

International Climate Finance Accelerator Luxembourg Exclusion Policy

Investments must exclude:

- New constructions of electric and thermal coal-fired power plants and modernisation of such operating and decommissioned stations with or without long-term carbon capture and storage;
- Nuclear projects;
- Hydro-electric projects with a capacity above 20 MW, except if:
- Complying with the principles of the *World Commission on Dams*; and
- Systematically screening for sustainability impacts and taking into account the results of mandatory local stakeholder consultations using high standards (like the Gold Standard);
- Large geothermal plants located in protected forest areas and ecosystems¹ and/or which release substantial amounts of greenhouse gases through the improper treatment of the geothermal fluids;
- Biofuel projects (biodiesel and ethanol), certain biomass and organic waste projects (e.g. from production of palm oil) unless it can be demonstrated that these projects meet the aspects of sustainable development after a detailed study and that they apply robust environmental and social safeguards (e.g. no threat to food security, to deforestation, forest degradation, wetland drainage through an indirect land use change);
- Industrial gas projects (HFC, N₂O, PFC, SF₆) only if they are related to carbon market activities.
- oil production entailing major local pollution problems, e.g. from oil sands
- certain types of mining activities in which waste handling involves special risk,
- unlawful logging and other particularly damaging logging,
- unlawful fishing and other particularly damaging fishing activities,
- dam projects which may cause serious environmental damage
- projects and activities with severe and irreversible consequences for particularly valuable and/or protected areas.
- mining and power companies that derive more than 30% of income from thermal coal or base more than 30% of their operations on thermal coal
- Companies that have more than 30% of income from oil exploration or base more than 30% of their operations on oil exploration.

¹ Such projects may eventually be included if they respect a sustainable forest management and sustainable livelihoods of forest-dependent populations and follow proper environment/health and safety procedures¹.