NOTE: This Exclusion List relates to IFC's investments prior to IFC's introduction of the Environmental and Social Review Procedure version 2 dated July 30, 2007.

IFC Exclusion List

The IFC Exclusion List defines the types of projects that IFC does not finance.

IFC does not finance the following projects:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
- Production or trade in weapons and munitions.¹
- Production or trade in alcoholic beverages (excluding beer and wine).¹
- Production or trade in tobacco.¹
- Gambling, casinos and equivalent enterprises.¹
- Trade in wildlife or wildlife products regulated under CITES.²
- Production or trade in radioactive materials.³
- Production or trade in use of unbonded asbestos fibers.⁴
- Purchase of logging equipment for use in primary tropical moist forest.
- Production or trade in pharmaceuticals subject to international phase outs or bans.
- Production or trade in pesticides/herbicides subject to international phase outs or bans.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.

A reasonableness test will be applied when the activities of the project company would have a significant development impact but circumstances of the country require adjustment to the Exclusion List.

All financial intermediaries (FIs), except those engaged in activities specified below*, must apply the following exclusions, in addition to IFC's Exclusion List:

- Production or activities involving harmful or exploitative forms of forced labor/v/harmful child labor.⁶
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in products containing PCBs.⁷
- Production or trade in ozone depleting substances subject to international phase out.⁸

* When investing in microfinance activities, FIs will apply the following items in addition to the IFC Exclusion List:

- Production or activities involving harmful or exploitative forms of forced labor/v/harmful child labor.⁶
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in products containing PCBs.⁷
- Production or trade in ozone depleting substances subject to international phase out.⁸
- Production or trade in wood or other forestry products from unmanaged forests.
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals.
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.

*When engaged in **trade finance**, given the nature of the transactions, FIs will apply the following Exclusion List:

- Production or activities involving harmful or exploitative forms of forced labor/harmful child labor.
- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
- 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.
- Trade in wildlife or wildlife products regulated under CITES.
- Production or trade in radioactive materials.
- Production or trade in or use of unbonded asbestos fibers.
- Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
- Production or trade in products containing PCBs.

**Footnotes**

i This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.


iii 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.

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

v Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

vi Harmful child labor means the employment of children that is economically exploitative, 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.
vii 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.

viii Ozone Depleting Substances (ODSs): Chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicized '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 Environment Division.

ix A list of hazardous chemicals is available from the Environment Division. Hazardous chemicals include gasoline, kerosene and other petroleum products.