



## 57 Stars LLC

### Exclusion Policy

*August 2020*

57 Stars will generally follow the IFC Exclusion List<sup>1</sup> and seek to avoid investing in companies that engage in the following activities:

- Production or trade in any product or activity deemed illegal under host country laws or international conventions and agreements, or subject to international bans.
- Production or trade in weapons and munitions.
- Forced labor / harmful child labor.<sup>2</sup>
- Pornography / prostitution.
- Production or trade in alcoholic beverages (excluding beer and wine).<sup>3</sup>
- Production or trade in tobacco.<sup>3</sup>
- Gambling, casinos, and equivalent enterprises.<sup>3</sup>
- Production or trade in radioactive materials.<sup>4</sup>
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.

When screening co-investment opportunities, 57 Stars will seek to ensure that no single company will be involved in an excluded activity.

When screening fund investments, 57 Stars will seek to ensure that GP's investment strategy is broadly in line with 57 Stars ESG Policy and its portfolio companies and pipeline opportunities generally are not involved in an excluded activity. However, the blind-pool nature of private equity fund primary investment does not always allow for screening out companies that are undesirable from an ESG perspective. In such cases, 57 Stars will seek to engage with the manager to improve their ESG management practices as appropriate.

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## Notes:

<sup>1</sup> <http://www.ifc.org/exclusionlist>.

<sup>2</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty. Harmful child labor 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, spiritual, moral, or social development.

<sup>3</sup> This does not apply to companies that are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to the company's primary operations.

<sup>4</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment where the radioactive source is trivial and/or adequately shielded.