

Exclusion List of KfW Capital

KfW Capital applies restrictions to its operations in relation to certain economic sectors, which are considered not to be compatible with the ethical, social and environmental standards of KfW Capital, as an innovative start-up portfolio should only consist of sustainable future technologies. These restrictions are summarized in the following exclusion list, which includes KfW group's exclusion list ([Exclusion List KfW group \(kfw.de\)](#)), and is supplemented by further criteria:

KfW Capital considers this Exclusion List as an important element of its ESG strategy to avoid sustainability risks and reputational damage. KfW Capital counterparts, should adequately consider the restricted sectors (as defined below) in their respective transactional policies and guidelines and monitor compliance with such policies and guidelines by final beneficiaries. In addition, **counterparts should consult KfW Capital on any transaction, when in doubt of being compliant with any of the exclusion criteria.**

Exclusion List

1. Phase-out or prohibition regulations

Production or trade in any product or activity subject to national or international phase-out or prohibition regulations or to an international ban, for example

- a. certain pharmaceuticals, pesticides, herbicides and other toxic substances (under the Rotterdam Convention, Stockholm Convention and WHO "Pharmaceuticals: Restrictions in Use and Availability"),
- b. ozone depleting substances (under the Montreal Protocol),
- c. protected wildlife or wildlife products (under CITES / Washington Convention)
- d. prohibited transboundary trade in waste (under the Basel Convention).

2. Protection areas

Investments which could be associated with the destructionⁱ or significant impairment of areas particularly worthy of protection (without adequate compensation in accordance with international standards).

3. Weapons

Any production or trade in weapons, ammunition or critical components thereof.

4. Controversial products

Any production or trade of

- radioactive material which does not apply to the procurement of medical equipment, quality control equipment or other application for which the radioactive source is insignificant and/or adequately shielded;
- tobacco and distilled alcoholic beverages and related products (production and trade of significant volumes)
- unbound asbestos. This does not apply to the purchase or use of cement linings with bound asbestos and an asbestos content of less than 20%.
- Any controversial forms of gambling: operation of casinos, production of devices or other equipment for casinos or betting offices or other equipment for casinos or betting offices or companies that generate turnover via online betting.

- Any research, development or technical application relating to electronic data programs or solutions,
- which aim specifically at supporting any activities referred to internet gambling/online casino or pornography. which are intended to enable to illegally enter into electronic data networks or download electronic data.

5. Chemicals

Any production or trade of significant volumes of hazardous chemicals (this also refers to the storage or transportation of those chemicals and includes gasoline, kerosene, and other petroleum products), or commercial scale usage of hazardous chemicals; whereas “hazardous chemicals” shall mean the chemicals listed in Annex I of the regulation (EU) No 649/2012 of the European Parliament and of the Council of 4 July 2012 concerning the export and import of hazardous chemicals

6. Fisheries

Investments in destructive fishing methods or drift net fishing in the marine environment using nets in excess of 2.5 km or any activities related to shark finning and commercial whaling.

7. Energy, Oil and Gas

Investments in new projects or companies that are associated with:

- nuclear power plants (apart from measures that reduce environmental hazards of existing assets) and mines with uranium as an essential source of extraction,
- with Upstream or Midstream (transport and storage)ⁱⁱ activities in the oil and gas sector as well as the construction of new oil power plants or new midstream infrastructure related to oil (with new midstream and new power plants meaning projects whose construction has not yet finished or which have not yet entered into operation, including new stand-alone assets within an existing complex (e.g., a new oil storage tank, a new oil power plant block)

8. Coal & Mining

Investments in the prospection, exploration and production of coal, gas generation by coking coal, transportation and storage infrastructure substantially used for coal; coal-fired power plants, heating plants and cogeneration plants, and associated stub lines

9. Forestry and agri-commodities

Investments in commercial logging operations for use in primary tropical moist forest.

10. Genetic Engineering

Any kind of research, development or technical applications related to human germline gene editing under any circumstances in any jurisdiction or, except to the extent that appropriate legal regulatory and ethical allowances/documents are in place, somatic gene editing. The Fund shall ensure the appropriate control of legal, regulatory, and ethical issues linked to such somatic gene editing.

11. Controversial behavior

Any illegal economic activities, for example any production, trade or other activity, which is illegal under the laws or regulations of the home jurisdiction for such production, trade or activity. Human cloning for reproduction purpose is considered an illegal economic activity in the context of these investment restrictions.

Any investments that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such people

12. Animal welfare

Investments in

- Any products involving testing on animals (non-medical purpose, special rules apply to Life Science funds)
- Fur farm or trading/manufacturing fur products.

13. Cryptocurrency

Investments in any cryptocurrencies, that are intended to be used for online gambling or any other illegal online transactions, for example in dark nets.

ⁱ "Destruction" means (i) the destruction or severe deterioration of the integrity of an area caused by a major and prolonged change in the use of land or water, or (ii) the alteration of a habitat which leads to the inability of the affected area to perform its function.

ⁱⁱ This does not include technologies which are intended to be developed or used, among others, for predictive maintenance or similar applications as well as systems which can also be used for transport infrastructure of renewable energy.