LIST OF ACTIVITIES EXCLUDED FROM FUNDING

Banca Transilvania will not knowingly finance, directly or indirectly, projects involving the following:

a) Production or trade in any product, or any activity considered illegal under the laws and regulations of the host country (i.e. national legislation) or under international conventions and agreements, or which are subject to international bans or phase-outs, such as:
   i. Production or trade of products containing polychlorinated biphenyls (PCBs)[1];
   ii. Production or trade of pharmaceuticals, pesticides/herbicides and other hazardous substances subject to international bans or phase-outs[2];
   iii. Production or trade of substances that deplete the ozone layer and are subject to international phase-outs[3];
   iv. Production, use, or trade of persistent organic pollutants (POPs)[4];
   v. Trade in wildlife or production/trade of wildlife products regulated by CITES[5];
   vi. Transboundary movement of waste prohibited under international law[6];

[1]PCBs: Polychlorinated biphenyls are a group of highly toxic chemical substances. PCBs can be found in oil-filled electrical transformers, capacitors, and electrical connection equipment dating from the period 1950–1985.

[2]Reference documents include EU Regulation (EEC) No. 2455/92 on the export and import of certain hazardous chemicals, as amended; the consolidated UN list of products whose consumption and/or sale has been banned, withdrawn, severely restricted, or not approved by governments; the Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); the Stockholm Convention on Persistent Organic Pollutants; and the World Health Organization (WHO) hazard classification of pesticides.

[3]Substances that deplete the ozone layer (ODS): chemical compounds that react with and reduce the ozone layer, leading to the well-known "ozone holes." The list of ODS under the Montreal Protocol and the associated phase-out targets. A list of chemical compounds regulated by the Montreal Protocol — including aerosols, refrigerants, foam blowing agents, solvents, and fire-protection agents — together with information on signatory countries and phase-out dates, is available on the EBRD website.

[4]Reference document: Stockholm Convention on Persistent Organic Pollutants (POPs), as amended in 2009.

[5]CITES: the Convention on International Trade in Endangered Species of Wild Fauna and Flora. The CITES lists of protected species are available at https://trade.cites.org/.

[6]Reference documents include: Regulation (EC) No. 1013/2006 of 14 June 2006 on shipments of waste; OECD Council Decision C(2001)107/Final amending Decision C(92)39/Final on the control of transboundary movements of waste destined for recovery operations; and the Basel Convention of 22 March 1989 on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal.

b) Forced relocation[7];

c) Manufacture, placing on the market, and use of asbestos fibres, as well as of articles and mixtures containing these fibres intentionally added.

d) Fishing with drifting gillnets in the marine environment using nets exceeding 2.5 km in length;

e) Shipment of oil or other hazardous substances in tankers not compliant with International Maritime Organization (IMO) requirements[8];

f) Trade in goods without the required import/export licenses or transit authorizations from relevant export, import or transit countries;

g) Activities prohibited by the legislation of the host country or by international conventions relating to biodiversity conservation or the protection of cultural heritage;

h) Export of mercury and mercury compounds, as well as the manufacture, export, and import of a wide range of mercury-added products[9];

i) Activities involving the force-feeding of ducks and geese;

j) Keeping animals primarily for the production of fur or any activities involving the production of fur;

k) Production or activities involving exploitative or harmful forms of forced labor[10] or harmful child labor[11];

l) Production or trade in weapons and ammunition[12];

m) Production or trade in radioactive materials[13];

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[7] "Forced eviction" refers to acts and/or omissions that involve the forced or involuntary, permanent or temporary displacement of individuals, groups, and communities from the homes and/or lands and resources they occupy or depend on, thereby eliminating or limiting the ability of a person, group, or community to live or work in a particular dwelling, residence, or location, without the provision of, and access to, adequate forms of legal or other protection.

[8] The certificates required under the International Convention for the Safety of Life at Sea (SOLAS) (including, but not limite d to, compliance with the International Safety Management Code), oil tankers included on the European Union blacklist or banned under the Paris Memorandum of Understanding on Port State Control (Paris MoU), and oil tankers scheduled for phase-out in accordance with MARPOL Regulation 13G. No single-hull oil tanker older than 25 years should be used.

[9] Regulation (EU) 2017/852 of the European Parliament and of the Council of 17 May 2017 on mercury.

[10] Forced labor means all activities and services that are not performed voluntarily and are obtained from an individual under the threat of force or penalty.

[11] Harmful child labor means the employment of children that is exploitative or could be dangerous, or could interfere with the child's education, or could be harmful to the child's health, or to their physical, mental, spiritual, moral, or social development.

[12] This does not apply to the financing of a project that falls under the Bank's Defense Policy.

[13] This does not apply to the financing of a project of national strategic importance related to energy generation using nuclear fuels.

n) Tobacco cultivation, production and trade[14];

o) Production or trade in alcohol products[15];

p) Production or trade of wood or forest products other than from sustainably managed forests[16];

q) Gambling, casinos and equivalent activities[17];

r) Forestry operations in tropical forests;

s) Pawnshop activities and currency exchange houses;

t) Pornography, prostitution, video chat;

u) Projects that affect the following areas:

   i. Alliance for Zero Extinction (AZE) sites,

   ii. natural and mixed sites included in the UNESCO World Heritage List, and

   iii. free-flowing river sections of 500 km or more, except for projects specifically designed to contribute to the conservation of these areas[18].

[14]This does not apply to the financing of an activity that is not significant (<20%).

[15]This does not apply to the financing of an activity that is not significant (<20%).

[16]Sustainably managed forests – in the bank's understanding, wood material from sustainably managed forests is wood that comes from a legal harvesting operation and whose origin can be verified.

[17]Exception is made for SGBs with cash collateral securing budgetary obligations, in accordance with Government Emergency Ordinance No. 77/2009 on the organization and operation of gambling activities.

[18]Online verification available at: https://zeroextinction.org/site-identification/2023-global-aze-map/ and UNESCO: https://www.unesco.org/en/lists-designations/site-navigator?hub=66210.