

# Exclusion list

last updated December 2021

**No business relationship shall be established or maintained<sup>1</sup> with clients defined as groups of connected legal entities engaged in any of the following activities:**

**Unethical practices and labour conditions:**

1. Production or activities involving harmful or exploitative forms of forced labour/harmful child labour<sup>2</sup>, discriminatory practices, or practices which prevent employees from lawfully exercising their rights of association and collective bargaining;
2. Production or trade of narcotics<sup>3</sup>;
3. Production or trade in weapons (including hunting weapons) and munitions<sup>4</sup>;
4. Gambling (including online gambling), casinos and equivalent enterprises<sup>5</sup>;
5. Issuance of cryptocurrencies or operation of cryptocurrency exchange platforms;
6. Prostitution and any business for which the primary business activity is related to pornography;
7. Reproduction clinics and other medical institutions engaged directly or indirectly in surrogacy<sup>6</sup> (e.g. through intermediation or other systematic facilitation) or other ethically questionable medical treatment, including genetic material modification and manipulation or mitochondrial replacement therapy<sup>7</sup> and practices commodifying human organs

**Activities detrimental to health, safety and the environment:**

8. Production or trade in or use of un-bonded asbestos fibres or asbestos-containing products<sup>8</sup>;
9. Production or trade in products containing polychlorinated biphenyls<sup>9</sup>;
10. Production or trade in pharmaceuticals, pesticides/herbicides and other hazardous substances subject to international phase-outs or bans<sup>10</sup>;
11. Production or trade in radioactive materials (including storage and treatment of radioactive wastes), business or activities relating to the nuclear industry or nuclear materials<sup>11</sup>;
12. Unsustainable fishing<sup>12</sup>;
13. Shipment of oil or other hazardous substances in tankers which do not comply with International Maritime Organization (IMO) requirements<sup>13</sup>;
14. Activities involving the release of genetically modified organisms into the natural environment without approval being given by competent authorities or where the relevant authority has declared itself as GMO free<sup>14</sup>;
15. Trade in wildlife or wildlife products regulated under CITES<sup>15</sup>;
16. Operation of hunting activities<sup>16</sup>;
17. Transboundary movements of waste prohibited under international law<sup>17</sup>;
18. Any type of hydropower plant with a production capacity higher than 15 MW and storage hydro-power plants with large dams<sup>18</sup>;
19. Production or trade in ozone-depleting substances subject to international phase-out<sup>19</sup>;
20. Unsustainable logging<sup>20</sup>;
21. Exploitation of diamond mines and commercialisation of diamonds, when the host country has not adhered to the Kimberley agreement (KPCS) or other similar international agreements on extractive resources;
22. Underground mining to extract metals, coal, oil shale and other minerals;
23. Charcoal making with methods other than the retort method (use of sealed metal containers)

**Activities having a negative impact on the community:**

24. The production or trade in any product or activity deemed illegal under host country (i.e. national) laws or regulations or international conventions and agreements, including, without limitation, legislation or conventions relating to the protection of biodiversity resources<sup>21</sup> or cultural heritage;
25. Activities within, adjacent to, or upstream of land occupied by indigenous peoples and/or vulnerable groups, including lands and watercourses used for subsistence activities such as livestock grazing, hunting or fishing;
26. Activities which may adversely affect sites of cultural or archaeological significance;
27. Activities involving involuntary resettlement;

### **Legal entities engaged in any of the following activities shall not be financed<sup>22</sup>:**

28. Major production of or trade in alcoholic beverages (excluding beer and wine)<sup>23</sup>;
29. Major production of or trade in tobacco<sup>24</sup>;
30. Activities within or adjacent to designated protected areas classified under IUCN Category I – IV<sup>25</sup>;
31. Producers of single-use plastic items or of plastic granulates used for the manufacture of products that are prohibited from placement on the market according to Directive (EU) 2019/904 of the European Parliament and of the Council

- 1) This means that such clients will not be permitted to use any of the bank's services, including bank accounts and other deposit-side services. If existing account holders are found to be engaged in the activities listed here, their accounts will be closed.
- 2) This includes any activity related to human trafficking. Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty. Harmful child labour means the employment of children that is economically exploitative, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development. For further guidance refer to: IFC (see IFC/MIGA Joint Policy Statement on Forced Labour and Harmful Child Labour); the ILO Declaration on Fundamental Principles and Rights at Work, and the principles enshrined in the following conventions: ILO conventions 29 and 105 (forced and bonded labour), 87 (freedom of association), 98 (right to collective bargaining), 100 and 111 (discrimination); 138 (minimum age); 182 (worst forms of child labour); Universal Declaration of Human Rights.
- 3) The term "narcotics" refers to all natural and synthetic narcotic drugs and psychotropic substances listed by the UN Single Convention on Narcotic Drugs (1961) as well as the Yellow List of the International Narcotics Control Board (INCB). Any activities related to the production and trade of these narcotic drugs are excluded, except for medical or scientific purposes in line with the provisions defined by the United Nations Single Convention on Narcotic Drugs (1961).
- 4) Security companies which buy small arms and their munitions for own use and without the purpose of reselling them, are excluded from this provision.
- 5) This provision excludes charity lotteries which exclusively invest their proceeds in charitable activities for the general benefit as well as those persons or entities which make less than 25% of their turnover by offering gambling.
- 6) Whereby a woman (the surrogate mother) agrees to bear a child for another person or persons who will become the child's parent(s) after birth. The ProCredit group subscribes to the German Civil Code, Section 1591, according to which the mother of a child is the woman who gave birth to it.
- 7) A special form of in vitro fertilisation in which some or all of the future baby's mitochondrial DNA comes from a third party and may include maternal spindle transfer (MST), pronuclear transfer (PNT) and polar body transfer (PBT).
- 8) This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is <20%.
- 9) Polychlorinated biphenyls: group of highly toxic chemicals likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.
- 10) A list of products that are subject to phase outs or bans is available from IFC or EBRD. Reference documents include EU Regulation (EEC) No. 2455/92 Concerning the Export and Import of Certain Dangerous Chemicals, as amended; UN Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; WHO Classification of Pesticides by Hazard.
- 11) This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any other equipment where the radioactive source is trivial and/or adequately shielded.
- 12) This relates to illegal, unreported or unregulated (IUU) fishing, fishing of depleted species and drift net fishing in the marine environment using nets in excess of 2.5 km in length.
- 13) This includes: tankers which do not have all required MARPOL SOLAS certificates (including, without limitation, ISM Code compliance), tankers black-listed by the European Union or banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU), and tankers due for phase-out under regulations 13G and 13H of Annex I of MARPOL. No single hull tanker over 25 years old should be used.
- 14) For EBRD countries of operation: activities involving the release of GMOs into the natural environment need to be referred to EBRD and benchmarked against the applicable performance requirements.
- 15) CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora. A list of CITES-listed species is available from IFC or EBRD. To find out which species are on the list, visit <http://www.cites.org> or access the CITES species database at <http://www.cites.org/eng/resources/species.html>
- 16) Clients engaged in ecologically sustainable hunting are exempted from this item.
- 17) Reference documents are: Regulation (EC) No. 1013/2006 of 14 June 2006 on shipments of waste; Decision C(2001)107/Final of the OECD Council concerning the revision of Decision C(92)39/Final on the control of transboundary movements of wastes destined for recovery operations; Basel Convention of 22 March 1989 on the control of transboundary movements of hazardous wastes and their disposal. For further information and a simplified guide to the Basel Convention visit <https://www.basel.int>
- 18) According to the International Commission on Large Dams (ICOLD), a dam with a height of 15 meters or more or with a reservoir volume more than 3 million m<sup>3</sup> is considered as large.
- 19) Ozone Depleting Substances (ODSs): chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicised 'ozone holes'. The Montreal Protocol lists ODSs and their target reduction and phase-out dates. A list of the chemical compounds regulated by the Montreal Protocol, which includes aerosols, refrigerants, foam-blowing agents, solvents, and fire-protection agents, together with details of signatory countries and phase-out target dates, is available from IFC or EBRD.
- 20) Unsustainable logging comprises commercial logging operations in primary forest, logging operations in any other forest type not in line with certified sustainable forest management or trade in wood other than from certified sustainably managed forests.
- 21) Relevant international biodiversity conventions include, without limitation: Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); World Heritage Convention; Convention on Biological Diversity.
- 22) Financed legal entities in this category will be permitted to hold accounts and conduct transactions, but are not eligible for any of the bank's credit facilities.
- 23) This does not apply to legal entities who are not substantially involved in these activities as well as legal entities with an exposure equal to or less than EUR 50,000. "Not substantially involved" means that the activity concerned is ancillary to the legal entity's primary operations.
- 24) Same as previous.
- 25) Whether or not an activity is to be defined as adjacent to a protected area classified under IUCN Category I – IV depends on various factors, such as the conservation purpose of the protected area and the type of activity. Adjacency, which is taken into consideration if an activity is located within a radius of up to 500 meters from the protected area, is therefore analysed on a case-by-case basis.  
Activities in official human settlements within or adjacent to protected areas classified under IUCN Category I – IV that do not have significant, adverse and irreversible impact on the environment and that improve the environmental and/or social conditions, as documented in an expert opinion thereon, may be exempt from exclusion. According to OECD definition, "human settlement" comprises: (a) physical components of shelter and infrastructure; and (b) services to which the physical elements provide support, i.e. community services such as education, health, culture, welfare, recreation and nutrition (source: OECD Glossary of Statistical terms).  
Activities within any other protected area as specifically mentioned have to be assessed case by case. Other protected areas can be classified under, for example, IUCN Category V & VI, UNESCO Natural World Heritage Sites, Ramsar Sites (Convention on Wetlands of International Importance), Emerald Sites (Bern Convention), Natura 2000, Key Biodiversity Areas.