

Environmental Exclusion and Referral List

- 1) The PB shall not finance the production of or trade in any product or activity deemed illegal under host country (i.e. national) laws or regulations, or international conventions and agreements.
- 2) Without limiting the generality of the above, the PB shall not finance the following activities:
 - a) Activities involving harmful or exploitative forms of forced labour/harmful child labour, discriminatory practices, or practices, which prevent employees from lawfully exercising their rights of association and collective bargaining.¹
 - b) Production or trade in or use of unbonded asbestos fibers or asbestos-containing products²
 - c) Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage³
 - d) Production or trade in products containing PCBs⁴
 - e) Production or trade in pharmaceuticals, pesticides/herbicides and other hazardous substances subject to international phase-outs or bans⁵
 - f) Production or trade in ozone depleting substances subject to international phase out⁶
 - g) Trade in wildlife or wildlife products regulated under CITES⁷
 - h) Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
 - i) Shipment of oil or other hazardous substances in tankers which do not comply with IMO requirements⁸

¹ Reference documents are 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.

² This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is <20%.

³ Relevant international 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.

⁴ PCBs: Polychlorinated biphenyls—a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.

⁵ Reference documents are 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.

⁶ 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 the EBRD.

⁷ CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora. A list of CITES listed species is available from the EBRD.

⁸ This includes: tankers which do not have all required MARPOL SOLAS certificates (including, without limitation, ISM Code compliance), tankers blacklisted 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 MARPOL regulation 13G. No single hull tanker over 25 years old should be used.

- 3) The PB shall not finance the following activities without the prior written approval of the EBRD:
- a) Production or trade of radioactive materials including storage and treatment of radioactive wastes⁹
 - b) Hazardous waste storage, treatment or disposal
 - c) Energy generation using nuclear fuels
 - d) Trans-boundary trade in waste or waste products
 - e) Release of genetically modified organisms into the natural environment, and trade in GMOs.
 - f) Construction or major extension of large dams and reservoirs
 - g) Mining and oil and gas production and processing
 - h) Steel production using open hearth furnaces
 - i) Aluminium production using Söderberg electrolysis
 - j) Activities within, adjacent to, or upstream of land occupied by indigenous peoples' such as lands used for subsistence activities such as livestock grazing or hunting
 - k) Activities within, adjacent to, or upstream of designated protected areas under national law or international conventions, sites of scientific interest, habitats of rare/endorsed species, and primary/old growth forests of ecological significance¹⁰
 - l) Activities which may affect adversely sites of cultural or archaeological significance

⁹ This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where, in the opinion of EBRD, the radioactive source is trivial and/or adequately shielded.

¹⁰ Principal reference documents are the IUCN Guidelines on Protected Areas