

SIFEM's Exclusion List for Investments

According to The European Development Finance Institution (EDFI) "Principles for Responsible Financing", EDFI members have mutually agreed on the following Harmonized EDFI Exclusion List in order to facilitate co-investments among them.

Version 2.0

Exclusion List¹

SIFEM does not finance any of the following businesses or activities:

- Forced labor² or child labor³
- 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:
 - ozone depleting substances, PCB's (Polychlorinated Biphenyls) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
 - wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
 - Unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length).
- Destruction⁴ of High Conservation Value areas⁵
- Radioactive materials⁶ and unbounded asbestos fibers.
- Pornography and/or prostitution
- Racist and/or anti-democratic media
- In the event that any of the following products form a substantial part of a project's primary financed business activities⁷:
 - a) Alcoholic Beverages (except beer and wine);
 - b) Tobacco;
 - c) Weapons and munitions⁸; or
 - d) Gambling, casinos and equivalent enterprises.

¹ This Exclusion List was inspired by and is fully consistent with the common Exclusion List of the EDFIs. The Exclusion List is also consistent with the Exclusion Lists of other IFI/DFIs. For the purpose of efficiency, when co-investing with others, Obviam will accept to use other institutions' exclusion lists, if it is deemed there are no material differences.

² Forced labor 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 attendance or the minimum age for working. In such cases the higher age shall apply.

⁴ 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.

⁵ 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>).

⁶ 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.

⁷ 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.

⁸ For direct loans and equity participations, SIFEM does not permit any such business activities. For indirect equity participations (i.e. investments in companies through funds), SIFEM will opt out from investments with such business activities.