Environmental and Social Exclusion List

BSTDB will not knowingly finance any operations that directly or indirectly involve production, use, distribution, business or trade of the following:

1. Forced labor\(^1\) or child labor\(^2\);

2. Activities deemed illegal under the host country laws and regulations, or international conventions and agreements, or subject to international phase out or bans, including but not limited to:
   a) PCBs\(^3\);
   b) Pharmaceuticals, pesticides, herbicides and other hazardous chemicals\(^4\);
   c) Ozone-depleting substances\(^5\);
   d) Trans-boundary movement of wastes\(^6\);
   e) Unbounded asbestos fibers or asbestos-containing products\(^7\);
   f) Wildlife or wildlife products regulated under CITES\(^8\);
   g) Biodiversity resources or cultural heritage\(^9\);

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1 Forced labor means all work or service, not voluntarily performed, that is exacted from an individual under threat of force or penalty. Reference documents: ILO conventions 29 and 105.

2 Persons may only be employed if they are at least 14 years old, unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply. Reference documents: ILO conventions 138 and 182.

3 PCBs: Polychlorinated biphenyls are a group of highly toxic chemicals likely to be found in oil-filled electrical transformers, capacitors and switchgear produced in the period of 1950-85.

4 Reference documents: Regulation (EC) No 689/2008 Concerning the Export and Import of Dangerous Chemicals, as amended; UN Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior and Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in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.

5 Chemical compounds that react with and deplete the stratospheric ozone and which are regulated under the Montreal Protocol.


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


9 Reference documents: 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.
h) Driftnet 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 requirements\(^{10}\);

3. Radioactive materials, including radioactive wastes\(^{11}\);

4. Weapons, ammunition, military goods or goods that may be directly used for military purposes;

5. In the event that any of the following form a substantial part of the operation’s primary financed activities\(^{12}\):
   a) Alcoholic beverages (content in excess of 20%);
   b) Tobacco;
   c) Casinos and other gambling facilities, including equipment.

6. Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit;

7. Transactions which contravene any applicable laws or international conventions in all relevant jurisdictions, or United Nations economic sanctions.

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\(^{10}\) This includes: tankers which do not have all the 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.

\(^{11}\) This does not apply to medical equipment, quality control equipment and any other equipment where the radioactive source is trivial and adequately shielded.

\(^{12}\) For companies, “substantial” means more than 10% of their consolidated balance sheets or earnings. For financial intermediaries, including investment funds “substantial” means more than 10% or their underlying portfolio volumes.