Exclusion List

August 2026

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Version/ Date

Version 2/ Approved August 2026

Effective Date

This policy was approved by the ASAI Group EXCO on 27th August, 2026

ASA International Group plc
www.asa-international.com

ASA International is one of the world's largest international microfinance institutions offering socially responsible financial services to low-income, primarily female entrepreneurs across Asia and Africa.

ASA International owns and operates microfinance institutions, including deposit-taking microfinance banks, in India, Pakistan, the Philippines, Sri Lanka, Nigeria, Ghana, Tanzania, Uganda, Kenya, Rwanda, Myanmar, Zambia, and Sierra Leone and has its head offices in Amsterdam and Dhaka.

ASA International is listed on the London Stock Exchange as a premium listed company.

In order to qualify for taking loan from ASA International, clients must meet all the company requirements and refrain themselves from investing their loan amount into any of the below-mentioned excluded activities

ASA International's Exclusion List defines the types of projects, the institution does not finance. This list shall be updated from time to time.

1. Production or activities involving exploitative labour practices, including forced labour[1] or harmful child labour[2]
2. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements
3. Projects unacceptable in climate and environmental[3] terms
4. Destruction[4] of Critical Habitat[5]
5. Construction of dams that significantly and irreversibly: (a) disrupt natural ecosystems upstream or downstream of the dam; or (b) alter natural hydrology[6]; or (c) inundate large land areas; or (d) impact biodiversity; or (e) displace large numbers of inhabitants (5,000 persons or more); or (f) impact local inhabitants' ability to earn a livelihood.
6. Any impact on natural World Heritage Sites https://whc.unesco.org/en/ unless it can be demonstrated through an environmental assessment that the project (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits.
7. Any impact on areas on the United Nations List of National Parks and Protected Areas https://www.protectedplanet.net/en unless it can be demonstrated through an environmental assessment that the project (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits.
8. Commercial logging operations for use in primary tropical moist forest, excluding small-scale or subsistence logging activities undertaken by microfinance clients, where legally permitted.
9. Production or trade in wood or other forestry products other than from sustainably managed forests, excluding small-scale trade undertaken by microfinance clients.
10. Blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length
11. Projects with substantial environmental, social and life risks, for instance, waste incineration, and inappropriate collection, treatment and disposal of hazardous waste
12. Any business relating to pornography or prostitution[7]
13. Trade in wildlife or wildlife products regulated under CITES[8]
14. Trade in human body parts or organs or remains
15. Production, trade, storage, use, or transport of hazardous chemicals[9] or other materials such as radioactive materials[10], unbounded asbestos fibres, products containing PCBs[11] and other toxic substances
16. Cross-border trade in waste and waste products unless compliant with the Basel Convention and the underlying regulations
17. Production, use of or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone-depleting substances[12] and other hazardous substances subject to international phase-outs or bans
18. Projects involving unethical or unregulated use of genetically modified crops that could harm the ecosystems or human health.
19. Production or trade[13] in
    a. weapons and munitions
    b. tobacco, unless it's legally permitted and culturally appropriate
    c. hard liquor, unless it's legally permitted and culturally appropriate

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   d. narcotics or other controlled substances
   e. tools and apparatus for production or use of harmful drugs
20. Projects which result in limiting people's individual rights and freedom, or violation of human rights[14]
21. Production and distribution of racist, anti-democratic and/or neo-Nazi media
22. Projects influencing[15] cultural, political or religious purposes
23. Projects or activities that affect lands owned or under legal dispute by Indigenous peoples without obtaining their full, documented consent
24. Ethically or morally controversial[16] projects
25. Gambling, casinos, lotteries and equivalent enterprises
26. Dedicated lending[17] for projects and activities that involve primarily[18] coal, oil, gas exploration, mining, transport and related infrastructure, as listed in the Harmonised EDFI Fossil Fuel Exclusion List[19], excluding small-scale or subsistence activities undertaken by eligible microfinance clients, where legally permitted and proportionate to the nature and scale of the client's activities.
27. Illegal medical drugs or controlled products, pseudo-pharmaceuticals, other pharmaceutical products not approved by the applicable local and/or national regulatory body
28. Hacking-related or malware-related products and services, services or products that infringe personal privacy, or corporate internal data
29. Superstition services[20]
30. Human trafficking or smuggled goods.

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1 "Forced labour" refers to all work or service that is not performed voluntarily and is extracted from an individual under threat of force or penalty, as defined by ILO conventions.

2 "Child labour" refers to the employment of children in a manner that is economically exploitative, hazardous, interferes with their education, or is harmful to their health, or physical, mental, moral, or social development. Employees must be at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies a higher age for compulsory school attendance or the minimum age for working. In such cases, the higher age shall apply.

3 Any activity involving significant degradation, conversion, or destruction of nature, such as the conversion of natural forests. This includes irrigated forests, logging, clear-cutting, or degradation of (and commercial concessions over) tropical natural forests or high conservation value forests by any means, as well as the purchase of logging equipment for this purpose. Additionally, unauthorized extraction of sand, soil, stones, and mineral deposits like sodium, limestones, and metals is excluded. Furthermore, any activities that result in significant pollution of air, water, and soil are prohibited. This includes, but is not limited to: (1) Emissions of hazardous substances or pollutants that degrade air quality, contribute to acid rain, or cause respiratory issues; (2) Discharge of harmful chemicals, untreated wastewater, or industrial effluents into water bodies, leading to water contamination and harm to aquatic ecosystems. (3) Improper disposal of waste or hazardous materials that contaminate soil, reduce soil fertility, or pose risks to human health and the environment.

4 "Destruction" refers to the elimination or severe reduction of the integrity of a habitat caused by significant, long-term changes in land or water use, or modification of a habitat in a manner that compromises its ability to sustain its ecological role (see footnote 9).

5 "Critical habitat" refers to a subset of both natural and modified habitats that require special attention. These areas have high biodiversity value and meet the criteria of the World Conservation Union (IUCN) classification. This includes habitats essential for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or national legislation, areas of special significance for endemic or restricted-range species, sites critical for migratory species, areas supporting globally significant concentrations of congregator species, unique species assemblages, key evolutionary process areas, regions providing essential ecosystem services, and areas with significant social, economic, or cultural biodiversity importance to local communities. Primary forests or forests of High Conservation Value are also considered critical habitats.

6 "Alter natural hydrology" by construction of water impoundments with an aggregate volume of over 3.5 million cubic meters.

7 This includes Pornographic and vulgar audio/visual products, pictures, channels, publications, fetish products, sado masochism (SM) product, pornographic or vulgar erotic services, including sex chatting and prostitution.

8 "CITES" refers to the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

9 "Hazardous chemicals" include gasoline, kerosene, and other petroleum products.

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

11 "PCBs" refer to Polychlorinated Biphenyls, a group of highly toxic chemicals. These are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950-1985.

12 "Ozone Depleting Substances" refers to chemical compounds, which react with and delete stratospheric ozone, resulting in holes in the ozone layer. The Montreal Protocol lists ODs and their target reduction and phase-out dates.

13 In this context, "trade" refers to the primary business activity of production or wholesale trade in the specified categories. While our company does not fund businesses that solely engage in the sale of tobacco or hard liquor as a general rule, we recognize that small retail shops may carry a limited selection of these products. Our policy is to support businesses where these items do not constitute the primary focus or a significant portion of their revenue. In jurisdictions where the sale of tobacco or hard liquor is both legally permitted and culturally accepted, businesses primarily engaged in these activities may

also be eligible for funding. However, we strictly exclude financing for any business involved in the production or trade of weapons and munitions.

14 “Projects” refer to any activities known to directly or indirectly result in harmful or exploitative forms of human rights abuses, or those that shrink or limit individual rights and freedoms, including but not limited to freedom of thought, expression, association, and the right to bring about change. This is in alignment with international human rights conventions such as the Universal Declaration of Human Rights (UDHR), the International Labour Organization (ILO) conventions, and the United Nations Guiding Principles on Business and Human Rights.

15 “Influencing" refers to any activity or project that affects politics, religion, and culture in ways that are potentially harmful or manipulative. This includes activities that disrespect or undermine local cultural heritage and indigenous communities, interfere with political processes, or impose external religious beliefs.

16 “Controversial" refers to projects that raise significant ethical or moral concerns. Examples include, but are not limited to, animal and human reproductive cloning, and activities involving live animals for scientific and experimental purposes that do not adhere to the highest standards of ethical treatment and welfare.

17 “Dedicated lending” refers to loans that have specific conditions attached to them. When a loan is designated as "dedicated lending," it means that the lender requires the borrower to use the funds for particular purposes outlined in the loan agreement. For example, if the loan is meant for projects related to coal mining or oil exploration, the borrower must use the money exclusively for those activities.

18 "Primarily" means that more than half (50%) of what the infrastructure handled is related to coal.

19 “Harmonised EDFI Fossil Fuel Exclusion List” excludes the activities that include prospection, exploration, mining, or processing of coal; exploration or production of oil; standalone fossil gas exploration and/or production; transport of coal for coal-based power generation; development of crude oil pipelines; operation as oil refineries; construction or refurbishment of coal-fired power plants (including dual-fuel plants); construction or refurbishment of HFO or diesel-only power plants that increase CO_2 emissions for the public grid; and planned expansion of captive coal use for power or heat generation.

20 “Superstition services include Feng Shui, fortune-telling or tarot divination services etc.