

## **Exclusion List**

As a responsible corporate, the Company has prohibited investment in activities which hampers environmental or social factors. As per the SCNL's Exclusion List, which forms part of the SCNL's ESG policy (Section 4.1.3.) the Company will not finance the following projects:

- i. Production or activities involving harmful or exploitative forms of forced labor<sup>1</sup> or child labor<sup>2</sup>.
- ii. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phaseouts or bans such as (a) specific hazardous pharmaceuticals<sup>3</sup>, pesticides and herbicides<sup>4</sup>, (b) ozone-depleting substances<sup>5</sup>, (c) PCBs (polychlorinated biphenyls<sup>6</sup>) and other hazardous chemicals,<sup>7</sup> (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wildlife Fauna and Flora<sup>8</sup> (CITES) and (e) transboundary trade in waste or waste products<sup>9</sup>, unless compliant with the Basel Convention and the underlying regulations.
- iii. Production or trade in weapons and munitions, including paramilitary materials;
- iv. Production or trade in alcoholic beverages excluding beer and wine;<sup>10</sup>
- v. Production of or trade in tobacco<sup>10</sup>;
- vi. Gambling, casinos and equivalent enterprises;<sup>10</sup>

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<sup>1</sup> Forced labor means all work or services not voluntarily performed, that is extracted from individuals under threat of force or penalty as defined by ILO conventions.

<sup>2</sup> 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 Fundamental Human Rights Conventions (Minimum Age Convention No. 138, Art. 2) ([www.ilo.org](http://www.ilo.org)). In such cases the higher age shall apply.

<sup>3</sup> A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

<sup>4</sup> A list of pesticides and herbicides subject to phaseouts or bans is available at <http://www.pic.int>

<sup>5</sup> A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates. Information is available at <http://www.unep.org/ozone/montreal.shtml>.

<sup>6</sup> 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.

<sup>7</sup> A list of hazardous chemicals is available at <http://www.pic.int>.

<sup>8</sup> A list is available at <http://www.cites.org>.

<sup>9</sup> As defined by the Basel Convention; see <http://www.basel.int>.

<sup>10</sup> This does not apply to project sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a project sponsor's primary operations.



- vii. Production of or trade in radioactive materials,<sup>11</sup> including nuclear reactors and components thereof;
- viii. Production of, trade in, or use of unbounded asbestos fibers;<sup>12</sup>
- ix. Destruction of High Conservation Value areas<sup>12</sup>.
- x. Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests.
- xi. Unsustainable Marine and coastal fishing practices, 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.
- xii. Production or trade in wood or other forestry products from unmanaged forests.
- xiii. Production, trade, storage, or transport of hazardous chemicals, or usage of hazardous chemicals
- xiv. Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous People, without full documented consent of such people.
- xv. Activities that will trigger direct or indirect impacts on Indigenous Peoples' (IP's) dignity, human rights, livelihood systems, culture or impact the territories or natural or cultural resources that IP's own, use, occupy, or claim as an ancestral domain or asset.
- xvi. Activities that will entail physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
- xvii. Pornography and/or Prostitution.
- xviii. Racist and/or anti-democratic media
- xix. Coal prospection, exploration, mining or processing
- xx. Oil exploration or production
- xxi. Standalone fossil gas exploration and/or production<sup>13</sup>
- xxii. Transport and related infrastructure primarily<sup>14</sup> used for coal for power generation
- xxiii. Crude Oil Pipelines
- xxiv. Oil Refineries
- xxv. Construction of new or refurbishment of any existing coal-fired power plant (including dual)

<sup>11</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which SCNL considers the radioactive source to be trivial and adequately shielded.

<sup>12</sup> This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

<sup>12</sup> High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).

<sup>13</sup> Gas extraction from limnically active lakes is excepted from this exclusion.

<sup>14</sup> "Primarily" means more than 50% of the infrastructure's handled tonnage.



- xxvi. Construction of new or refurbishment of any existing HFO-only or diesel-only power plant producing energy for the public grid and leading to an increase of absolute CO2 emissions<sup>15</sup>
- xxvii. Any business with planned expansion of captive coal used for power and/or heat generation<sup>16</sup>



*see sig*

<sup>15</sup> I.e. where energy efficiency measures do not compensate any capacity or load factor increase.

<sup>16</sup> This does not apply to coal used to initiate chemical reactions (e.g. metallurgical coal mixed with iron ore to produce iron and steel) or as an ingredient mixed with other materials, given the lack of feasible and commercially viable alternatives.