

## CFC'S EXCLUSION LIST

The CFC Exclusion List reflects the types of projects that CFC does not finance. The list is presented in the format consistent with the IFC Exclusion list.

The CFC does not finance projects which match one or more of the following exclusion rules:

- production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES;
- production or trade in weapons and munitions;
- gambling, casinos and equivalent enterprises;
- production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where CFC considers the radioactive source to be trivial and/or adequately shielded;
- pose an international recognized public health hazard, such as production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%;
- exploit natural resources in a way that contravenes national or international law, such as 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 supported by the CFC, must apply the following exclusions, in addition to CFC's Exclusion List:

- production or activities involving harmful or exploitative forms of forced labor<sup>1</sup>/harmful child labor<sup>2</sup>;
- commercial logging operations in primary tropical moist forest;
- production or trade in wood or other forestry products other than from sustainably managed forests;
- 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;
- production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without following the applicable legislation including full documented consent of such peoples.

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<sup>1</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

<sup>2</sup> Harmful child labor 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.