



Shubham Housing Development
Finance Company Ltd.

Part I

Environmental and Social Policy

SHUBHAM HOUSING DEVELOPMENT FINANCE COMPANY LTD.	
Policy	Environmental & Social Policy
Reviewing Authority:	Board of Directors of the Company
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Preamble

The system for integrating environmental and social (E&S) aspects in Shubham Housing Development Finance Company Ltd. (Shubham) business operations has been developed in two parts:

- *Part I: Environmental and Social Policy*
- *Part II: Environmental & Social Management System*

The E&S Policy document as Part I of the documentation presents the E&S Policy Statement of Shubham that translate the Policy to action. The Policy states Shubham's intentions on environmental and social aspects of the business. This Policy document may be circulated with Shubham's stakeholders.

The Environmental & Social Management System (ESMS) presented in Part II of the documentation has been developed to enable implementation of the E&S Policy. The ESMS Manual articulates the operational procedures to be adopted by Shubham for each transaction. The ESMS is an operational level document, that may need to be adapted in future and will remain internal to the Company.

Table of Contents

1	Introduction	5
1.1	About Shubham Housing Development Finance Company Ltd.	5
2	Background to E&S Policy	5
3	Reference Framework.....	5
4	Environmental and Social Policy Statement	7
5	Other Supporting Policies	7
6	E&S Policy Implementation Arrangement.....	8
6.1	Approval	8
6.2	Communication	8
7	E&S Policy Implementation.....	8
Annex 1: Shubham's E&S Exclusion List.....		Error! Bookmark not defined.

Abbreviations

ADB	Asian Development Bank
BII	British International Investment
LFIV	LeapFrog Fund IV
CITES	Convention on International Trade in Endangered Species
E&S	Environmental and Social
EHS	Environment, Health and Safety
EIB	European Investment Bank
ESMS	Environmental and Social Management System
GIIP	Good International Industry Practice
IFC	International Finance Corporation
ILO	International Labour Organisation
HR	Human Resources

1 Introduction

1.1 About Shubham Housing Development Finance Company Ltd.

Shubham Housing development Finance Company Limited (“Shubham” or “Company”) is a leading provider of housing finance established in 2010 and headquartered in Gurgaon, India. Shubham caters to Urban and Semi-urban segment that consists of rural, self-employed, and micro entrepreneurs. With the growth of Indian economy and urban migration, real estate rates have risen, and affordability has declined. Through its product portfolio, Shubham strives to address this gap and drive financial inclusion for this underserved segment. It offers affordable and customised housing finance solutions to those with informal incomes through new age credit programs.

Shubham’s loan products include home loans and loan against property.

2 Background to E&S Policy

Shubham recognises that activities of its borrowers have the potential to cause both adverse and beneficial Environmental and Social (E&S) impacts. In order to achieve its vision of being the preferred mortgage lender for families with informal incomes, the Company realises the need to address these E&S risks and impacts in a structured manner and take measures and initiatives at the appropriate stage.

These adverse impacts, if left unaddressed, could translate to credit risks and/or reputation risks for Shubham in the long run. There are also opportunities through downside risk management and upside value creation. This can help in brand differentiation, portfolio performance in terms of impact creation, stronger client relations, and increased loyalty.

Cognizant of this need, Shubham has developed an E&S Policy that states its commitment to integrating E&S considerations in its business operations. The E&S Policy has been developed in alignment with the national E&S laws and regulations and relevant E&S Good International Industry Practices (GIIP) and Investor’s E&S Safeguards.

3 Reference Framework

The E&S Policy for Shubham has been developed with reference to the following frameworks:

- Applicable national and local environmental and social (including Occupational, Health and Safety) related laws and regulations
- Good International Industry Practice (GIIP) requirements as applicable:
 - IFC Performance Standards, 2012
 - The World Bank Group General Environmental, Health and Safety (EHS) Guidelines, 2007 and relevant World Bank Group Industry Sector EHS Guidelines
 - ILO Conventions
 - BII’s Code of Responsible Investing, 2017
 - LFIV Responsible Investment Code

- ADB's Safeguard Policy Statement, 2009
- ADB's Social Protection Strategy, 2001
- European Investment Bank's Environmental and Social Standards, 2018
- Client Protection Principles

Based on the consideration of all above frameworks, Shubham has developed its E&S Management System (ESMS) that is aligned to all above. The ESMS will follow an exclusion list as described in Annex 1 that is in line with the above reference framework.

For all loan transactions, the ESMS will be implemented in compliance to Indian regulations. However, in cases where international E&S safeguards listed above are applicable and there is a difference between Indian regulations and international E&S safeguards, more stringent of the two requirements would be adhered to.

The E&S aspects applicable to the Company's focus areas are covered in the above listed reference framework and presented in **Figure 1-1**.



Figure 1-1: E&S Aspects of Reference Framework

4 Environmental and Social Policy Statement

The E&S Policy of Shubham underlines its aspirations as well as commitment towards integrating E&S considerations in its transactions.

Shubham Housing Development Finance Company Limited's Environmental and Social Policy

Shubham believes that environmental and social considerations are the fundamental cornerstones of its business for aligning towards sustainable development goals. Given the challenges on security of our resources, threats to economy and livelihoods due to climate change and compromised biodiversity, Shubham would like to make every effort to mainstream sustainability in its business as well as operations.

Shubham will make efforts to influence its borrowers to follow Good International Industry Practices for better development impact. Meeting of the applicable environmental and social requirements will be a prerequisite in loan processing. Activities that could potentially damage or pose risks to the environment will not be financed.

The transaction appraisal process will assess environmental and social risks at all relevant stages and accordingly state covenants to meet environmental and social legal compliance. On disbursement, environmental and social monitoring will be carried out. In addition, Shubham will proactively engage with the stakeholders ensuring timely resolution of grievances if any.

[Signature]

Name and Designation:

Date:

5 Other Supporting Policies

Shubham has several policies that support the environmental and social policy and these are available on its website (www.shubham.co).

These policies are related to working relationship of Shubham and its employees, terms of employment and grievance mechanism. Annexure 1 of the HR manual covers Anti-Sexual Harassment Policy of Shubham in detail.

A Fair Practices Code is available on the website (that describes practices to be followed by Shubham to ensure fair and transparent dealings with its customers and is applicable to all its products and services. The objective of this code is to ensure that Shubham provides quality service and maintains transparency in its operations.

In addition to above, Shubham has developed a HR manual that describes policies, programs and norms that are to be adhered by employees of Shubham.

6 E&S Policy Implementation Arrangement

6.1 Approval

The E&S Policy have been formally approved and adopted by the Board of Directors at Shubham. The policy will be applicable to all loans extended by the Company from the date of approval.

6.2 Communication

The E&S Policy have been communicated to all employees through suitable training programs (induction and refresher) and communicated to other stakeholders, such as investors, borrowers, as relevant.

The E&S Policy have been disclosed to all stakeholders of Shubham through its website.

7 E&S Policy Implementation

Shubham has developed an ESMS to support implementation of the E&S Policy. The ESMS has been formally adopted by the Board and will be implemented in all loan transactions of the Company from the date of approval.

Under the ESMS, procedures for E&S risk identification, management and monitoring have been developed and supported by annexes and tools. The procedures have been mapped with the loan appraisal cycle of the company. The institutional structure with roles and responsibilities of various departments towards implementation of the ESMS has been outlined.

The E&S policy and its requirements will be audited as per existing internal audit processes of Shubham.

The E&S Policy will be reviewed and updated as required, at least once in three years, to ensure its adequacy, effectiveness, and suitability to the changing scenarios of environmental and social governance.

In case a need for revision in the E&S Policy is realized in the future, the revised policy document will need to be approved by the Board before its implementation.

Tool 1A: E&S Exclusion List (For Partial Applications)

1. Production, use of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase out or bans as defined in global / international conventions and agreements such as certain:
 - (a) Production of or trade in products containing PCBs.¹
 - (b) Production, placing on the market, trade in and use of asbestos fibres, and of articles and mixtures containing these fibres added intentionally.²
 - (c) Production, use of or trade in ozone depleting substances³ and substances which are subject to international phase-outs or bans, including pharmaceuticals⁴, pesticides/herbicides⁵ and chemicals.⁶
 - (d) Production, use of or trade in persistent organic pollutants.⁷
 - (e) Production or trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES)⁸.
 - (f) Transboundary trade in or movements of waste or waste products prohibited under public international law.⁹
 - (g) Production or trade in illegal narcotics / drugs.
2. Production or trade in radioactive materials.¹⁰
3. Production of, or trade in, arms (i.e., weapons, munitions or nuclear products, primarily designated for military purposes).

¹ PCBs: Polychlorinated biphenyls are a group of highly toxic chemicals and are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

² Commission Regulation (EU) 2016/1005 of 22 June 2016 amending Annex XVII to Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as regards asbestos fibres (chrysotile).

³ Ozone Depleting Substances (ODS): Chemical compounds, which react with and delete stratospheric ozone, resulting in "holes in the ozone layer". The Montreal Protocol on Substances that Deplete the Ozone Layer and <https://www.epa.gov/ozone-layer-protection/ozone-depleting-substances> list ODS and their target reduction and phase-out dates.

⁴ A list of pharmaceutical products subject to phase-outs or bans is available at <https://www.who.int/medicines/publications/restrictions/en/>

⁵ A list of pesticides and herbicides subject to phase-outs or bans is available at <http://www.pic.int>.

⁶ Reference documents: 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 as amended; United Nations Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); World Health Organisation Recommended Classification of Pesticides by Hazard.

⁷ Reference document: Stockholm Convention on Persistent Organic Pollutants (POPs) as amended in 2009.

⁸ A list of CITES species is available at <http://www.cites.org>.

⁹ Reference documents: Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal; Regulation (EC) No 1013/2006 of 14 June 2006 on shipments of waste; and Decision C(2001)107/Final of the OECD Council concerning the revision of Decision C(92)39/Final on the control of transboundary movements of wastes destined for recovery operations.

¹⁰ This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.

4. Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or projects significantly impacting protected areas without appropriate mitigation/compensation or cultural resources such as, Bonn Convention, Ramsar Convention, World Heritage Convention and Convention on Biological Diversity¹¹
5. Extraction or infrastructure in or impacting protected area Categories I, II, III, and IV (Strict Nature Reserve/Wilderness Areas and National Parks, Natural Monuments and Habitat/Species Management Areas), as defined by the International Union for the Conservation of Nature (IUCN). Projects in IUCN Categories V (Protected Landscape/Seascape) and VI (Managed Resource Protected Area) must be consistent with IUCN management objectives <https://www.protectedplanet.net/> unless it can be demonstrated through an environmental assessment (i) there is no degradation of the protected area and (ii) there are positive environmental and social benefits.
6. Any activities involving degradation or conversion of Critical Habitats¹².
7. Commercial concessions over, and logging on tropical and/or primary natural forest.
8. Conversion of natural forest to a plantation.
9. Purchase of logging equipment for use in tropical natural forests or high nature value forests in all regions; and activities that lead to clear cutting and/or degradation of tropical and/or primary natural forests or high nature value forest.
10. Irrigated forests.¹³
11. Production or trade in wood or other forestry products other than from sustainably managed forests.
12. Marine and coastal fishing methods that are unsustainable or harmful to vulnerable and protected species in large numbers and damaging to biodiversity and habitats (i.e. Drift net fishing in the marine environment using nets in excess of 2.5 km in length, fine mesh net fishing, blast fishing and electric shocks).
13. Extraction or mining of conflict minerals and metals.¹⁴

¹¹ Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention) - <http://www.cms.int/>; Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention) - <http://www.ramsar.org/>; Convention Concerning the Protection of the World Cultural and Natural Heritage - <http://whc.unesco.org/en/conventiontext/>; Convention on Biological Diversity - <https://www.cbd.int/>

¹² Endemic or restricted-range species; sites that are critical for the survival of vulnerable, migratory or endangered species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; areas having biodiversity of significant social, economic or cultural importance to local communities and/or which are recognized as protected by traditional local communities (e.g. sacred groves); existing internationally recognized protected areas; sites identified on supplementary lists by authoritative sources identified by DFC; areas with known high suitability for biodiversity conservation; and sites that maintain conditions vital to the viability of protected areas (as determined by the environmental assessment procedure). Primary Forest and old growth Forests that may serve as critical carbon sinks or forests of High Conservation Value shall be considered Critical Habitats. Critical Habitat include species under strict protection in accordance with Art. 12-16 of the Habitats Directive. For avoidance of doubt – destruction of critical habitat does not take into consideration mitigation and compensatory measures.

¹³ Except of temporary watering in the first 3 years after planting is allowed for the seedlings to develop deep rooting systems for ensuring high survival rates.

¹⁴ Minerals and metals covered by the Regulation (EU) 2017/821 laying down supply chain due diligence obligations for European Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas, as amended.

14. Breeding and physical cultivation of Genetically Modified Organism (GMO) seeds or transgenic horticultural crops that are not aligned with EU Directive 2001/18/ EC as further amended.
15. Any activities listed as “Not Supported” in Part 1 of Annex 2 of EIB Group Climate Bank Roadmap.^{15 16}
16. Activities prohibited by host country legislation or international conventions relating to the protection of cultural heritage.
17. Resettlement of 5,000 or more persons.
18. The development, production, maintenance, trade or stock-piling of weapons and munitions, including weapons of mass destruction, radiological, nuclear, biological and chemical weapons.
19. Military/police equipment or infrastructure, correctional facilities, prisons, or such other military production or sales.
20. Tobacco and tobacco products, including e-cigarettes (production, manufacturing, processing and distribution / sale).
21. Production or trade in alcoholic beverages (excluding beer and wine).¹⁷
22. Gambling, casinos and equivalent enterprises and related equipment or hotels hosting such facilities.
23. Sex trade and any related infrastructure, services, telecommunications and media.¹⁸
24. Production of or trade in coal and related activities including without limitation, coal mining, beneficiation, power generation, trade, supply or infrastructure supporting to any of these.
25. Any business with political or religious content.¹⁹
26. Production and distribution of racist, anti-democratic and/or neo-Nazi media or such other media of a political nature.
27. The use and breeding of live animals for scientific and experimental purposes.
28. Shipment of oil or other hazardous substances in tankers that do not comply with IMO requirements (IMO, MARPOL, SOLAS and Paris MOU)²⁰

¹⁵ https://www.eib.org/attachments/thematic/eib_group_climate_bank_roadmap_en.pdf

¹⁶ This clause does not apply to activities that are not substantially involved in Not Supported activities. “Not substantially involved” means that the activity concerned is ancillary to an activity’s primary operation.

¹⁷ This does not apply to project sponsors who are not substantially involved in these activities. “Not substantially involved” means that the activity concerned is ancillary to a project sponsor’s primary operations.

¹⁸ This clause applies to prostitution and pornography (manufacture, sale or distribution) and not, for instance, sex-related healthcare and wellness.

¹⁹ This clause refers to the businesses whose purpose is the promotion of political or religious content.

²⁰ Non-compliance with International Maritime Organisation (IMO) requirements: tankers that do not have all required International Convention for the Prevention of Pollution from Ships (MARPOL), International Convention for the Safety of Life at Sea (SOLAS) certificates (including, without limitation, International Safety Management Code compliance), tankers banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU), and tankers due for phase out under MARPOL regulation 13G. No single hull tanker over 25 years old should be used

29. Any activity categorized as Category A (i.e., an activity of the Company which is likely to have significant adverse social or environmental impacts that are sensitive, diverse or unprecedented.
30. In case of microfinance activities, the following items in addition to the Exclusion List:
- a) 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.
 - b) production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples (as defined in Standard 7 of the performance standards (IFC PS)²¹, without full documented consent of such peoples.

²¹ As specified in the IFC's Performance Standards on Social & Environmental Sustainability, dated January 1, 2012. The Performance Standards are publicly available on the IFC website

Tool 1 B: E&S Exclusion List (For Full Applications)

1. Production, use of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase out or bans as defined in global / international conventions and agreements such as certain:
 - (h) Production of or trade in products containing PCBs.²²
 - (i) Production, placing on the market, trade in and use of asbestos fibres, and of articles and mixtures containing these fibres added intentionally.²³
 - (j) Production, use of or trade in ozone depleting substances²⁴ and substances which are subject to international phase-outs or bans, including pharmaceuticals²⁵, pesticides/herbicides²⁶ and chemicals.²⁷
 - (k) Production, use of or trade in persistent organic pollutants.²⁸
 - (l) Production or trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES)²⁹.
 - (m) Transboundary trade in or movements of waste or waste products prohibited under public international law.³⁰
 - (n) Production or trade in illegal narcotics / drugs.
2. Production or trade in radioactive materials.³¹
3. Production of, or trade in, arms (i.e., weapons, munitions or nuclear products, primarily designated for military purposes).

²² PCBs: Polychlorinated biphenyls are a group of highly toxic chemicals and are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

²³ Commission Regulation (EU) 2016/1005 of 22 June 2016 amending Annex XVII to Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as regards asbestos fibres (chrysotile).

²⁴ Ozone Depleting Substances (ODS): Chemical compounds, which react with and delete stratospheric ozone, resulting in "holes in the ozone layer". The Montreal Protocol on Substances that Deplete the Ozone Layer and <https://www.epa.gov/ozone-layer-protection/ozone-depleting-substances> list ODS and their target reduction and phase-out dates.

²⁵ A list of pharmaceutical products subject to phase-outs or bans is available at <https://www.who.int/medicines/publications/restrictions/en/>

²⁶ A list of pesticides and herbicides subject to phase-outs or bans is available at <http://www.pic.int>.

²⁷ Reference documents: 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 as amended; United Nations Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); World Health Organisation Recommended Classification of Pesticides by Hazard.

²⁸ Reference document: Stockholm Convention on Persistent Organic Pollutants (POPs) as amended in 2009.

²⁹ A list of CITES species is available at <http://www.cites.org>.

³⁰ Reference documents: Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal; Regulation (EC) No 1013/2006 of 14 June 2006 on shipments of waste; and Decision C(2001)107/Final of the OECD Council concerning the revision of Decision C(92)39/Final on the control of transboundary movements of wastes destined for recovery operations.

³¹ This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.

4. Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or projects significantly impacting protected areas without appropriate mitigation/compensation or cultural resources such as, Bonn Convention, Ramsar Convention, World Heritage Convention and Convention on Biological Diversity³²
5. Extraction or infrastructure in or impacting protected area Categories I, II, III, and IV (Strict Nature Reserve/Wilderness Areas and National Parks, Natural Monuments and Habitat/Species Management Areas), as defined by the International Union for the Conservation of Nature (IUCN). Projects in IUCN Categories V (Protected Landscape/Seascape) and VI (Managed Resource Protected Area) must be consistent with IUCN management objectives <https://www.protectedplanet.net/> unless it can be demonstrated through an environmental assessment (i) there is no degradation of the protected area and (ii) there are positive environmental and social benefits.
6. Any activities involving degradation or conversion of Critical Habitats³³.
7. Commercial concessions over, and logging on tropical and/or primary natural forest.
8. Conversion of natural forest to a plantation.
9. Purchase of logging equipment for use in tropical natural forests or high nature value forests in all regions; and activities that lead to clear cutting and/or degradation of tropical and/or primary natural forests or high nature value forest.
10. Leasing or financing of logging equipment, unless an environmental and social impact assessment indicates that: (i) all timber harvesting operations involved will be conducted in an environmentally sound manner which minimizes forest destruction; and (ii) the timber harvesting operations will produce positive economic benefits and sustainable forest management systems.
11. Irrigated forests.³⁴
12. Production or trade in wood or other forestry products other than from sustainably managed forests.
13. Marine and coastal fishing methods that are unsustainable or harmful to vulnerable and protected species in large numbers and damaging to biodiversity and habitats (i.e. Drift net

³² Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention) - <http://www.cms.int/>; Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention) - <http://www.ramsar.org/>; Convention Concerning the Protection of the World Cultural and Natural Heritage - <http://whc.unesco.org/en/conventiontext/>; Convention on Biological Diversity - <https://www.cbd.int/>

³³ Endemic or restricted-range species; sites that are critical for the survival of vulnerable, migratory or endangered species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; areas having biodiversity of significant social, economic or cultural importance to local communities and/or which are recognized as protected by traditional local communities (e.g. sacred groves); existing internationally recognized protected areas; sites identified on supplementary lists by authoritative sources identified by DFC; areas with known high suitability for biodiversity conservation; and sites that maintain conditions vital to the viability of protected areas (as determined by the environmental assessment procedure). Primary Forest and old growth Forests that may serve as critical carbon sinks or forests of High Conservation Value shall be considered Critical Habitats. Critical Habitat include species under strict protection in accordance with Art. 12-16 of the Habitats Directive. For avoidance of doubt – destruction of critical habitat does not take into consideration mitigation and compensatory measures.

³⁴ Except of temporary watering in the first 3 years after planting is allowed for the seedlings to develop deep rooting systems for ensuring high survival rates.

- fishing in the marine environment using nets in excess of 2.5 km in length, fine mesh net fishing, blast fishing and electric shocks).
14. Extraction of mineral deposits from the deep sea.³⁵
 15. Extraction or mining of conflict minerals and metals.³⁶
 16. Construction of dams that significantly and irreversibly: (a) disrupt natural ecosystems upstream or downstream of the dam; (b) alter natural hydrology; (c) inundate large land areas; (d) impact biodiversity; (e) displace large numbers of inhabitants (5,000 persons or more); or (f) impact local inhabitants' ability to earn a livelihood.
 17. Breeding and physical cultivation of Genetically Modified Organism (GMO) seeds or transgenic horticultural crops that are not aligned with EU Directive 2001/18/ EC as further amended.
 18. Any activities listed as "Not Supported" in Part 1 of Annex 2 of EIB Group Climate Bank Roadmap.^{37 38}
 19. Projects which impact cultural heritage sites (including UNESCO World Heritage Sites, see <https://whc.unesco.org/en/list/>) or areas on the United Nations List of National Parks and Protected Areas (see <https://www.protectedplanet.net/>) unless it can be demonstrated through an environmental assessment that such projects (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits.
 20. Activities prohibited by host country legislation or international conventions relating to the protection of cultural heritage.
 21. Projects which result in limiting people's individual rights and freedom, or violation of human rights, including the production or use or trade in or activities involving harmful or exploitative forms of forced labour³⁹ / harmful child labour⁴⁰, as defined by ILO Fundamental Labour Conventions.
 22. Projects or companies known to be in violation of local applicable law related to environment, health, safety, labour, and public disclosure, including those related to the right of association, organisation and collective bargaining, forced labour, child labour, wages, hours of work and occupational health and safety.
 23. 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.

³⁵ Deep sea is defined as the areas of the ocean below 200m – the International Seabed Authority and Deep Seabed Mining. United Nations.

³⁶ Minerals and metals covered by the Regulation (EU) 2017/821 laying down supply chain due diligence obligations for European Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas, as amended.

³⁷ https://www.eib.org/attachments/thematic/eib_group_climate_bank_roadmap_en.pdf

³⁸ This clause does not apply to activities that are not substantially involved in Not Supported activities. "Not substantially involved" means that the activity concerned is ancillary to an activity's primary operation.

³⁹ Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty, such as indentured labour, bonded labour or similar labour-contracting arrangements.

⁴⁰ Harmful child labour means the employment formally or informally of a child (a) under the age of 18 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, moral or social development or (b) under the age of 15 for any form of labour or (c) in a manner constituting the worst forms of child labour as defined in section 507 of the Trade Act of 1974, 19 U.S.C. § 2467, as amended.

24. Resettlement of 5,000 or more persons.
25. The development, production, maintenance, trade or stock-piling of weapons and munitions, including weapons of mass destruction, radiological, nuclear, biological and chemical weapons.
26. Military/police equipment or infrastructure, correctional facilities, prisons, or such other military production or sales.
27. Tobacco and tobacco products, including e-cigarettes (production, manufacturing, processing and distribution / sale).
28. Production or trade in alcoholic beverages (excluding beer and wine). ⁴¹
29. Gambling, casinos and equivalent enterprises and related equipment or hotels hosting such facilities.
30. Sex trade and any related infrastructure, services, telecommunications and media. ⁴²
31. Production of or trade in coal and related activities including without limitation, coal mining, beneficiation, power generation, trade, supply or infrastructure supporting to any of these.
32. Any business with political or religious content. ⁴³
33. Production and distribution of racist, anti-democratic and/or neo-Nazi media or such other media of a political nature.
34. The use and breeding of live animals for scientific and experimental purposes.
35. 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 which relates in whole or in part, to methods of, or in the performance of, abortions or involuntary sterilization as a means of family planning.
36. Projects or companies in which host country governments have majority ownership or effective management control.
37. Companies found by a court or administrative body of competent jurisdiction engaging in unlawful monopolistic practices.
38. 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.
39. Projects or companies subject to performance requirements that are likely to reduce substantially the positive trade benefits to the U.S.

⁴¹ This does not apply to project sponsors who are not substantially involved in these activities. “Not substantially involved” means that the activity concerned is ancillary to a project sponsor’s primary operations.

⁴² This clause applies to prostitution and pornography (manufacture, sale or distribution) and not, for instance, sex-related healthcare and wellness.

⁴³ This clause refers to the businesses whose purpose is the promotion of political or religious content.

40. Shipment of oil or other hazardous substances in tankers that do not comply with IMO requirements (IMO, MARPOL, SOLAS and Paris MOU)⁴⁴
41. Any activity categorized as Category A (i.e., an activity of the Company which is likely to have significant adverse social or environmental impacts that are sensitive, diverse or unprecedented.
42. In case of microfinance activities, the following items in addition to the Exclusion List:
 - c) 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.
 - d) production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples (as defined in Standard 7 of the performance standards (IFC PS)⁴⁵, without full documented consent of such peoples.
43. Companies which are treated as inverted corporations under 6 U.S.C.395(b).
44. Any project involving the following aspects below will be excluded from financing:

Major infrastructure development this includes township projects developed over an area of 100 Acres' or road/rail/aviation infrastructure or bridge infrastructure or power and energy infrastructure²⁰. Project is not located inside the zero extinction sites⁴⁶ –

 - (a) Chambal Sanctuary
 - (b) Singhad Fort
45. Project is not located inside the below cultural heritage sites⁴⁷ –

States	Heritage Sites
Delhi	Humayun's Tomb
	Qutb Minar
	Red Fort Delhi
Gujarat	Champaner Pavagadh Archeological Park
	Rani ki Vav at Patan
	Buddhist Monuments at Sanchi

⁴⁴ Non-compliance with International Maritime Organisation (IMO) requirements: tankers that do not have all required International Convention for the Prevention of Pollution from Ships (MARPOL), International Convention for the Safety of Life at Sea (SOLAS) certificates (including, without limitation, International Safety Management Code compliance), tankers banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU), and tankers due for phase out under MARPOL regulation 13G. No single hull tanker over 25 years old should be used

⁴⁵ As specified in the IFC's Performance Standards on Social & Environmental Sustainability, dated January 1, 2012. The Performance Standards are publicly available on the IFC website

^{46, 69 and 70} The Zero Extinction Site, Cultural Heritage Site and Ecological Protected Areas are as per the the following states – (Delhi, Gujarat, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh). As and when Shubham enters new States, the list of all the three sensitive receptors will be updated from (Proximity to Protected Areas / Notified Eco-sensitive areas - <http://moef.gov.in/rules-and-regulations/esz-notifications/>, Zero Extinction Sites - <https://zeroextinction.org/site-identification/2018-global-aze-map/>, Cultural Heritage Sites - [https://www.indiaculture.nic.in/world-heritage#:~:text=The%20plurality%20and%20multiplicity%20of,the%20'intangible%20Cultural%20Heritage'%20\(\)](https://www.indiaculture.nic.in/world-heritage#:~:text=The%20plurality%20and%20multiplicity%20of,the%20'intangible%20Cultural%20Heritage'%20()))

Madhya Pradesh	Khajurao Group of Monuments
	Rock Shelters of Bhimbetka
Maharashtra	Ajanta Caves
	Chhatrapati Shivaji Terminus
	Elephanta Caves
	Ellora Caves
Rajasthan	Hill Forts of Rajasthan
	Jantar Mantar Jaipur
Uttar Pradesh	Agra Fort
	Fatehpur Sikri Fort
	Taj Mahal

46. The project is not located inside the below Ecological Protected Areas⁴⁸ –

	Sanctuary / National Park
Chandigarh	City Bird Sanctuary
	Sukhna Wildlife Sanctuary
Delhi	Asola Bhatti Wildlife Sanctuary
Gujarat	Marine National and Marine Sanctuary
	Girnar Reserve Forest
	Narayan Sarover Wildlife Sanctuary
	Purna Wildlife Sanctuary
	Vansda National Park
	Barda Wildlife Sanctuary
	Thol Bird Sanctuary
	Shoolpaneshwar Wildlife Sanctuary
	Porbandar Wildlife Sanctuary
	Gaga Sanctuary
	Nalsarovar Bird Sanctuary
	Hingolghat Wildlife Sanctuary
	Velavadar Wildlife Sanctuary
	Khiladiya Wildlife Sanctuary
	Rampara Wildlife Sanctuary
	Jessore Wildlife Sanctuary
	Ratanmahal Wildlife Sanctuary
	Jambugodha Wildlife Sanctuary
	Kutch Bustard Wildlife Sanctuary
	Wild Ass Sanctuary
	Kutch Desert Sanctuary
Haryana	Sultanpur National Park
	Kholi Raitan Wildlife Sanctuary
	Bir Shikargarh Wildlife Sanctuary
	Khapparwas Wildlife Sanctuary
	Kalesar Wildlife Sanctuary

	Bhindawas Wildlife Sanctuary
	Chhilchhila Wildlife Sanctuary
	Asola Bhatti Wildlife Sanctuary
Madhya Pradesh	Son Gharial Wildlife Sanctuary
	Gandhi Sagar Wildlife Sanctuary
	Ghatigaon Hukna Wildlife Sanctuary
	Satpura Tiger Reserve
	Dinosaur National Park
	Panpatha Wildlife Sanctuary
	Bagdara Wildlife Sanctuary
	Ghughua Fossil National Park
	Ken Gharial Wildlife Sanctuary
	Madhav National Park
	Sanjay Dubri Wildlife Sanctuary
	Karera Wildlife Sanctuary
	Nauradehi Wildlife Sanctuary
	Singhori Wildlife Sanctuary
	Van Vihar National Park
	Narsingharh Wildlife Sanctuary
	Orchha Wildlife Sanctuary
	Kheoni Wildlife Sanctuary
	Pench Moigali Sanctuary
	National Chambal Sanctuary
Maharashtra	Nagzira Wildlife Sanctuary
	Painganga Wildlife Sanctuary
	Autramghat Wildlife Sanctuary
	Karnala Wildlife Sanctuary
	Umred Karhandla Wildlife Sanctuary
	Gangewadi New Great Indian Bustard Sanctuary
	Phansad Wildlife Sanctuary
	Bhamragarh Wildlife Sanctuary
	Yedshi Ramling Ghat
	Anerdam Wildlife Sanctuary
	Dyanganga Wildlife Sanctuary
	Andhari Wildlife Sanctuary
	Sagareshwar Wildlife Sanctuary
	Kalsubai Harishchandragad Wildlife Sanctuary
	Melghat Tiger Reserve
	Tipeshwar Wildlife Sanctuary
	Sanjay Gandhi National Park
	Jaikawadi Bird Sanctuary
	Mansinghdeo Wildlife Sanctuary
	Lonar Wildlife Sanctuary
	Yawal Wildlife Sanctuary
	Tungareshwar Wildlife Sanctuary
	Great Indian Bustard Sanctuary
	Bhimashankar Wildlife Sanctuary

Punjab	Bir Dosanjh Wildlife Sanctuary
	Abohar Wildlife Sanctuary
	Bir Moti Bagh Wildlife Sanctuary
	Harike Wildlife Sanctuary
	Jhajjar bachauli Wildlife Sanctuary
	Bir Ashwan Wildlife Sanctuary
	Bir Gurdiwalpura Wildlife Sanctuary
	Kathlaur Kushalia Wildlife Sanctuary
	Bir Bhunerheri Wildlife Sanctuary
	Takhni Rehampur Wildlife Sanctuary
	Bir Mehas Wildlife Sanctuary
	Bir Bhadson Wildlife Sanctuary
	Nangal Wildlife Sanctuary
Rajasthan	Bondh Baretha Wildlife Sanctuary
	Todgarh Raoli Wildlife Sanctuary
	Van Vihar Wildlife Sanctuary
	Nahargarh Wildlife Sanctuary
	Jaisamund Wildlife Sanctuary
	Sajjangarh Wildlife Sanctuary
	Keoladeo Wildlife Sanctuary
	Sitamata Wildlife Sanctuary
	Jamwaramgarh Wildlife Sanctuary
Uttarakhand	Nanda Devi National Park
	Gangotri National Park
Uttar Pradesh	Okhla Bird Sanctuary
	Kaimur Wildlife Sanctuary
	Bhakira Wildlife Sanctuary
	Lakh Bahosi Bird Sanctuary
	Sandi Bird Sanctuary
	Nawabganj Bird Sanctuary
	Samaspur Wildlife Sanctuary
	Ranipur Wildlife Sanctuary
	Saman Bird Sanctuary
	Parwati Agra Wildlife Sanctuary
	Sohagi Barwa Wildlife Sanctuary
	Chandraprabha Wildlife Sanctuary
	Jai Prakash Narayan Bird Sanctuary
	Patna Bird Sanctuary
	Hastinapur Wildlife Sanctuary
	National Chambal Wildlife Sanctuary
	Vijay Sagar Bird Sanctuary
	Soor Sarovar Bird Sanctuary