



## **A.P. Moller Capital – Emerging Markets Infrastructure Fund II K/S (“EMIF II”)**

### **Exclusion List**

1. Employ forced labour of any kind;
2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
  - a) Ozone depleting substances, PCB’s (Polychlorinated Biphenyls) and other, specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
  - b) Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
  - c) Unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets more than 2.5 km in length).
3. Cross-border trade in waste and waste products, unless compliant with the Basel Convention and underlining regulations;
4. Destruction of HCV areas;
5. Radioactive materials<sup>1</sup> and unbounded asbestos fibres;
6. Resettlement of 5,000 or more persons;
7. Pornography and/or prostitution;
8. Racist and/or anti-democratic media;
9. In the event that any of the following products form a substantial part of a project’s primary finances business activities<sup>2</sup>:
  - a) Alcoholic Beverages (except beer and wine);
  - b) Tobacco;
  - c) Weapons and munitions; or
  - d) Gambling, casinos, and equivalent enterprises.
10. Commercial logging operations for use in primary tropical moist forest;
11. Production or trade in wood or other forestry products other than from sustainably managed forests;
12. 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;
13. Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples;
14. Conversion or degradation of Critical Habitat unless it can be demonstrated through a Biodiversity Action Plan (as defined by IFC Performance Standard 6) that efforts to avoid, minimize, rehabilitate, or restore the habitat will ensure no net loss of threatened or endangered species;
15. Construction of dams that significantly and irreversibly impact: (a) biodiversity; (b)

<sup>1</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.

<sup>2</sup> For companies, “substantial” means more than 10 % of their consolidated balance sheets or earnings. For financial institutions and investment funds, “substantial” means more than 10% of their underlying portfolio volumes.



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natural ecosystems, upstream or downstream of the dam; (c) natural hydrology; (d) large land areas; or (e) that will displace, physically or economically, large numbers of inhabitants (5,000 persons or more);

16. The export of mercury and mercury compounds, and the manufacture, export, and import of a large range of mercury-added products;
17. Shipment of oil or other hazardous substances in vessels that do not comply with IMO requirements;
18. Any impact on World Heritage Sites<sup>3</sup> unless it can be demonstrated through an environmental and social assessment that the Project (i) will not result in the degradation of the protected area; and (ii) will produce positive environmental and social benefits;
19. Any impact on areas on the United Nations List of National Parks and Protected Areas<sup>4</sup> unless it can be demonstrated through an environmental and social assessment that the Project (i) will not result in the degradation of the protected area; and (ii) will produce positive environmental and social benefits; and
20. Extraction or infrastructure in or impacting protected area Categories I, II, III, and IV (Strict Nature Reserve/Wilderness Areas, National Parks, Natural Monuments, and Habitat/Species Management Areas), as defined by the International Union for the Conservation of Nature (IUCN) unless it can be demonstrated through an environmental and social assessment that (i) there is no degradation of the protected area; and (ii) there are positive environmental and social benefits.
21. Activities prohibited by host-country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage.
22. Projects or companies known to be in material violation of local applicable law related to
23. protection of the environment, and of social, health, safety, and labor, and public disclosure requirements.
24. Projects or companies that replace U.S. production or are likely to cause a significant reduction in the number of employees in the U.S., including “runaway plants” and outsourcing the provision of goods and services (e.g., business process outsourcing) from the U.S.
25. Projects or companies that provide significant, direct support to a government that engages in a consistent pattern of gross violations of internationally recognized Human Rights, as determined by the U.S. Department of State.
26. Projects or companies that perform abortions as a method of family planning; motivate or coerce any person to practice abortions; perform involuntary sterilizations as a method of family planning; coerce or provide any financial incentive to any person to undergo sterilizations; or perform any biomedical research that relates in whole or in part, to methods of, or in the performance of, abortions or involuntary sterilization as a means of family planning.
27. Companies that are treated as inverted domestic corporations under 6 U.S.C. 395(b).

Additionally, and in alignment with its investors, EMIF II will not invest in any of the following:

- Coal prospection, exploration, mining or processing.
- Oil exploration or production.
- Standalone fossil gas exploration and/or production<sup>5</sup>.
- Transport and related infrastructure primarily<sup>6</sup> used for coal for power generation.
- Crude Oil Pipelines.
- Oil Refineries.
- Construction of new or refurbishment of any existing coal-fired power plant (including

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<sup>3</sup> The list can be found here: <https://whc.unesco.org/en/list/>

<sup>4</sup> The list can be found here: <https://www.protectedplanet.net/>

<sup>5</sup> Gas extraction from limnically active lakes is excepted from this exclusion.

<sup>6</sup> “Primarily” means more than 50% of the infrastructure’s handled tonnage.



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dual).

- Construction of new or refurbishment of any existing HFO-only or diesel-only power plant<sup>7</sup> producing energy for the public grid and leading to an increase of absolute CO<sub>2</sub> emissions<sup>8</sup>.
- Any business with planned expansion of captive coal used for power and/or heat generation<sup>9</sup>.

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<sup>7</sup> Investments (up to a maximum of 20% of the fund) in new or existing HFO-only or diesel-only power plants are allowed in countries that face challenges in terms of access to energy and under the condition that there is no economically and technically viable gas or renewable energy alternative.

<sup>8</sup> I.e., where energy efficiency measures do not compensate any capacity or load factor increase.

<sup>9</sup> This does not apply to coal used to initiate chemical reactions (e.g., metallurgical coal mixed with iron ore to produce iron and steel) or as an ingredient mixed with other materials, given the lack of feasible and commercially viable alternatives.