

# **EIB eligibility, excluded activities and excluded sectors list**



**European  
Investment  
Bank**

*The EU bank* 



# **EIB eligibility, excluded activities and excluded sectors list**

## **EIB eligibility, excluded activities and excluded sectors list**

© European Investment Bank, 2022.

All rights reserved.

All questions on rights and licensing should be addressed to [publications@eib.org](mailto:publications@eib.org)

For further information on the EIB's activities, please consult our website, [www.eib.org](http://www.eib.org).

You can also contact our info Desk, [info@eib.org](mailto:info@eib.org).

Published by the European Investment Bank.

European Investment Bank  
98 -100, boulevard Konrad Adenauer  
L-2950 Luxembourg  
+352 4379-1  
[info@eib.org](mailto:info@eib.org)  
[www.eib.org](http://www.eib.org)  
[twitter.com/eib](https://twitter.com/eib)  
[facebook.com/europeaninvestmentbank](https://facebook.com/europeaninvestmentbank)  
[youtube.com/eibtheubank](https://youtube.com/eibtheubank)

Printed on FSC® paper.

# EIB eligibility, excluded activities and excluded sectors list<sup>1</sup>

The EIB is a policy-driven bank. In order to qualify for EIB financing, an operation must meet one of its primary public policy goals, not constitute an excluded activity and provide for additionality<sup>2</sup>. The EIB exclusion list defines the types of projects the EIB does not finance.<sup>3,4</sup> This list will be updated from time to time.

Sections 1 and 2 set out the conditions an activity must meet in order to be eligible for EIB financing.

Section 3 includes additional exclusions concerning activities and final beneficiaries for intermediated debt products.

## 1. The Bank's public policy goals

All of the projects the EIB finances contribute to one or more of the four primary public policy goals: sustainable cities and regions; sustainable energy and natural resources; innovation, digital and human capital; and SMEs and mid-cap finance. The public policy goals, as amended over time, seek to ensure that projects contribute to our statutory mission to pursue EU priorities and objectives.

Activities not consistent with one of the Bank's primary public policy goals do not qualify as eligible for EIB investment. Examples of ineligible investments include general purpose real estate finance, financial and insurance activities, and pure financial transactions not associated with additional capital expenditure (such as mergers and acquisitions).

## 2. Bank-wide excluded activities

In order to be eligible for EIB financing, an activity must not be excluded from the overall strategic direction of the Bank<sup>5</sup>. The following activities cannot benefit from EIB financing:

- a. Projects which result in limiting people's individual rights and freedom, or violation of human rights, such as**
  - Prisons and detention centres of any form (such as correctional institutions or police stations with detention facilities)
  - Any activities which are known directly or indirectly to result in harmful or exploitative forms of forced labour<sup>6</sup> or harmful child labour<sup>7</sup>, as defined by the International Labour Organization's Fundamental Labour Conventions
  
- b. Projects unacceptable in climate and environmental terms**
  - Activities not aligned with the principles and goals of the Paris Agreement, as defined in the EIB Group Climate Bank Roadmap<sup>8</sup>. In terms of mitigation goals, this excludes a range of highly emission-intensive activities in sectors such as energy, transport, industry and the bioeconomy. In terms of adaptation goals, this excludes activities with a very high residual risk to current and future climate change
  - Any activity involving significant degradation, conversion or destruction<sup>9</sup> of critical habitats<sup>10</sup>
  - Conversion of natural forests into plantation. This includes irrigated forests<sup>11</sup>, logging, clear cutting or degradation of (and commercial concessions over) tropical natural forests or high conservation value forests<sup>12</sup> in all regions, as well as the purchase of logging equipment for this purpose
  - Unsustainable fishing methods (such as drift net fishing in the marine environment using nets in excess of 2.5 km in length and blast fishing)
  - Extraction of mineral deposits from the deep sea<sup>13</sup>
  - Extraction or mining of conflict minerals and metals<sup>14</sup>

**c. Activities prohibited by national legislation or international agreements ratified by the European Union**

- This includes any products or activities subject to international phase out or bans, including production of or trade in products containing PCBs<sup>15</sup>; production, placing on the market and use of asbestos fibres<sup>16</sup>; production, use of or trade in ozone depleting substances<sup>17</sup> and other substances which are subject to international phase-outs or bans, including pharmaceuticals, pesticides/herbicides, chemicals<sup>18</sup>, and other hazardous substances; trade in mercury, mercury compounds, and a large range of mercury-added products<sup>19</sup>; production or use of or trade in persistent organic pollutants<sup>20</sup>; production or trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); transboundary movements of waste prohibited under public international law<sup>21</sup>
- Activities prohibited by host country legislation or international legal instruments ratified by the European Union, relating to the protection of biodiversity resources, or cultural heritage
- Any activities relating to the deliberate release of genetically modified organism (GMO)<sup>22</sup>

**d. Ethically or morally controversial projects**

- Animal and human reproductive cloning
- Activities involving live animals for scientific and experimental purposes, including gene editing and the breeding of these animals<sup>23</sup>
- Sex trade and related infrastructure, services and media
- Projects with the purpose of producing, manufacturing, processing or distribution of tobacco
- Gambling and related equipment, hotels with in-house casinos<sup>24</sup>
- Projects with political or religious purpose

**e. Ammunition and weapons, including explosives and sporting weapons, as well as equipment or infrastructure dedicated to military/police use<sup>25</sup>**

**3. Additional exclusions for multi-beneficiary intermediated loans and other intermediated debt products<sup>26</sup>**

The Bank applies additional exclusions to certain products and activities, such as multi-beneficiary intermediated loans (MBILs), where loans are made to financial institutions which subsequently on-lend to final beneficiaries.<sup>27</sup>

This is because intermediated loans are typically used to finance small investments, by small and medium-sized enterprises (SMEs) and mid-caps or the public sector, and a streamlined approach is used, delegating the due diligence on the project to the intermediary. To simplify this process and to reduce any residual risks, the Bank further excludes final beneficiaries that are involved in certain sectors (based on statistical classification of economic activities — NACE — codes) as well as certain sub-projects (based on the Climate Bank Roadmap and EIB sector policies). While detailed EIB due diligence may lead to the approval of such projects in some circumstances,<sup>28</sup> in general final beneficiaries whose main activity<sup>29</sup> is in the following sectors are excluded from multi-beneficiary intermediated loans and other intermediated debt products:

**a. Certain categories of projects with substantial environmental and social risks**

- Projects in the mining sector
- Manufacturing of explosives and nitrogen compounds
- Nuclear energy and manufacturing within the nuclear industry (such as processing of nuclear fuel, uranium enrichment, irradiated fuel reprocessing)
- Hydropower
- Waste incineration and collection, treatment and disposal of hazardous waste

**b. Projects which require complex conditions to be Paris-aligned**

- Thermal power stations
- Industrial manufacturing activities covered by the EU Taxonomy Delegated Acts associated with significant CO<sub>2</sub> emissions<sup>30</sup>
- Air transport and related infrastructure (such as airports and airport installations) and services and manufacturing and acquisition of aircraft<sup>31</sup> and related machinery
- Desalination

**c. Other multi-beneficiary intermediated loan excluded activities outside the European Union**

- For-profit projects in the education sector by kindergarten, primary and secondary schools

The Bank also excludes final beneficiaries from receiving EIB financing where they are involved in an activity which is excluded pursuant to section 2 (Bank-wide excluded activities) of this list, save for the first indent in sub-paragraph (b) (Projects unacceptable in climate and environmental terms) and for the sixth indent in sub-paragraph (d), which do not apply. Sector exclusion of final beneficiaries on the basis of climate change mitigation and adaptation is defined pursuant to the principles of the Climate Bank Roadmap.

In addition, the Bank excludes health sector sub-projects with secure or forensic units, as well as undertakings with political or religious purpose.

---

<sup>1</sup> Last updated July 2022.

<sup>2</sup> The EIB seeks to make a difference by offering financing conditions that cannot be provided by the market alone, and by supporting project preparation and implementation. This difference between the EIB contribution and market alternatives is defined as additionality — [Additionality and Impact Measurement \(eib.org\)](#).

<sup>3</sup> This term does not have the same meaning as used in the EIB Exclusion Policy, which sets forth the policy and procedures for the exclusion of entities and individuals found to have engaged in Prohibited Conduct from EIB-financed projects and other EIB activities for a certain period of time. It also does not overlap with the notion of exclusion grounds under certain EU mandates (FAFA, InvestEU, NDICI).

<sup>4</sup> In addition, the EIB applies the EIB Group PATH Framework ([in the version approved by the EIB Board of Directors on 13 October 2021](#)), pursuant to which, as a general rule, corporates supporting activities listed as incompatible with the goals of the Paris Agreement (including activities in the oil and gas sector, coal sector and with respect to the destruction of carbon sinks), and subject to all conditions and caveats contained therein, will be excluded from EIB financing.

<sup>5</sup> Reference documents include the ESSF ([EIB Environmental and Social Standards Overview](#)) and Energy Lending Policy (ELP) ([EIB energy lending policy: Supporting the energy transformation](#)), among others.

<sup>6</sup> Forced labour means traditional practices of forced labour, such as vestiges of slavery or slave-like practices, and various forms of debt bondage, as well as new forms of forced labour that have emerged in recent decades, such as human trafficking, also called modern-slavery, to shed light on working and living conditions contrary to human dignity.

<sup>7</sup> Harmful child labour means the employment of children 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. In addition, any labour that is performed by a person who has not yet reached the age of 15 is considered to be harmful, unless the local legislation specifies compulsory school attendance or the minimum age for working to be higher; in such cases, the higher age will be applied for defining harmful child labour.

<sup>8</sup> [The EIB Group Climate Bank Roadmap 2021-2025](#) as applicable at the time of contract signature.

<sup>9</sup> Destruction means 1) the elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or 2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

<sup>10</sup> Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the International Union for Conservation of Nature (IUCN) classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory 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; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary forest or forests of high conservation value shall be considered critical habitats. Critical habitats include species under strict protection in accordance with Articles 12-16 of the Habitats Directive (Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, as amended).

<sup>11</sup> Except for temporary watering in the first three years after planting, which is allowed for the seedlings to develop deep rooting systems to ensure high survival rates.

- 
- <sup>12</sup> High conservation value forests are defined by the Forest Stewardship Council as those that possess one or more of the following attributes: 1) forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (such as endemism, endangered species, refugia); 2) forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance; 3) forest areas that are in or contain rare, threatened or endangered ecosystems; 4) forest areas that provide basic services of nature in critical situations (such as watershed protection, erosion control); 5) forest areas fundamental to meeting basic needs of local communities (such as subsistence, health); 6) forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).
- <sup>13</sup> Deep sea is defined as the areas of the ocean below 200 m — The International Seabed Authority and Deep Seabed Mining. United Nations.
- <sup>14</sup> 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.
- <sup>15</sup> PCBs: Polychlorinated biphenyls are a group of highly toxic chemicals.
- <sup>16</sup> 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).
- <sup>17</sup> Ozone depleting substances (ODS) are chemical compounds that react with and remove stratospheric ozone, resulting in holes in the ozone layer. The Montreal Protocol on Substances that Deplete the Ozone Layer lists ODSs and their target reduction and phase-out date.
- <sup>18</sup> Based on 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 Organization Recommended Classification of Pesticides by Hazard.
- <sup>19</sup> Regulation (EU) 2017/852 of the European Parliament and of the Council of 17 May 2017 on mercury.
- <sup>20</sup> Based on Stockholm Convention on Persistent Organic Pollutants (POPs) as amended in 2009.
- <sup>21</sup> Based on 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.
- <sup>22</sup> Unless in compliance with EU Directive 2001/18/EC and EU Directive 2009/41/EC, and related country legislation, as further amended.
- <sup>23</sup> Unless in compliance with (EU) Directive 2010/63/EU as amended by Regulation (EU) 2019/1010 of the European Parliament and of the Council on the protection of animals used for scientific purposes.
- <sup>24</sup> Projects whose main purpose is other than gambling are excluded if more than 10% of its annual revenues is generated by gambling.
- <sup>25</sup> Investments within the European Union with the potential to be used for both civil and military/police purposes (dual use) are not excluded.
- <sup>26</sup> For funds, specific exclusion lists are applied.
- <sup>27</sup> These are documented and systematically included in side letters to the EIB's finance contract.
- <sup>28</sup> For example, sub-projects that contribute to the climate action and environmental sustainability lending objective under its dedicated multi-beneficiary intermediated loan windows.
- <sup>29</sup> Final beneficiaries with their main activity in the sectors listed in section 3 are excluded. The main activity corresponds to the activity that contributes most to the total gross value added — as measured by income before interest, taxes and depreciation — of the final beneficiary.
- <sup>30</sup> Cement, aluminum, iron and steel, basic chemicals, fertilisers and plastics in primary form, based on NACE codes included in the First Climate Delegated Act on sustainable activities for climate change mitigation and adaptation objectives of the EU Taxonomy.
- <sup>31</sup> With the exception of civil defence aircraft.





# EIB eligibility, excluded activities and excluded sectors list



**European Investment Bank**  
98-100, boulevard Konrad Adenauer  
L-2950 Luxembourg  
+352 4379-22000  
[www.eib.org](http://www.eib.org) – [info@eib.org](mailto:info@eib.org)