

## Exclusion List



GroFin will not finance any activity, production, use, distribution, business or trade involving:

- A transaction contravening environmental law or leading to damage/pollution.
- A transaction known to be related to animal testing/live exports/fur trade.
- A transaction known to be related to human rights abuses (e.g. child labour/oppression).
- A relationship with a party known to be related to unconventional gambling (e.g. internet gaming).
- A relationship with a party known to be associated with extremist political or religious groups/cults.
- A transaction where the primary motivation for the customer is the achievement of a particular tax, accounting or regulatory outcome.
- A transaction that has no obvious economic benefit for the client.
- Production or activities involving forced labour or child labour.
- Production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
- Production of or trade in weapons and ammunitions or of any other equipment primarily designed or designated for military purposes.
- Production of or substantial trade in tobacco or related products.<sup>1</sup>
- Production of or substantial trade in alcoholic beverages (excluding beer and wine)<sup>2</sup>.
- Pornography or prostitution or the provision of products or services of a substantially similar nature.
- Gambling, casinos, and equivalent enterprises or substantial involvement in these<sup>3</sup>.
- Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora.
- Production of or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment where the radioactive source is considered to be trivial and/or adequately shielded.
- Production of or trade in or use of unbonded asbestos fibres. This does not apply to the purchase and use of bonded

<sup>1</sup> Where there is, or reasonably may be, any doubt as to whether or not a portfolio company is “substantially trading” in this activity, the matter shall be referred to the investment committee or equivalent body responsible for approving a Fund’s investments.

<sup>2</sup> Where there is, or reasonably may be, any doubt as to whether or not a portfolio company is “substantially trading” in

this activity, the matter shall be referred to the investment committee or equivalent body responsible for approving a Fund’s investments

<sup>3</sup> Where there is, or reasonably may be, any doubt as to whether or not a portfolio company is “substantially involved” in this activity, the matter shall be referred to the investment committee or equivalent body responsible for approving a Fund’s investments.



- asbestos cement sheeting where the asbestos content is less than 20%.
- Cross-border trade in waste and waste products unless compliant to the Basel Convention and underlying regulations.
  - Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests.
  - Production of or trade in products containing polychlorinated biphenyls (PCBs). A group of highly toxic chemicals, PCBs are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.
  - Production of or trade in pharmaceuticals subject to international phase outs or bans.
  - Production of or trade in pesticides/herbicides subject to international phase outs or bans.
  - Production of or trade in ozone-depleting substances (ODS) and other hazardous substances subject to international phase-outs or bans.
  - Large scale production, trade or storage of significant volumes of hazardous chemicals, or commercial-scale use of hazardous chemicals.
  - Drift net fishing in the marine environment using nets in excess of 2,5 (two comma five) kilometres long.
  - Significant conversion or degradation of critical habitat.
  - Production and distribution of racist and anti-democratic media.
  - Significant alteration, damage, or removal of any critical cultural heritage.
  - Relocation of indigenous peoples from traditional or customary lands.
  - Speculative real estate development.
  - Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.
  - Projects involving the construction of large dams that significantly and irreversibly: (A) disrupt natural ecosystems upstream or downstream of the dam, or (B) alter natural hydrology, or (C) inundate large land areas, or (D) impact biodiversity, or (E) displace large numbers of inhabitants (5,000 persons or more) or (F) impact local inhabitants' ability to earn a livelihood.
  - Projects that require resettlement of 5,000 or more persons.
  - Projects in or impacting natural World Heritage Sites (Areas of significant ecological value that have been internationally recognised as necessary for strict protection by members of the World Heritage Convention) unless it can be demonstrated through an environmental assessment that the project (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits.
  - Projects in or impacting areas on the United Nations List of National Parks and Protected Areas unless it can be demonstrated through an environmental assessment that the project (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits.
  - Extraction or infrastructure projects in or impacting: protected area Categories I, II, III, and IV (Strict Nature Reserve/Wilderness Areas and National



Parks unless it can be demonstrated through an environmental assessment that the project (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits. Natural Monuments and Habitat/ Species Management Areas), as defined by the International Union for the Conservation of Nature. Projects in IUCN Categories V (Protected Landscape/Seascape) and VI (Managed Resource Protected Area) must be consistent with IUCN management objectives. Areas protected by the Ramsar Convention are considered within the appropriate IUCN Category to which they are assigned.

- Investments in projects responsible for the direct emissions of more than 100,000 tons CO<sub>2</sub> equivalent per year of greenhouse gases.
- Large-scale industrial plants / estates
- Thermal power stations and other combustion installations with a heat output of 200 megawatts or more.
- All projects that pose potentially serious occupational or health risks.
- Cement manufacturing with an annual production rate of greater than one million dry weight tons.
- Construction of motorways, express roads and lines for long distance railway traffic 10 km or more in a continuous length; airports or airport expansions with a basic runway length of 2,100 metres or more.
- Sea ports and also inland waterways and ports for inland waterway traffic that permit the passage of vessels of over 1,350 tons; trading ports, piers for loading and unloading connected to land and outside ports (excluding ferry piers) that can take vessels of over 1,350 tons.
- Construction or significant expansion of dams and reservoirs not otherwise prohibited.
- Groundwater abstraction activities or artificial groundwater recharge schemes in cases where the annual volume of water to be abstracted or recharged amounts to 10 million cubic meters or more.
- Industrial plants for the (a) production of pulp from timber or similar fibrous materials; (b) production of paper and board with a production capacity exceeding 200 air-dried metric tons per day.
- Peat extraction.
- Large scale quarrying, mining, or processing of metal ores or coal
- Large-scale power transmission.
- Municipal wastewater treatment plants servicing more than 150,000 people.
- Municipal solid waste-processing and disposal facilities.
- Large-scale tourism and retail development.
- Large-scale land reclamation.
- Large-scale primary agriculture involving intensification or conversion of previously undisturbed land.
- Plants for the tanning of hides and skins where the treatment capacity exceeds 12 tons of finished products per day.



- Installations for the intensive rearing of poultry or pigs with more than: 40,000 places for poultry; 2,000 places for production pigs (over 30 kg); or 750 places for sows.
- All projects with potentially major impacts on people or which pose serious socio-economic risk.
- Housing developments that contain more than 2,500 residential units.
- Projects, not categorically prohibited, but located in or sufficiently near sensitive locations of national or regional importance to have perceptible environmental impacts on:
  - Wetlands;
  - Areas of archaeological significance;
  - Areas prone to erosion and/or desertification;
  - Areas of importance to ethnic groups/indigenous peoples;
  - Primary temperate/boreal forests;
  - Coral reefs;
  - Mangrove swamps;
  - Nationally-designated seashore areas.
- Managed resource protected areas, protected landscape/seascape (IUCN categories V and VI) as defined by IUCN's Guidelines for Protected Area Management Categories; additionally, these projects must meet IUCN's management objectives and follow the spirit of IUCN definition.