

Exclusion List

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We will not invest in any of the following businesses (*Refer note below):

- Production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements subject to international phase outs or bans, such as:
 - Hazardous chemicals, polychlorinated biphenyls¹, pharmaceuticals², pesticides, herbicides and wastes³;
 - Ozone depleting substances⁴;
 - Wildlife or wildlife products regulated under the Convention on International;
 - Trade in Endangered Species of Wild Fauna and Flora⁵;
 - Unsustainable fishing methods⁶;
 - Transboundary trade in waste or waste products⁷;
- Production of or trade in arms (i.e., weapons, ammunitions or nuclear products, primarily designated for military purposes, including paramilitary material);
- Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest or old growth forests;
- Production or trade in wood or other forestry products other than from sustainably managed forests;
- Production or activities involving harmful or exploitative forms of forced labour⁸ and child labour⁹;
- Production of, use of, or trade in, unbounded asbestos fibres¹⁰;
- Production of or trade in alcoholic beverages (excluding beer and wine);
- Production of or trade in radioactive materials¹¹, including nuclear reactors and components thereof;
- Prostitution;

¹ A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

² A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

³ As specified in the 2004 Stockholm Convention on Persistent Organic Pollutants (“POPs”), see www.pops.int; the 2004 Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and list of pesticides and herbicides subject to phaseouts or bans, see www.pic.int; and the 1992 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, see www.basel.int; as may be amended from time to time

⁴ A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is specified in the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer, together with target reduction and phaseout dates see www.unep.org/ozone/montreal.shtml, as may be amended from time to time

⁵ As specified in the 1975 Convention on International Trade in Endangered Species or Wild Flora and Fauna (“CITES”), see www.cites.org, as may be amended from time to time

⁶ These will include: such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats; and blast fishing.

⁷ As defined by the Basel Convention; see <http://www.basel.int>

⁸ Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

⁹ Child labor means the employment of children whose age is below the host country’s statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 “Minimum Age Convention” (www.ilo.org).

¹⁰ This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

¹¹ This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment in which the radioactive source could reasonably be considered to be trivial or adequately shielded

- Any businesses, if any of the following activities represents a substantial portion of such business¹²:
 - Gambling, gaming casinos and equivalent enterprises;
 - Production of or trade in Tobacco or tobacco related products¹³; or
 - Pornography;
- Companies having an impact on natural World Heritage Sites¹⁴ unless it can be demonstrated through an environmental assessment that the company (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits;
- Companies having an impact on areas on the United Nations List of National Parks and Protected Areas¹⁵ unless it can be demonstrated through an environmental assessment that the company (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits;
- Companies having significantly high carbon emissions and no substantial efforts/ plan in place towards the reduction of the same in the future;

The above activities are listed considering CDC's excluded activities, IFC's project exclusion list and ADB's Prohibited Investment Activities List as identified in Appendix 5 of the Safeguards Policy Statement (2009).

***Note:** Businesses for the purpose of this exclusion list would only include business segments contributing to 5% or more of the total revenue of the company.

¹² For companies, "substantial" means more than 25 % of their consolidated balance sheets or earnings. For financial institutions, "substantial" means more than 10% of their underlying portfolio volumes.

¹³ Except, in the case of tobacco production only, with an appropriate timeframe for phase out

¹⁴ http://www.unep-wcmc.org/protected_areas/world_heritage/index.htm

¹⁵ http://www.unep-wcmc.org/protected_areas/UN_list/index.htm