

## Exclusion List

- A. Any activity which involves harmful or exploitative forms of forced labour<sup>[1]</sup> or child<sup>[2]</sup>;
- B. Production or trade in any product or activity deemed illegal under the laws or regulations of the Azerbaijan Republic or international conventions and agreements, or subject to international phase outs or bans such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs, other hazardous chemical<sup>[3]</sup> wildlife or wildlife products regulated under CITES;
- C. Production of or trade in weapons, munitions and military equipment including paramilitary materials;
- D. Gambling, casinos and equivalent activities;
- E. Any of the following activities unless the borrower is not substantially involved in these activities (“not substantially involved” means that the activity concerned is ancillary to a borrower’s primary operations:
  - i. Production of or trade in tobacco;
  - ii. Production of or trade in alcoholic beverages (other than beer and wine);
  - iii. Speculation in currencies or real estate;
  - iv. Investments in securities of any kind.
- F. Any of the following activities:
  - i. Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
  - ii. Production of or trade in radioactive materials, including nuclear reactors and component of (other than the purchase of medical equipment, quality control or measurement equipment and any equipment where radioactive source is trivial and/or adequately shielded).
  - iii. Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals, in case such portfolio will exceed 2% of the Bank's total credit portfolio. Hazardous chemicals include gasoline, kerosene, and other petroleum products.
  - iv. Production of or trade in or use of unbonded asbestos fibers (other than bonded asbestos cement sheeting where the asbestos content is less than twenty percent (20%)).
  - v. Production of or trade in products containing polychlorinated biphenyl (PCBs), likely to be found in the products such as oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.
  - vi. Production of or trade in pharmaceuticals<sup>[4]</sup> subject to international phase-outs or bans.
  - vii. Production of or trade in pesticides/herbicides<sup>[5]</sup> subject to international phase-out or bans.
  - viii. Production of or trade in ozone-depleting chemical compounds<sup>[6]</sup> (so-called Ozone Depleting Substances or ODSs) subject to international phase-out, such as aerosols, refrigerants, foam blowing agents, solvents and fire protection agents regulated under the Montreal Protocol.

- ix. 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.
- x. Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.
- xi. Production of or trade in pornography, or the provision of products or services of a substantially similar nature.
- xii. Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest or old growth forest.
- xiii. Production or trade in wood or other forestry products other than from sustainably managed forests.
- xiv. Cross-border trade in waste and waste products as defined by the Basel Convention and the underlying regulations.
- xv. Racist and/or anti-democratic media.
- xvi. Animal Testing[7].
- xvii. Genetically Modified Organisms (GMO)[8].
- xviii. Projects with a “political or religious content”.
- xix. Investments which could be associated with the destruction[9] or significant impairment of areas particularly worthy of protection (without adequate compensation in accordance with international standards).
- xx. Prospection, exploration and mining of coal; land-based means of transport and related infrastructure essentially used for coal; power plants, heating stations and cogeneration facilities essentially fired with coal, as well as associated stub lines.
- xxi. Non-conventional prospection, exploration and extraction of oil from bituminous shale, tar sands or oil sands.
- xxii. Construction of dams that significantly and irreversibly: (a) disrupt natural ecosystems upstream or downstream of the dam; or (b) alter natural hydrology; or (c) inundate large land areas; or (d) impact biodiversity; or (e) displace large numbers of inhabitants (5,000 persons or more); or (f) impact local inhabitants’ ability to earn a livelihood.
- xxiii. Companies found by a court or administrative body of competent jurisdiction engaging in unlawful monopolistic practices.
- xxiv. Companies which are treated as inverted corporations under 6 U.S.C. 395(b).
- xxv. Any impact on natural World Heritage Sites <https://whc.unesco.org/en/list/> unless it can be demonstrated through an environmental assessment that the project (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits.
- xxvi. Any impact on areas on the United Nations List of National Parks and Protected Areas <https://www.protectedplanet.net/> unless it can be demonstrated through an environmental assessment that the project (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits.
- xxvii. Extraction or infrastructure in or impacting: protected area Categories I, II, III, and IV (Strict Nature Reserve/Wilderness Areas and National Parks, Natural Monuments and Habitat/ Species Management Areas), as defined by the International Union for the Conservation of Nature (IUCN). Projects in IUCN



Categories V (Protected Landscape/Seascape) and VI (Managed Resource Protected Area) must be consistent with IUCN management objectives <https://www.protectedplanet.net/> unless it can be demonstrated through an environmental assessment (i) there is no degradation of the protected area and (ii) there are positive environmental and social benefits.

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[1] ILO - Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty

[https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C182](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182)

[2] Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

[https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100\\_INSTRUMENT\\_ID:312528:NO](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312528:NO)

[3] A list of hazardous chemicals is available at <http://www.pic.int>.

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

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

[6] 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>.

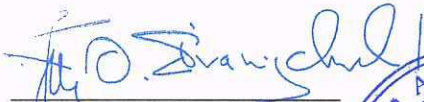
[7] National Law - [http://e-qanun.az/alpidata/framework/data/3/c\\_f\\_3850.htm](http://e-qanun.az/alpidata/framework/data/3/c_f_3850.htm)

[8] National Law - <http://www.e-qanun.az/framework/23056> - Article 21

[9] "Destruction" means (i) the destruction or severe deterioration of the integrity of an area caused by a major and prolonged change in the use of land or water, or (ii) the alteration of a habitat which leads to the inability of the affected area to perform its function.

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Supervisory Board:



Oleg Ivaniychuk  
Chairman of the Supervisory Board

