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## DOCUMENT REVIEW SCHEDULE

### Initial Approval

<table>
<thead>
<tr>
<th>Document Name:</th>
<th>AECF Environmental and Social Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Number:</td>
<td>AECF.2017.02.002</td>
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<td>Portfolio and Investment Department</td>
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<td>The Board</td>
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### Amendment and Approval

<table>
<thead>
<tr>
<th>Document Version</th>
<th>2.0</th>
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<tbody>
<tr>
<td>Revision Date:</td>
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</tr>
<tr>
<td>Reason for Change:</td>
<td>To ensure that that the Policy is comprehensive and aligned with the agreed Performance Standards</td>
</tr>
</tbody>
</table>
| Change Description: | a) A clear definition of the purpose and objectives of the Policy.  
b) To provide for Policy governance by introducing the office of the environmental and social risk office that will be responsible for the implementation of the policy across the AECF.  
c) Introduction of a clause on AECF’S E & S commitments.  
d) Introduction of Policy implementation and monitoring provisions and remove redundant provisions that are dealt with in different AECF policies.  
e) To provide for Policy Review and Continuous Improvement to accommodate and align with changes in national legislation and international standards. |
| Change Owner: | Legal Department |
| Approved By: | The Board of Directors |
| Approval Date: | 7 September 2021 via Round Robin Resolution dated 25 September 2021 |
| Effective Date: | 25 September 2021 |
Amendment Instructions and Version Control

a) The Initial document is version 1.0

b) Subsequent amendment/addition of paragraphs will change the second part (0) of the Document Version to 1.1 and increase with subsequent changes in paragraphs.

c) Subsequent amendment / addition of clauses will change the first part (1) of the Document Version to 2.0.

Definitions

Child – A person below the age of 18, unless the laws of a particular country set the legal age for adulthood younger. (Aligned with the United Nations Convention on the Rights of the Child).

Child labour- 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

Contractor/subcontractors – Individuals/Companies engaged to perform specific services under a contract by AECF and/or Investees.

Indigenous people- Indigenous Peoples are distinct social and cultural groups with shared collective ancestral ties to their land and natural resources. The land and natural resources on which they depend are linked to their identities, cultures, livelihoods, as well as their physical and spiritual well-being. They often subscribe to their customary leaders and organizations for representation that are distinct or separate from those of the mainstream society or culture. Many Indigenous peoples still maintain a language distinct from the official language or languages of the country or region in which they reside. (World Bank, UNDESA, ILO No. 169)

Investees- Individuals or companies benefiting or supported by AECF
# ACRONYMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECF</td>
<td>The AECF</td>
</tr>
<tr>
<td>EHS</td>
<td>Environment Health and Safety</td>
</tr>
<tr>
<td>E&amp;S</td>
<td>Environmental &amp; Social</td>
</tr>
<tr>
<td>ESAP</td>
<td>Environmental &amp; Social Action Plan</td>
</tr>
<tr>
<td>ESDD</td>
<td>Environmental &amp; Social Due Diligence</td>
</tr>
<tr>
<td>ESIA, EIA</td>
<td>Environmental &amp; Social Impact Assessment, Environmental Impact Assessment</td>
</tr>
<tr>
<td>ESMS</td>
<td>Environmental &amp; Social Management System</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>PS</td>
<td>Performance Standard</td>
</tr>
<tr>
<td>UNDESA</td>
<td>United Nations Department of Economic and Social Affairs</td>
</tr>
<tr>
<td>WBG</td>
<td>World Bank Group</td>
</tr>
</tbody>
</table>
1. **PURPOSE**

1.1. The AECF and its governing body, the Board of Directors (BOD), strives for positive sustainable development outcomes in the investments it makes in Sub-Saharan Africa. These include (i) Direct investments into private companies by AECF and (ii) Investments implemented through financial intermediaries. AECF believes that a crucial element for the attainment of positive development outcomes is the environmental and social sustainability of these investments which it seeks to pursue through the application of this Environmental & Social (E&S) Policy.

1.2. The AECF E&S policy is necessary not only for promoting sustainable, green development but also for AECF to be perceived as an ethical organization. The Policy objectives include:
   a) To set standards for environment and social performance at AECF.
   b) Set a procedure for implementation of the applicable Environment and social standards for AECF funded projects.
   c) To promote transparency, and accountability in decision-making on matters related to environmental and social risk assessment and management.
   d) Align AECF’s practices to global Good International Industry Practices (GIIPs) in environmental and social risk management, and with those of other international organizations.
   e) Encourage investees, partners, and contractors to consider environmental and social risks and impacts in all development initiatives.
   f) Continuously inform management, investees, and partners of AECF policy commitments in the environment and social risk management.

1.3. The AECF recognizes that such development efforts may potentially culminate in negative outcomes for the communities and the environment in which it seeks to drive economic development. As such, AECF is committed to safeguarding the environment and the social fabric of the communities in which it makes investments and ensuring effective management of natural resources.

2. **SCOPE**

2.1. This policy shall apply to:
   a) All AECF offices, including the AECF headquarter, branches and desk offices across the Sub-Saharan Africa region.
   b) All employees and consultants of AECF, its divisions and subsidiaries.
   c) All AECF funded partners including:
2. Contractors and subcontractors
   - Consultants, advisers, and contracted individuals
   - Investees or organizations who are subcontracted by Investees and their respective personnel.

2.2. Multilateral organizations and bilateral donor partners funded by AECF are expected to act in accordance with the guidelines outlined in this document. They must also abide by their own relevant policies, international declarations, conventions, agreements, and domestic legal frameworks, which seek to amongst other things, protect the environment and the social fabric of the society.

3. POLICY GOVERNANCE

3.1. AECF will assign and capacitate Environmental and Social Risk Management Officers who will be responsible for implementation of the policy across AECF.

3.2. Implementation of this policy will require: (i) Conducting E&S risk screening of investee projects; (ii) Conducting E&S risk due diligence of AECF funded projects (projects) (ESDD); (iii) Monitoring and supervising of projects in the portfolio against on-going compliance with performance standards, laws and regulations; (iv) Reviewing and feedbacking on investees periodic (quarterly and annual) reports; and (iv) Preparation and dissemination of periodic E&S performance reports (quarterly, annual) to stakeholders.

4. PRINCIPLES

4.1. Activities supported and financed by AECF that are determined to have moderate to high environmental and social impact or the potential for adverse environmental and social impacts will be carried out in accordance with the requirements of the Performance Standards detailed under clause 4.4 of this policy.

4.2. The AECF recognizes that the primary responsibility for sustainable development and management of environmental & social risks and subsequent impacts rests with its investees. AECF’s investees are better placed to capture benefits at the local level and create value for their local communities thereby contributing to AECF’s attainment of its development mandate. Thus, AECF is careful to select investees who are committed to sustainable development and seek to improve environmental and social management within their business activities.

4.3. AECF, through this policy, commits to work closely with its funded partners and third-party stakeholders to achieve environmental and social sustainability. To ensure positive
development outcomes, AECF commits to conduct environmental and social due diligence of investees before contracting.

4.4. AECF’s environmental and social due diligence will be consistent with the following performance standards, which are in line with the national guidelines and good international industry best practices for assessment of environmental and social risks including IFC environment and social performance standards, World Bank environment, health, and safety (EHS) guidelines, Adaptation Fund, among others.

1) Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
2) Performance Standard 2: Labor and Working Conditions
3) Performance Standard 3: Resource Efficiency and Pollution Prevention
4) Performance Standard 4: Community Health, Safety and Security
5) Performance Standard 5: Land Acquisition and Involuntary Resettlement
6) Performance Standard 6: Biodiversity Conversation & Sustainable Management of Living Natural Resources
7) Performance Standard 7: Indigenous Peoples
8) Performance Standard 8: Cultural Heritage
9) Performance Standard 9: Gender Equity and Women Empowerment
10) Performance Standard 10: Access and Equity and protection of Human Rights

The details of the performance standards listed above are provided in the ESMS.

4.5. The Performance Standards will be the benchmark on which AECF will manage its funded partners and improve their environmental and social performance through a risk and outcomes-based approach. The desired outcomes are elaborated in the ESMS for each performance standard, with clear expectations of funded partners meeting the requirements.

4.6 AECF will and expects its funded partners to apply a mitigation hierarchy approach which entails anticipation and avoidance of adverse impacts on workers, environment and communities or minimization of the impacts where avoidance is not possible. In cases where residual impact remains, compensation for risks and impact should be applied based on the tools provided in the AECF ESMS. AECF compensation principle requires that the amount of compensation should be agreed on with the complainant and should be at replacement value (where possible), determined following jurisdictional standards and procedures.
4.6. Management of environmental and social risks and impacts in line with the Performance Standards is largely the responsibility of funded partners. However, AECF seeks to ensure through its due diligence, site visits and monitoring activities that funded partners implement business activities in line with the Performance Standards.

5. **AECF’S COMMITMENT**

5.1. Environmental and social policies are fundamental to ensuring that AECF does not support projects that unnecessarily harm the environment, vulnerable communities or women or contribute to poverty, social inequality, or gender discrimination. To implement this Policy, AECF shall:

a) Put in place an environmental and social management system (ESMS) that ensures environmental and social risks are identified, assessed at the earliest possible stage of project/programme design.

b) Monitor the status of execution of the mitigation measures both during implementation and at end of project.

c) Ensure adequate opportunities are provided for informed participation of all stakeholders in the formulation and implementation of E&S plans for projects and programmes.

5.2. The AECF is committed to investing in innovative and environmentally and socially sustainable commercial businesses in agribusiness, renewable energy, and adaptation to climate change technology sectors with the aim of reducing rural poverty, promoting resilient rural communities, and creating jobs through private sector development. AECF believes that inclusive economic development, grounded on sustainable private investment is crucial for poverty reduction.

5.3. AECF shall carry out investments and technical assistance with the intent to ‘do no harm’ to communities and environment, promote sustainable development, support private sector in their markets and advance positive outcomes. AECF is committed to ensure that costs of economic development do not fall disproportionately on the poor or vulnerable; that the environment is not degraded or polluted; that communities are not affected by transboundary effects of funded partner business activities and natural resources are managed sustainably. AECF believes that its environmental and social due diligence as well as regular engagement with its funded partners plays a crucial role in minimizing the environmental or social risks and impacts to people and the environment.
5.4. AECF invests in a wide range of private companies and financial institutions. It chooses not to select funded partners who are on the AECF exclusion list (Annex 1) and requires its funded partners to apply this exclusion list to partners that they select to work with.

5.5. Climate change is a global challenge that has the potential to impede economic and social development through climate related impacts. AECF recognizes this threat and is committed to work with the private sector to address climate change. AECF will leverage on the critical role that private sector plays in the reduction of greenhouse gas emissions through investments in innovative climate friendly solutions and adaption measures that promote sustainable investments.

5.7. AECF is committed to minimize environmental pollution perpetuated through e-waste. AECF requires its funded partners to comply with national laws regarding e-waste management. AECF further requires that funded partners provide a framework on e-waste management, which may include a free takeback service for clients, as a pre-condition for investment as well as reporting progress. Funded partners are expected to guide clients on the disposal of their used electronic equipment. AECF will continuously provide technical support to Funded partners on ways to better manage e-waste to avoid or limit environmental pollution.

5.8. AECF is committed to the respect of human rights and therefore expects its funded partners to ensure that business activities do not infringe on the human rights of the communities in which they are executed. AECF shall during the due diligence process assess funded partners on the level of risk and extent of impact of business activities on the communities and environment they operate in. This assessment is benchmarked against the Performance Standards, and in line with the AECF Human Resources Policy & Manual, AECF sexual harassment policy and policy on safeguarding of vulnerable persons.

5.9. AECF believes that women are an essential part of private sector development and play a crucial role in the attainment of economic growth and reduction of poverty. AECF expects its funded partners to minimize gender related risks associated with their business activities and will assess its funded partners on this during due diligence and require that the funded partners put in place a gender policy and strategy where there is none. In recognition of the gender inequalities that hinder women’s effective economic participation, AECF is committed to create economic opportunities for women through its investments and technical assistance. This involves deliberate efforts to invest in women owned/led enterprises or businesses with a high impact on women.
5.10. AECF values the relationship between a strong culture of corporate integrity and governance, and sustainability performance and the role of a company’s management and board in driving risk management and sustainable growth. The value should be embraced by partners to help improve the financial, social, and environmental sustainability of investments made and enhance public trust in AECF’s operations.

5.11. AECF has a zero-tolerance approach to harmful child labor, child exploitation or abuse and is committed to always promoting and protecting the interests and safety of children, in line with the AECF policy on safeguarding of vulnerable persons. Staff and Partners shall report any allegations or incidences of child exploitation and abuse, to the safeguarding officer on whistleblower@aecfafrica.org or through Contact Us | AECF (aecfafrica.org)

6. POLICY IMPLEMENTATION AND MONITORING

6.1. Environmental and social due diligence applies to all AECF investments.

6.2. The ESDD will involve a thorough review process which includes an assessment of each Investee’s business proposal by the Internal Review Committee and further assessment by AECF’s Board of Directors through the Investment Committee for investment consideration. Any change in the Investee’s business model post investment will require a re-assessment of the business to establish potential environmental and social risks and impacts of the new business activity together with the applicable mitigations.

6.3. As a rule of thumb, AECF will finance business activities that meet agreed environmental and social targets within a specified time frame. Investees are expected to report on their environmental and social targets as part of the standard reporting to AECF. As part of site visits, AECF shall supervise and monitor progress towards meeting the agreed targets. Noncompliance can lead to loss of financial support by AECF.

6.3. AECF makes a distinction between Direct Investments, i.e., private companies, and indirect investments, i.e., financial institutions as follows:

6.3.1. Direct Investments

6.3.1.1 All AECF’s direct investment clients shall comply with national environmental and social laws as a minimum standard and with the Environmental and Social Performance Standards. Due diligence on environmental and social risks will be proportionate to the
nature of business to be undertaken, scale and stage of the business activity. In cases where the environmental and social impacts are high, AECF works with its partners to draw up mitigation measures.

6.3.1.2.1. The due diligence process entails reviewing relevant company information, records and documentation related to the environmental and social risks and impacts of the business activity; site visit inspections and interview of Investee and community stakeholders where possible; analyzing the business activity in line with the Performance Standards and the World Bank Group Environmental, Health and Safety Guidelines; identification of any gaps and subsequent measures and actions that meet the aforementioned standards. To ensure that Investees meet the Performance Standards, preparation and compliance with environmental and social action plans shall be conditions for AECF investment.

6.3.1.2.2. AECF works with its direct investees to establish sound environmental and social policies by using a practical framework consisting of three parts: (i) risk categorization (ii) establishing applicable requirements and (iii) environmental and social action plans.

6.3.1.2.3. **Environmental and Risk Categorization**: AECF uses a process of risk categorization to reflect the magnitude of environmental and social risks and impacts of a proposed investment. The categorization of investments into the A, B and C categories is largely based on an assessment against the applicable Environmental and Social Performance Standards. The three risk categories A, B and C and a summary of the minimum requirements for each category are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Category A</th>
<th>Category B</th>
<th>Category C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Level</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>Risk categorization</td>
<td>Activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.</td>
<td>Activities with potential limited adverse environmental or social risks and/or impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures.</td>
<td>Activities with minimal or no adverse environmental or social risks and/or impacts.</td>
</tr>
<tr>
<td>Applicable Requirements</td>
<td>- Performance Standards - ESAP Required - ESIA as applicable</td>
<td>-E&amp;S performance standards - ESAP (as application) - ESIA (as applicable)</td>
<td>- National Law - No ESAP</td>
</tr>
</tbody>
</table>
6.3.1.3. **Environmental and Social Action Plans:** Where environmental and social action plans are to be drawn up, AECF and the Investee will agree on milestones to be achieved within a given time frame, up to a maximum of three (3yrs). Non-compliance will have a negative effect on disbursements to the investees as this will be tied to performance targets.

6.3.2. **Indirect Investments**

6.3.1.1. The AECF’s indirect investments constitute investments in financial institutions (FI). The FIs shall set up environmental and social management systems to ensure that their investments comply with AECF’s performance standards. The level of detail and monitoring of the investments will be commensurate with the environmental and social risk profile of the FI and the type of financing they provide.

6.3.1.2. **Environmental and Risk Categorization:** The risk categorization for financial institutions is presented below, with applicable requirements:

<table>
<thead>
<tr>
<th>FI Category</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk/Impact</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>Risk Categorization</td>
<td>Portfolio &gt;20% in E &amp; S high risk business activities</td>
<td>Portfolio &lt; 20% in E &amp; S high risk business activities</td>
<td>Consumer Finance</td>
</tr>
<tr>
<td>Applicable Requirements</td>
<td>- Apply the AECF exclusion list</td>
<td>- Apply the AECF exclusion list</td>
<td>- Apply the AECF exclusion list</td>
</tr>
<tr>
<td></td>
<td>- Investee develops an ESMS to apply local laws and regulations for their portfolio</td>
<td>- Investee develops an ESMS to apply local laws and regulations for their portfolio</td>
<td>- Compliance with local laws and regulations</td>
</tr>
<tr>
<td></td>
<td>- ESAP required</td>
<td>- ESAP if applicable</td>
<td>- ESAP if applicable</td>
</tr>
<tr>
<td></td>
<td>- Compliance with local laws and regulations</td>
<td>- Compliance with local laws and regulations</td>
<td>- Compliance with local laws and regulations</td>
</tr>
</tbody>
</table>

6.3.1.3. **Environmental and Social Action Plans:** Where an ESAP is required, AECF will guide the FI in developing the ESAP with clear milestones and timelines. For FIs in category FI-B and FI-C, opportunities will be explored on how AECF can assist the FIs with the development of an ESAP for their portfolio, where applicable.

6.4. **Public Consultation and Disclosure**

6.4.1. AECF and its partners shall embrace meaningful stakeholder engagement in all projects. The outcomes of E&S screening, E&S assessments and management plans, and proposed
changes during implementation, shall be made available to the project affected persons (PAPs) for accountability and to enable effective and timely public consultations.

6.4.2. In cases where the proposed business activity is likely to pose adverse E&S impact on indigenous people or communities, AECF requires its Funded Partners to engage in informed consultation and participation. AECF will assess and monitor Funded Partners’ community engagement to ensure broad community support for the business activity, and as part of the portfolio supervision.

6.4.3. Project performance reports shall be publicly disclosed. The Funded Partner is responsible for disclosing the final environmental and social assessment to project-affected persons and other stakeholders. AECF will publicly disclose the final environmental and social assessment report, performance evaluation, and annual reports through the website, and in line with the AECF Confidential information and Data Protection Policy.

6.5. Grievance Redress Mechanism

6.5.1. The Funded Partner shall identify and apply a GRM that provides PAPs with an accessible, transparent, fair, and effective, and culturally appropriate process for receiving and addressing their complaints.

6.5.2. AECF shall establish a system for collecting, reviewing, handling, and overall tracking of complaints delivered to Funded Partners and AECF as part of its grievance mechanism. AECF’s GRM shall be reachable, transparent, impartial, efficient, and culturally appropriate for all PAPs. The purpose of the GRM is to receive and address concerns about environmental and social harms caused by AECF project.

7. SUPERVISION

7.1. Direct Investments

7.1.1. AECF shall implement a regular program of supervision of Funded Partners’ E&S risks and impacts in line with the performance standards. This will be through a review of implementation of the ESAP and ESMPs, and where applicable, identification of opportunities for improvement of E&S performance and sustainability.

7.1.2. AECF will offer necessary assistance to Funded Partners to enable them to comply with environmental and social commitments, as agreed in the environmental and social conditions for investment. If the Funded Partner fails to re-establish compliance, AECF will take necessary actions as appropriate, which includes holding off disbursements.
7.2. **Indirect Investments**

AECF will implement a regular supervision program of FIs based on the initial agreed requirements for investment. AECF will periodically review the process and results of the ESDD conducted at the review stage. In addition, AECF will periodically review a sample of FI’s investments for businesses with adverse environmental and social risks.

8. **COMPLIANCE REQUIREMENTS**

8.1. All operations financed by AECF need to comply with the following minimum environmental and social requirements:
   a) AECF E&S Performance standards
   b) National legislation on environment and social risk management
   c) International treaties and conventions on environment and social management
   d) Good international industry practices in environment and social management

9. **POLICY REVIEW AND CONTINUOUS IMPROVEMENT**

The E&S policy will be reviewed on a regular basis, at least every two (2) years, and updated, where necessary, to reflect any changes in national legislation, international standards as well as changes within AECF, and as continual improvement of the environmental and social management. The review will be coordinated by the E&S Manager working with the senior management to assess the effectiveness of the system and decide if any changes are necessary. The E&S manager will, during the review, ensure that changes do not result in deviation from international best practice and applicable legislation.

10. **CONTACT INFORMATION FOR POLICY**

Any additional information may be sourced from the E & S Manager at legal@aecfafrica.org

11. **RELATED POLICIES AND PROCEDURES**

AECF.2017.05.001 Human Resources Policy & Manual
AECF.2017.05.005-Corporate Social Responsibility Policy
AECF.2017.05.004 Ethics & Anti-corruption
AECF.2017.06.001 Whistle Blowing
AECF.2018.05.006 Health Safety & Wellbeing Policy
AECF.2018.05.007-Sexual Harassment Policy
AECF.2018.05.008-Security Policy
AECF.2021.06.005 - Confidential Information and Data Protection Policy
ANNEXES

Annex 1: AECF Exclusion List

AECF Exclusion List

The following Exclusion List shall apply to all AECF’ investments

AECF will not support the following projects.

i. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements

ii. Production or trade of weapons and ammunition, alcoholic beverages, tobacco, radioactive or hazardous materials and chemicals, and production or trade in or use of unbonded asbestos fibers

iii. Production or use or trade in any product or activity subject to international bans, such as products containing Polychlorinated biphenyls (PCBs), ozone depleting substances.

iv. Gambling, casinos, and equivalent enterprises

v. Drift net fishing in the marine environment using nets more than 2.5 km in length

vi. Purchase of logging equipment for use in primary tropical moist forest and production or trade in wood or other forestry products other than from sustainably managed forests

vii. Commercial animal testing, non-healthcare related

viii. Logging of or trade in illegally harvested or uncertified timber (FSC) and logging in uncertified primary forest

ix. Activities resulting in significant conversion or degradation of a critical habitat (UNESCO, RAMSAR, IUCN)

x. Commercial events with animals where the Animal Freedoms are not respected

xi. Production of or trade in pharmaceuticals, pesticide/herbicides, chemicals, and ozone depleting substances subject to international phase outs or bans

xii. Burning or conversion of natural ecosystems, such as forests and savanna, for the establishment of large-scale agricultural plantations

xiii. Trade in wildlife or wildlife products regulated under CITES and trade or use of endangered species or Great Apes for testing and experimental purposes

xiv. Health care related Animal testing non-compliant with EU, US, or equivalent legislation

xv. Activities resulting in conversion or degradation of protected areas or critical habitats.

xvi. Production or activities involving harmful or exploitative forms of forced labour, harmful child labor

1 IFC Exclusion List (2007)
2 ABN AMRO Exclusion List (2017)
3 Undisturbed naturally regenerated forest of native species.
4 Critical habitat areas with high biodiversity value under the IUCN classification, e.g., habitat required for survival of critically endangered or endangered species under the IUCN Red List of Threatened Species or as defined in national legislation; Primary Forest or forests of High Conservation Value shall be considered Critical Habitats. This also applies to UNESCO World Heritage Sites and areas subject to the Ramsar Convention on Wetlands.
5 FAWC 1979: Freedom from Hunger and Thirst; Discomfort, Pain, Injury or Disease; normal behavior; and Fear and Distress
6 Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.
7 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.
8 KFW Development Bank Exclusion list
xvii. Activities resulting in human rights violations, including sexual and gender-based violence and abuse, child labour, the exploitation of children, or forced (child) labour, and human trafficking.

xviii. Activities impinge on land owned or adjudicated by indigenous people and infringement of the rights of indigenous and/or vulnerable groups without their Free Prior and Informed Consent (FPIC).

xix. 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.

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