. HEALTH AND SAFETY PRINCIPLE

GLF considers health and safety a crucial aspect of all its operations and provides a secure environment for its staff, individuals involved in GLF-funded projects, community members, and other stakeholders. GLF shall comply with relevant Ecuadorian health, safety, and environmental regulations and the standards derived from the IFC PS 2 and PS 4 and the World Bank Environmental, Health and Safety (EHS) Guidelines. All GLF-supported projects must comply with the same standards and if required, develop and implement an Occupational Health and Safety plan.

#### 11. LIVELIHOOD RESTORATION PRINCIPLE

GLF will endeavour to avoid imposing restrictions on access to natural resources for local communities. However, in cases where restrictions are necessary to achieve conservation goals or enhance biodiversity, and these restrictions have the potential to impact communities and their livelihoods, GLF pledges to conduct a transparent, participatory process with Project Affected Peoples (PAPs) and other relevant stakeholders and to restore their livelihoods to a level at least equal to what it was before the restrictions were imposed, as defined in IFC PS 5.

#### 12. PRINCIPLE OF RECOGNITION OF INDIGENOUS PEOPLES

GLF recognizes the critical contribution and vital role of indigenous peoples in safeguarding, preserving, and restoring biodiversity and ensuring its sustainable utilization. GLF will ensure that any project or activity that affects lands owned or claimed by these peoples, impacts land traditionally used by them, affects indigenous peoples' access to resources, or commercializes indigenous knowledge will comply with the requirements of IFC PS 7 and will obtain free, prior, and informed consent from the indigenous peoples involved.

ENDORSEMENT AND REVIEWS

The Environmental and Social Policy is endorsed by the GLF Board of Directors and will be communicated to all GLF personnel, and third parties acting on behalf of GLF.

The Environmental and Social Policy will undergo a review and update, if necessary, within two years of its endorsement and it will be reviewed every two years thereafter.

Executive Director, for the Galápagos Life Fund

Date: November, 5<sup>th</sup>, 2024