

## ALTERFIN EXCLUSION LIST

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Alterfin will not finance any activity, production, use, distribution, business, or trade involving the below sectors and activities:

- Forced labour<sup>1</sup> or child labour<sup>2</sup>.
- Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
  - a) Ozone depleting substances, PCB's (Polychlorinated Biphenyls) and other specific, hazardous pharmaceuticals, pesticides/herbicides, or chemicals.
  - b) wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES);
  - c) Unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets more than 2.5 km in length).
- Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.
- Destruction<sup>3</sup> of High Conservation Value areas<sup>4</sup>.
- Radioactive materials<sup>5</sup> and unbounded asbestos fibres.
- Pornography and/or prostitution.
- Racist and/or anti-democratic media.
- If any of the following products form a substantial part of a project's primary financed business activities<sup>6</sup>:
  - a) Alcoholic Beverages (except beer and wine);
  - b) Tobacco;
  - c) Weapons and munitions; or
  - d) Gambling, casinos, and equivalent enterprises.

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

<sup>2</sup> Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.

<sup>3</sup> Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

<sup>4</sup> High Conservation Value (HCV) areas are defined as natural habitats where these values are of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).

<sup>5</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.

<sup>6</sup> For companies, "substantial" means more than 10% of their consolidated balance sheets or earnings. For financial institutions and investment funds, "substantial" means more than 10% of their underlying portfolio volumes.

- Coal prospection, exploration, mining or processing.
- Oil exploration or production.
- Standalone fossil gas exploration and/or production<sup>7</sup>.
- Transport and related infrastructure primarily<sup>8</sup> used for coal for power generation.
- Crude Oil Pipelines.
- Oil Refineries.
- Construction of new or refurbishment of any existing coal-fired power plant (including dual).
- Construction of new or refurbishment of any existing HFO-only or diesel-only power plant<sup>9</sup>. producing energy for the public grid and leading to an increase of absolute CO2 emissions<sup>10</sup>.
- Any business with planned expansion of captive coal used for power and/or heat generation<sup>11</sup>.

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<sup>7</sup> Gas extraction from limnically active lakes is excepted from this exclusion.

<sup>8</sup> “Primarily” means more than 50% of the infrastructure’s handled tonnage.

<sup>9</sup> For indirect equity through investment funds, investments (up to a maximum of 20% of the fund) in new or existing HFO-only or diesel-only power plants are allowed in countries that face challenges in terms of access to energy and under the condition that there is no economically and technically viable gas or renewable energy alternative.

<sup>10</sup> i.e. where energy efficiency measures do not compensate any capacity or load factor increase.

<sup>11</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.