SCBF Exclusion List & Critical Sectors

Exclusion List
SCBF does not enter into partnerships with a commercial organisation (or its subsidiaries[1]) that is engaged directly in, or with a grant-making foundation associated with, one of the following excluded practices (a) or sectors (b).

a) Excluded practices: if the organisation is involved in any of the following illegal, banned, or harmful activities:

- Money laundering;
- Terrorism, terrorist related activity, or terrorist financing;
- Infringement of human rights;
- Human trafficking;
- Modern slavery, forced labour[2] or child labour[3];
- Prostitution or pornography[4];
- Corruption;
- Racist and/or anti-democratic media
- 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 bans, such as certain pharmaceuticals, certain pesticides/herbicides, ozone-depleting substances, polychlorinated biphenyls (PCBs), wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)[5];
- Destruction of high-value conservation areas;
- Production or trade in wood or other forestry products from unmanaged forests;
- Illegal and/or uncontrolled use of fire for forest clearance;
- Involvement in activities with adverse impacts on UNESCO World Heritage Sites;
- Production or trade in radioactive materials (this does not apply to the purchase of medical equipment or quality control and measurement equipment and any equipment in which the radioactive source is trivial and/or adequately shielded);
- Cross-border trade in hazardous waste and waste products, unless compliant with the Basel Convention and the underlying regulation[6];
- Production or trade in unbounded asbestos fibers (this does not apply to the purchase and use of bound asbestos cement sheeting where the asbestos content is less than 20%);
- Drift net fishing in the marine environment using nets in excess of 2.5km in length.

b) Excluded sectors: if any of the following products form a substantial part of an organisation's business activities (production or trade)[7]:

- Armaments, weapons, munitions, war materials, their components, or private military services;
- Alcohol related businesses (except beer and wine)[8];
- Gambling, casinos and equivalent enterprises (except public lottery companies);
- Fossil fuel production and its associated activities[9]
- Tobacco related businesses[10];.

Critical Sectors

A partnership with a private sector actor engaged in a critical sector (see list below) is only possible if: 1) the potential private sector partner adheres to relevant sustainability-related sectoral policies and principles and/or actively engages in initiatives fostering sector-specific sustainability stewardship practices; and 2) the engagement directly or indirectly addresses key negative impacts of the potential private sector partner.

- Commodity trading, particularly cotton, precious metal (e.g., gold) and gemstones (e.g., diamonds)
- Mining and mineral resources, including gemstones, critical and precious ferrous and non-ferrous metals (e.g., cobalt, rare-earth metals)
- Timber, pulp and paper, soy, palm oil
- Garments and accessories
- Animal testing
- Dams
- Fish and seafood
- Power generation
- Agrochemical products (e.g., synthetic pesticides, GMO)

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[1] If the share / participation of the private sector partner is ≥ 10%.
[2] 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.
[3] 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 attendances or the minimum age for working. In such cases the higher age shall apply.
[4] ICRC Guidelines for Screening Private Donors and Partners
[5] CITES listed species
[6] Basel Convention on the Control of Transboundary Movements of Hazardous Waste
[7] Definition: for companies, 'substantial' means more than 10% of their consolidated sales revenues. For financial institutions (banks, insurers, asset managers, investment funds), 'substantial' means more than 10% of their underlying portfolio.
[8] SIFEM Exclusion list
[9] As defined in the harmonized EDFI Fossil Fuel Exclusion List.
[10] UNDP Exclusionary Criteria