

Sustainable Finance Framework



2025

1. INTRODUCTION

1.1 About Hatton National Bank PLC

Hatton National Bank PLC (HNB) is one of Sri Lanka's most prominent private sector banks, with a legacy spanning over 136 years. Originally established to serve the financial needs of tea planters in the Hatton region, HNB has evolved into a full-service commercial bank with a strong national presence.

We are a Licensed Commercial Bank registered under the Banking Act No 30 of 1988 (and amendments thereto) and was incorporated as a public limited company in Sri Lanka on 5th March 1970 under the Companies Ordinance No 51 of 1938 and was re-registered under the Companies Act No 7 of 2007 on 27th September 2007 under the re-registration number PQ 82.

The Bank's ordinary shares (both voting and non-voting) and unsecured subordinated/senior redeemable debentures are listed on the Colombo Stock Exchange. Fitch Ratings Lanka Ltd has assigned the Bank a National Long-Term Rating of AA-(lka) in October 2025.

HNB is a diversified bank with several subsidiaries spanning investment banking, real estate, finance and insurance sectors.



Figure 1 - Group structure as at 31.12.2024

With 254 branches and over 800 self-service machines, HNB serves more than 2.7 million individuals, 244,000 SMEs and micro-entrepreneurs, and over 3,300 corporates.

Connecting Sri Lankans



Figure 2 - Geographical reach

Recognized as a Domestic Systemically Important Bank (D-SIB), HNB plays a critical role in maintaining the stability of Sri Lanka's financial system. The bank is known for its robust digital transformation, pioneering innovations in mobile and internet banking, and commitment to sustainability and inclusive growth. HNB's strategic focus includes business growth, customer experience, technology enablement, people development, and environmental stewardship.



Figure 3 - Banking services offered

HNB has consistently been at the forefront of banking innovation through its pioneering endeavours to redefine the customer by leveraging cutting-edge solutions to enhance financial accessibility for all Sri Lankans. From introducing ATMs and mainstream internet banking to ground-breaking mobile banking apps, transaction banking solutions and cutting-edge digital payment platforms, HNB has embraced technology to stay ahead of the curve.

The bank continues to lead in green financing, SME empowerment, and digital banking, reinforcing its position as a trusted financial partner and a catalyst for national development.

1.2 HNB's Sustainability Policy

The Sustainability (ESG) Policy has been adopted by the Board of Directors to serve as a framework to be followed by the Bank in ensuring that the corporate culture within the Bank is built around ESG in its business operations, decision-making processes and all its activities. This Policy aims to ensure that all our activities and operations are environmentally and socially responsible and compatible with the applicable regulatory environmental and social standards and the country regulations.

The Policy provides information of the Bank's ESG processes and procedures which focus on the non-financial performance indicators that address its approach towards responsible investment, sustainability, its impact on the larger society and the environment and other ethical governance considerations. The Environmental and Social Policy and the E&S Manual, shall supplement the provisions contained in this Policy in relation to environmental, social and governance factors.

1.3 HNB's Sustainability Strategy

Beyond banking, HNB has upheld a strong commitment to sustainability and Corporate Social Responsibility (CSR). The Bank has championed financial inclusion, sustainable financing, and green initiatives, reinforcing its role as a responsible corporate citizen. HNB's holistic commitment to sustainability involves driving sustainable progress through ethical business practices, green financing, and impactful community initiatives that reduce inequalities and promote a thriving, resource-efficient economy.

HNB demonstrates its commitment to economic empowerment through structured entrepreneur development initiatives such as the HNB Gami Pubuduwa Micro Finance Loan scheme that provides aspiring entrepreneurs with the necessary financial support and guidance to grow their businesses, in turn achieving financial independence and making sustained contributions to their regional economies. Furthermore, we have introduced an attractive scheme for freelance digital entrepreneurs, designed to support this thriving segment, which currently has limited access to financial assistance. This initiative will serve as a pillar of strength for them.

Beyond social and economic development, our commitment to sustainability extends to environmental conservation as well. We prioritise sustainable lending for green industries and renewable energy projects. Additionally, we continue to implement environmentally responsible business practices aimed at reducing resource consumption and minimising our carbon footprint. We also undertake impactful environmental projects that present long-term benefits.

The bank's sustainability strategy is based on 4 main pillars: Sustainable Financing, Environmental Responsibility, Managing Social impacts and Robust Governance.

- **Sustainable Financing:** Supporting the UN Sustainable Development Goals by extending lending to relevant areas as stated in the Sri Lanka Green Finance Taxonomy (May 2022) published by the Central Bank of Sri Lanka. The activities include introducing climate resilient technologies to customers, promoting financial inclusion through microfinancing, agency banking and partnerships and launching new products. Avoiding and minimizing negative impacts of lending through the Bank's ESMS is also a key function under this pillar.
- **Environmental Responsibility:** This pillar focuses on being carbon neutral through own means by 2030, reducing GHG emissions through driving renewable energy, energy efficiency, paperless culture, waste management initiatives and supporting customers in decarbonization efforts.
- **Managing Social impacts:** Employee engagement, health and wellbeing, improving supplier standards through conducting supplier assessments against environmental and social criteria, conducting financial literacy and capacity building programmes for needy customers and impacting the community through CSR programmes are the key focus areas under this pillar.

- **Robust Governance:** This pillar encourages driving the right corporate ethics and behaviour through policies and processes, setting realistic KPIs and monitor progress under the governance structure setup, ensuring regulatory compliance to all relevant requirements (e.g.: SLFRS S1 & S2) and maintaining consistency and transparency in reporting to internal and external stakeholders.

1.4 Sustainability Governance Structure

The overall responsibility of ESG integration lies with the Board of Directors and the authority of the board is delegated as follows:

- The Board Strategy and Investment Review Committee oversees the sustainability strategy of the Bank and monitor the progress of the same.
- The Board Integrated Risk Management Committee oversees the Risks and management of such risks.
- The Board HR and Remuneration Committee oversees talent acquisition, retention and remuneration
- Procurement & Assets Disposal Committee will oversee sustainable procurement practices.
- Board Nominations and Governance Committee is responsible for establishing clear guidelines regarding required qualifications, experience and key attributes necessary for the respective roles, to ensure the right individuals are selected.
- The Board Credit Committee is responsible for the lending activities including Green Finance.

Sustainability initiatives at HNB are headed by the Sustainability Management Committee (SMC), the highest-level Committee at management level on matters related to Sustainability. The SMC guides, implements and monitors sustainability related initiatives of the Bank. The Committee is delegated with authority from the Board and the Board Strategy and Investment Review Committee to implement the Bank's sustainability strategy. Members of the Committee are appointed ex officio and consists of the MD / CEO (Chairman of the committee) and COO, Board Secretary and heads of core functional areas; Strategy, Human Resources, Finance, Credit, Services, Microfinance and Sustainability.

Sustainability Governance Framework

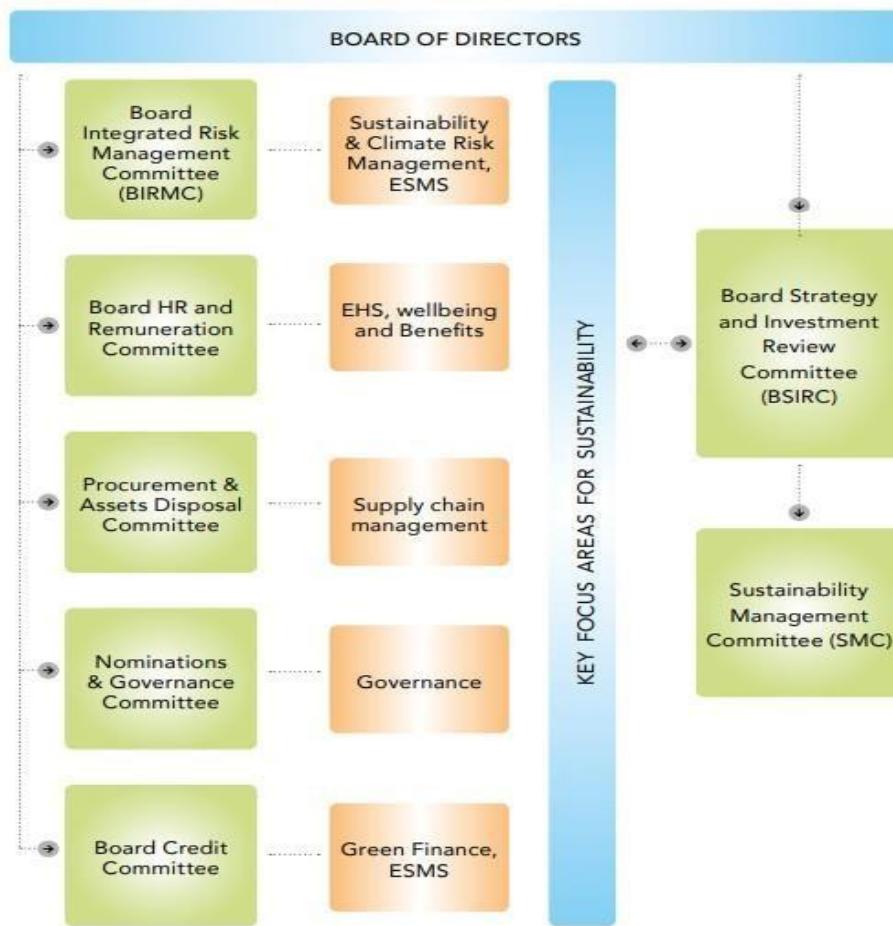


Figure 4 - Sustainability Governance Structure

1.5 Environmental & Social Management System (ESMS)

Hatton National Bank PLC (HNB) has implemented a robust Environmental & Social Management System (ESMS) to ensure that its lending practices align with globally recognized sustainability standards. The ESMS is anchored in the IFC Performance Standards (i.e., set of guidelines defining the responsibilities of clients to manage their environmental and social risks for investments by IFC) and the Sri Lankan Sustainable Banking Principles. The ESMS is designed to identify, assess, and manage environmental and social risks associated with high-impact projects. The process includes categorizing projects based on risks and impacts, conducting gap analyses against IFC Performance standards / national law¹ and regulations (as applicable), and enforcing compliance through tailored action plans and loan conditions. All credit proposals above Rs. 15 million are screened through this system, with high-risk projects undergoing detailed due diligence by the ESMS Unit. Medium risk projects are evaluated by the respective relationship managers and the documents are sent for approval to the ESMS Unit. For Low risk projects and the exposures below LKR 15 Mn, the relationship managers are responsible to ensure

¹ National Environmental Act No. 47 of 1980 (and its amendments), Fauna and Flora Protection Ordinance (Amendment) Act No. 22 of 2009, Forest Ordinance (Amendment) Act No. 65 of 2009, Coast Conservation Act No. 57 of 1981 (and Amendment Act No. 49 of 2011), Marine Pollution Prevention Act No. 35 of 2008, Mines and Minerals Act No. 33 of 1992, Soil Conservation Act No. 25 of 1951, Urban Development Authority Law No. 41 of 1978, Water Resources Board Act No. 29 of 1964, Factories Ordinance No. 45 of 1942, Shop and Office Employees Act No. 19 of 1954, Employment of Women, Young Persons, and Children Act No. 47 of 1956, Industrial Disputes Act No. 43 of 1950, Wages Boards Ordinance No. 27 of 1941

that the country regulations are followed, however, no ESMS documentation process involved for such projects.

The ESMS also incorporates an exclusion list to prevent financing of activities with significant adverse environmental or social impacts. The exclusion list is applicable to all facilities irrespective of the loan amount.

Through the sustainability governance structure and ESMS, HNB integrates climate-related criteria into its credit appraisal process, supports green financing, and promotes sustainable development across its portfolio.

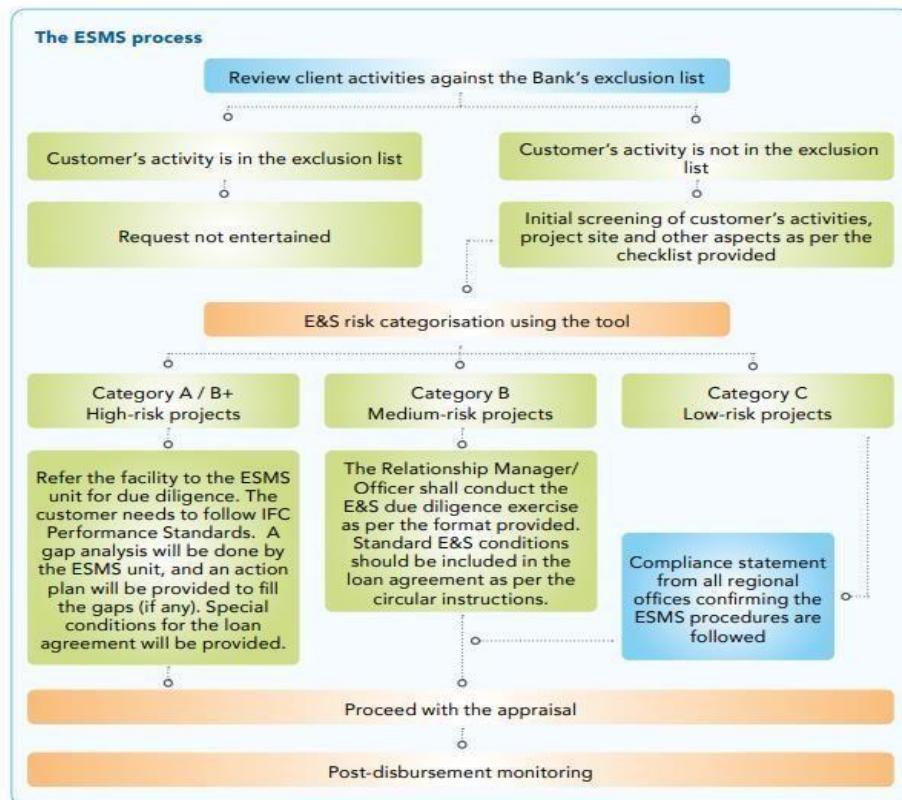


Figure 5 - ESMS Process

2. SUSTAINABLE FINANCE FRAMEWORK

The HNB Sustainable Finance Framework serves as a comprehensive guideline for the issuance of Green, Social and Sustainable Bonds. Other Sustainable Financing Instruments, including deposit products and loans intended to finance initiatives that contribute to environmental and social benefits, may also be granted under this Framework.

This Sustainable Finance Framework has been prepared in alignment with the following standards and principles:

1. Sri Lanka Green Finance Taxonomy (May 2022) published by the Central Bank of Sri Lanka where applicable
2. Green Bond Principles (June 2025), Social Bond Principles (June 2025) and Sustainability Bond Guidelines (June 2021) published by the International Capital Market Association (ICMA)

HNB's Sustainable Finance Framework covers the following key areas:

1. Use of Proceeds

2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External review

2.1 Use of Proceeds

Proceeds from HNB's Sustainable Bonds will be exclusively allocated to finance or refinance, in whole or in part the eligible Green/Social projects that align with the criteria outlined here in.

The Bank intends to promote Green projects (those with positive environmental impacts, such as renewable energy, clean transportation, green buildings etc.), Social projects (designed to achieve positive social outcomes for specific target populations) and Sustainability projects (combining both green and social elements), with the overall objective of creating positive impacts on the environment and the society.

Eligible projects will fall under the following categories:

Green Project Categories

Sustainable objectives	Activities	Alignment with Sri Lanka Green Finance Taxonomy	UN SDG linkage
Climate change mitigation	Renewable Energy: Development and installation of solar photovoltaic and solar thermal systems, wind energy, rooftop solar systems, biomass energy projects, natural gas-fired power plants and hydropower projects (including pump storage projects).	M4.1, 4.2, 4.3, 4.5, 4.6, 4.8, 4.9	
Climate change mitigation	Energy Efficiency: Projects that achieve energy savings, such as building retrofits, efficient lighting, and smart grid technologies including manufacturing of energy efficient machinery / equipment, green lighting upgrades [energy-saving technology upgrading of high-efficient lighting products]	M2.4, M6.1, M6.8 M3.15, M3.16	
Climate change mitigation	Green Buildings: Construction or renovation of buildings certified under recognized green building standards. e.g., EDGE (Excellence in Design for Greater Efficiencies), LEED (Leadership in Energy and Environmental Design), Green SL (Green Building certification by Green Building Council of Sri Lanka)	M6.1, M6.2, M6.3, E4.1	

Natural Resource Conservation, Pollution Prevention and Control	Sustainable Water and Wastewater Management: Infrastructure for water conservation, wastewater treatment, water efficient technologies in agriculture	M5.1 E3.1, E3.4	 
Pollution Prevention and Control	Waste management and Resource efficiency – Waste prevention, waste reduction and waste recycling projects	M5.2 - 5.6	
Climate change mitigation	Clean Transportation: Electric vehicles, Electric vehicle infrastructure and low-emission public transport (e.g. Metro rail systems, Electric bus fleet management).	M3.12, M6.4, 6.5, 6.7, M7.1 - 7.5	
Climate change mitigation and adaptation	Environmentally sustainable management of living natural resources and land use: Climate-smart Agriculture Projects such as crop diversification & precision farming, biological crop protection, drip-irrigation, rainwater harvesting, agro forestry, adoption of Sri Lanka Good Agricultural Practices (SL-GAP) certification etc.	M2.1 - 2.5, A1.1 - 1.6, E1.1 - 1.9	
Pollution prevention and control	Circular economy adapted products, production technologies and processes and/or certified eco-efficient products E.g. Sustainability / Organic certified coconut, rubber and dairy products	E2.1, E2.2, E2.3, E2.4, E2.5, E2.6, E2.7	

Social Project Categories

Sustainable objectives	Activities	UN SDG linkage
Affordable Housing	Financing or refinancing the development of housing for low- and middle-income populations.	
Access to Essential Services	Financing or refinancing for healthcare and education in poverty provinces	
Socio-economic advancement and empowerment	Financing or refinancing micro, small and medium enterprises, especially those led by women or operating in underserved regions.	

Table 1 - Eligible projects

The target populations for social projects under HNB's Sustainable Finance Framework are MSMEs that meet the definition stated in the Monetary Law Act Order No. 1 of 2021 | [Priority Sector Lending Targets for Licensed Commercial Banks and Licensed Specialised Banks to the Micro, Small and Medium Scale Enterprises Sector](#) of the Central Bank of Sri Lanka². Target populations include but not strictly limited to the following:

1. Underserved, owing to a lack of quality access to essential goods and services, especially in education, healthcare, and housing.
2. Aging populations and vulnerable youth
3. Unemployed
4. Other vulnerable groups, including those vulnerable due to natural disasters.

Exclusionary Criteria

HNB commits to not allocating the net proceeds of sustainable bonds to finance activities defined in the bank's exclusion list. The exclusion list is attached as Annexure 1.

2.2 Project Evaluation and Selection

HNB will establish a clear and transparent process for evaluating and selecting projects eligible for financing and refinancing under its Sustainable Finance Framework. This process will ensure that all selected projects align with the criteria set out in the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable and are consistent with the relevant standards and principles set forth in Section 2.1.

A team that includes sustainability and credit experts, will screen and assess the facilities granted to select the eligible projects to finance using the proceeds. Each project will be assessed based on its environmental and/or social benefits, financial feasibility, alignment with priority sectors defined in the CBSL Direction No. 05 of 2022 - Sustainable Finance Activities of Licensed Banks and international sustainability goals.

The evaluation process will include:

- (a) Screening new projects against the eligibility criteria / Identification of facilities for refinancing under the Sustainable Finance Framework
- (b) Assessing potential environmental and social impacts against the criteria defined for each eligible project category
- (c) Project Tagging and Disbursement

(a) Screening new projects against the eligibility criteria - The Chief Credit Officers as part of the credit approval process will carry out the initial screening and refer the projects to the Sustainability Department for detailed eligibility assessment.

Identification of facilities for refinancing - The Sustainability Department is responsible for identifying eligible projects for refinancing with the support of the Project Finance, SME and Microfinance Departments.

(b) Assessing potential environmental and social impacts against the criteria defined for each project category - Potential environmental and social impacts of the identified projects will be assessed against the criteria defined for each eligible project category in the Sustainable Finance Framework by the Sustainability Department, to determine the impacts to be monitored.

² Enterprises with an annual turnover not exceeding Rs. 1,000 mn will be considered as MSMEs for the purpose of this Order in line with the definition of SME provided in Banking Act Directions No. 07 of 2020 on Amendments to the Banking Act Directions No. 01 of 2016 on Capital Requirements under Basel III for Licensed Commercial Banks and Licensed Specialised Banks.

(c) Project Tagging and Disbursement - Once a project is identified as an eligible project under the Sustainable Finance Framework and approved by the relevant delegated credit approval authority of the Bank, the Sustainability Department will inform the same to the Credit Administration Department to proceed with disbursement and tagging.

HNB will conduct post-disbursement monitoring of financed projects to ensure continued compliance with the eligibility criteria and to track the environmental and/or social impacts as defined under the Sustainable Finance Framework.

Projects may include new investments or refinancing of existing assets, provided that the projects meet the eligibility criteria and fall within the defined look-back period of 24 months. Refinanced facilities shall not exceed 50% of the total allocations at a given time.

All projects to be financed under this Framework will undergo an ESMS evaluation, irrespective of the general ESMS thresholds defined by the Bank.

2.3 Management of Proceeds

The net proceeds from HNB's Sustainable Bonds will be deposited into a dedicated account or sub-portfolio within the bank's treasury system and tracked using an internal register. This register will record the allocation of proceeds to eligible projects and ensure transparency and accountability.

Unallocated proceeds will be temporarily held in cash or short-term liquid instruments that are consistent with HNB's liquidity management policies and will not be invested in excluded categories as defined in this framework (*refer to Annexure 1 - Excluded Activities*). These instruments may include government securities, money market funds, or other low-risk investments.

HNB will aim to allocate the full amount of proceeds within 24 months of issuance. If a project becomes ineligible or is cancelled, the proceeds will be reallocated to other eligible projects as soon as practicable in line with the project evaluation process defined above.

The bank will ensure that proceeds are not used to finance projects or activities that are on the Bank's exclusion list.

2.4 Reporting

HNB is committed to providing transparent and regular reporting on the use of proceeds and the environmental and social impacts of financed projects.

- **Internal Reporting**

The Sustainability Department will prepare and report the following to the Sustainability Management Committee of the Bank on a quarterly basis:

- **Allocation Report:** Funds raised, list of projects to which the proceeds have been allocated, allocation amounts, proportion of new and refinanced projects, remaining unallocated proceeds
- **Impact Report:** Environmental and Social Impacts using qualitative and quantitative metrics as outlined in the Sustainable Finance Framework at an aggregate level

- **External Reporting**

HNB will publish the following:

- **Allocation Report:** At an aggregate level every quarter along with the interim financials, and annually as part of the Bank's Sustainable Finance Report
- **Impact Report:** Environmental and Social Impacts using qualitative and quantitative metrics as outlined in the Sustainable Finance Framework at an aggregate level on annual basis, as part of the Bank's Sustainable Finance Report

The Bank's Sustainable Finance Report would form part of the Bank's Annual Report, which will be published on HNB's website and the Colombo Stock Exchange website (www.cse.lk).

Impact Reporting

HNB will assess the impact of the projects financed as stated in the Framework using qualitative and quantitative metrics as per the impact indicators below, to the extent possible.

Sample Impact Indicators

Sustainable objectives	Activities	Impact indicators
Climate change mitigation	Renewable Energy: Development and installation of solar photovoltaic and solar thermal systems, wind energy, rooftop solar systems, biomass energy projects, natural gas-fired power plants and hydropower projects (including pump storage projects).	<ul style="list-style-type: none"> ▪ Capacity of renewable energy plants constructed /rehabilitated in MWH ▪ Annual renewable energy generation in MWH/GWH ▪ Annual GHG Emissions reduced / avoided in tonnes of CO2 equivalent
Climate change mitigation	Energy Efficiency: Projects that achieve energy savings, such as building retrofits, efficient lighting, and smart grid technologies including manufacturing of energy efficient machinery / equipment, green lighting upgrades [energy-saving technology upgrading of high-efficient lighting products]	<ul style="list-style-type: none"> ▪ Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) ▪ Annual GHG Emissions reduced / avoided in tonnes of CO2 equivalent
Climate change mitigation	Green Buildings: Construction or renovation of buildings certified under recognized green building standards. e.g., EDGE (Excellence in Design for Greater Efficiencies), LEED (Leadership in Energy and Environmental Design), Green SL (Green building certification by Green Building Council of Sri Lanka)	<ul style="list-style-type: none"> ▪ Number of green buildings funded ▪ Level of certification minimum requirement - Gold level certification
Natural Resource Conservation, Pollution Prevention and Control	Sustainable Water and Wastewater Management: Infrastructure for water conservation, wastewater treatment, water efficient technologies in agriculture	<ul style="list-style-type: none"> ▪ Volume of wastewater treated, reused or avoided (m³) ▪ Number of people with access to clean drinking water through financing infrastructure supporting sustainable and efficient water use
Pollution Prevention and Control	Waste management and Resource efficiency - Waste prevention, waste reduction and waste recycling projects	<ul style="list-style-type: none"> ▪ Waste that is prevented, minimized, reused or recycled before and after the project (as % of total waste) and/or in absolute amount in tonnes p.a. ▪ Tons of waste reduced

		<ul style="list-style-type: none"> ▪ Reduction in quantity of waste per unit of output ▪ Tons of secondary raw materials or compost produced
Climate change mitigation	Clean Transportation: Electric vehicles, Electric vehicle infrastructure and low-emission public transport (e.g. Metro rail systems, Electric bus fleet management).	<ul style="list-style-type: none"> ▪ Number of Electric Vehicle (EV) charging stations installed ▪ Number of EVs manufactured or financed ▪ No. of EVs (Buses, trains etc.) deployed for public transportation
Climate change mitigation and adaptation	Environmentally sustainable management of living natural resources and land use: Climate-smart Agriculture Projects such as crop diversification & precision farming, biological crop protection, drip-irrigation, rainwater harvesting, agro forestry, adoption of Sri Lanka Good Agricultural Practices (SL-GAP) certification etc.	<ul style="list-style-type: none"> ▪ Number of sustainability certified agriculture projects financed ▪ Sustainable agriculture land areas covered (hectares or acres)
Pollution prevention and control	Circular economy adapted products, production technologies and processes and/or certified eco-efficient products E.g. Sustainability / Organic certified coconut, rubber and dairy products	<ul style="list-style-type: none"> ▪ Number of certified eco-efficiency production facilities financed
Affordable Housing	Financing or refinancing the development of housing for low- and middle- income populations	<ul style="list-style-type: none"> ▪ Number of houses constructed ▪ Number of individuals/ families benefited through the financed housing projects
Access to Essential Services	Financing or refinancing for healthcare and education in poverty provinces	<ul style="list-style-type: none"> ▪ Number of healthcare projects funded ▪ Number of education projects funded ▪ Number of Beneficiaries from financed healthcare and education projects
Socio-economic advancement and empowerment	Financing or refinancing micro, small and medium enterprises, especially those led by women or operating in underserved regions.	<ul style="list-style-type: none"> ▪ Number of MSMEs financed ▪ Number of women-led MSMEs financed ▪ Total financing provided to MSMEs ▪ Breakdown of MSMEs by region

Table 2 - Sample Impact Indicators

Where feasible, HNB will align its impact metrics with recognized frameworks such as the ICMA Harmonized Framework for Impact Reporting.

An independent third-party reviewer will verify the allocation of proceeds and the reported impacts to ensure credibility and accuracy.

The Bank will make and keep readily available up-to date information on the use of proceeds to be reviewed annually on timely basis.

3.0 External Review

To ensure transparency, credibility, and alignment with the CSE Listing Rules and ICMA Principles, HNB will obtain an independent external review in the form of a pre-issuance assurance on the Bank's Sustainable Finance Framework and post assurance on the associated bond issuances.

3.1 Pre-Issuance assurance

HNB will obtain a pre-issuance assurance from a reputable independent external reviewer to assess the alignment of the Sustainable Finance Framework with the Green Bond Principles (June 2025), Social Bond Principles (June 2025), Sustainability Bond Guidelines (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable.

The Independent External Reviewer will review the Framework's alignment with the core components of the ICMA Principles including the use of proceeds, project evaluation and selection, management of proceeds, and reporting practices.

3.2 Post Issuance Assurance

An independent assurance provider will verify the allocation of proceeds to eligible projects and confirm that the projects meet the defined eligibility criteria; funds allocated, and management of unallocated proceeds. This verification shall be conducted annually.

HNB may also seek third-party assurance on the environmental and social impact metrics reported in the annual Sustainable Finance Report, which will form part of the Bank's Annual Report.

All external review reports, including the Pre-Issuance Assurance report on the Sustainable Finance Framework and the post-issuance assurance reports, will be made publicly available on HNB's website to ensure full transparency for investors and stakeholders.

4.0 Updating the Sustainable Finance Framework

HNB will update this framework as and when required, and such updates will be published on the Bank's website. These changes will follow HNB's internal processes and the relevant globally recognized standards, guidelines and best practices.

Annexure 1

Excluded Activities

The Exclusion List defines the types of projects that HNB shall not finance under the sustainable finance framework, in line with the Bank's ESMS policy as outlined below.

- Production or trade in any product or activity deemed illegal under country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB, wildlife or products regulated under CITES.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in un-bonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
- Production or activities involving harmful or exploitative forms of forced labor²/harmful child labor.
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in wood or other forestry products other than from sustainably managed forests.
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous People, without full documented consent of such peoples.
- Any business relating to pornography or prostitution.
- Trade in wildlife or wildlife products regulated under CITES.
- Production or use of or trade in hazardous materials such as radioactive materials, unbounded asbestos fibers and products containing PCBs.
- Cross-border trade in waste and waste products.
- Production, use of or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances and other hazardous substances subject to international phase-outs or bans.
- Production and distribution of racist, anti-democratic and/or neo-nazi media.
- Coal-fired power and heat generation
- Production or trade in weapons and munitions
- Production or trade in alcoholic beverages (excluding beer and wine).
- Production or trade in tobacco.
- Gambling, casinos and equivalent enterprises.
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene and other petroleum products