

FMO

Entrepreneurial
Development
Bank

FMO Progress Report 2026

UNEP FI Principles for Responsible Banking

The Hague | June 2026

In 2020, FMO became a signatory to the Principles for Responsible Banking (PRB), a global framework for sustainable banking developed through the United Nations Environment Programme Finance Initiative (UNEP FI) in partnership with banks worldwide. The PRB define the role of the banking sector in shaping a sustainable future and aligning with the UN Sustainable Development Goals (SDGs) and the Paris Agreement.

Signatories are required to report within 18 months of signing and annually thereafter. FMO's first PRB progress report was published in March 2022. This is our fourth report, outlining our progress in implementing the Principles.

The disclosures in this statement are fully derived from the Sustainability Statement included in FMO's 2025 Integrated Annual Report, which was subject to limited assurance by an independent assurance provider. The assurance provider was not involved in the preparation or review of this PRB progress report and is therefore not responsible for its contents.

Summary template

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p>FMO is the Dutch Entrepreneurial Development Bank. We support sustainable private sector growth in emerging markets and developing economies by providing capital, knowledge, and access to international and local networks to businesses, projects, and financial institutions.</p> <p>FMO's Strategy 2030: Pioneer–Develop–Scale is aligned with the UN Sustainable Development Goals (SDGs), with a particular focus on three SDGs where FMO can have the greatest impact: SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 13 (Climate Action).</p> <p>FMO focuses on three sectors: Agribusiness, Food & Forestry; Energy; and Financial Institutions. We also finance other sectors indirectly through investments in financial institutions and private equity funds.</p> <p>As part of its strategic commitments, FMO is</p>	<p>FMO identifies its material actual and potential, positive and negative impacts on people and the environment across its portfolio and value chain through a double materiality assessment.</p> <p>FMO has prioritized climate change (SDG 13) and reducing inequalities (SDG 10) as its two focus impact areas for portfolio-level target setting.</p> <p>To steer its portfolio on impact, FMO uses a system of labels to classify individual investments based on their ex-ante (prior to commitment) potential to contribute to SDG 10 and SDG 13, thereby directing capital toward FMO's strategic impact ambitions. These labels serve as steering metrics, enabling FMO to track progress toward portfolio-level volume targets for reducing inequalities (SDG 10) and climate change (SDG 13).</p> <p>FMO has set portfolio ambitions for 2030, including building a portfolio of at least €10bn in</p>	<p>FMO works closely with its customers to identify, assess, prevent and mitigate actual and potential negative impacts, add value to their businesses, and identify further growth opportunities.</p> <p>FMO provides a range of financial products, including debt, equity, guarantees, and blended finance solutions, complemented by technical assistance and advisory support.</p> <p>Customer engagement focuses on encouraging sustainable business practices and strengthening ESG performance. This includes improving ESG management practices, supporting climate transition planning, and building customer capacity to meet ESG and human rights standards.</p> <p>FMO also aims to expand access to finance for underserved groups, including micro, small, and medium-sized enterprises (MSMEs), women entrepreneurs, and businesses operating in least</p>

<p>aligning its portfolio with the Paris Agreement by assessing whether new investments are not inconsistent with its goals, taking into account host countries' mitigation, adaptation, and resilience objectives.</p> <p>FMO aims to enable innovation by pioneering new approaches, business models, and products with the potential to be more impactful and scalable.</p> <p>FMO seeks to mobilize private capital at scale through blended finance, bridging public and commercial partners to unlock opportunities that private capital alone cannot reach.</p> <p>Acting as a change agent on environmental, social, and governance (ESG) issues, FMO seeks to create value with its customers and, together with them, drive positive impact in the societies and communities in which they operate.</p> <p>Beyond its strategic commitments, FMO's responsible finance approach is guided by international standards, including the IFC Performance Standards (2012), the UN Guiding Principles on Business and Human Rights, and the Client Protection Standards (CPSs).</p>	<p>Green-labelled investments (SDG 13) and €10bn in RI-labelled investments (SDG 10), alongside climate transition and emissions reduction target in its power generation portfolio. FMO also aims to achieve 10 meaningful innovations and to double both its public and mobilized portfolios.</p> <p>Progress indicators (2025)</p> <ul style="list-style-type: none"> • % of portfolio covered by impact analysis: full portfolio via ESRS double materiality assessment • RI-labelled committed portfolio: €6.7bn (+9% vs 2024) • Green-labelled committed portfolio: €6.2bn (+5% vs 2024) 	<p>developed countries (LDCs) and fragile states. Key approaches include gender-lens investing, targeted support for MSMEs and underserved communities, and blended finance structures — such as Nasira+, DFCD-Aya, and EDFI RET — to mobilize commercial capital for climate-resilient and inclusive investments.</p> <p>Where high-risk customers do not adequately manage identified impacts, this is recorded as a performance gap. FMO accepts a limited gap in successful ESG management relative to its standards, reflecting residual risks arising from contextual and implementation challenges in its markets. To close these gaps, FMO's ESG specialists work closely with customers through Environmental and Social Action Plans (ESAPs), Corporate Governance Action Plans (CGAPs), Paris Alignment Action Plans, and Client Protection Action Plans (CAPs) to strengthen ESG management and address identified shortcomings.</p> <p>Progress indicators (2025):</p> <ul style="list-style-type: none"> • Total new investments: €3.94bn (2024: €3.83bn) • Reducing Inequalities-labelled new investments: €2.2bn (-1% vs 2024)
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		<ul style="list-style-type: none"> • Green-labelled new investments: €1.8bn (+19% vs 2024) • Investments in LDCs: €433m (2024: €349m)
<p>Links & references</p> <p>FMO Integrated Annual Report 2025 (see supplement templates for specific page references).</p>	<p>Links & references</p> <p>FMO Integrated Annual Report 2025 (see supplement templates for specific page references).</p>	<p>Links & references</p> <p>FMO Integrated Annual Report 2025 (see supplement templates for specific page references).</p>

<p>Principle 4: Stakeholders</p>	<p>Principle 5: Governance & Culture</p>	<p>Principle 6: Transparency & Accountability</p>
<p>FMO engages a broad range of stakeholders — including the Dutch State, customers, employees, shareholders, civil society, affected communities, regulators, and peer DFIs — to inform its double materiality assessment, strategy development, risk management, and policy design.</p> <p>FMO consults stakeholders through structured dialogues, public consultations, partnerships, and grievance mechanisms. In 2025, key engagement activities included a consultation on the update of FMO’s Independent Complaints Mechanism (ICM) and continued collaboration with international partners on market creation and blended finance initiatives.</p>	<p>Responsibility for implementing the Principles for Responsible Banking is embedded in FMO’s governance structure. At Supervisory Board level, a dedicated Impact Committee advises on sustainability-related matters. At Management Board level, the Impact and Sustainability Committee (ISCO), chaired by the Co-CIO, drives FMO’s impact and sustainability agenda. The Non-Financial Risk Committee (NFRC), chaired by the Chief Risk Officer, oversees non-financial risks — including ESG-related risks — and is responsible for escalating unacceptable ESG risks related to investment projects.</p> <p>FMO promotes a culture of responsible banking through training, leadership development, values-based performance management, and robust compliance frameworks.</p> <p>As a purpose-driven organization, FMO does not offer identified staff — defined as senior management and staff whose professional activities have a material impact on FMO’s risk profile — any form of variable remuneration, such as bonuses. FMO’s remuneration policies attach equal importance to investment and risk functions by ensuring comparable salary scales and</p>	<p>FMO reports annually on its financial and sustainability performance through its Integrated Annual Report. The Sustainability Statement is prepared in accordance with the ESRS and forms part of the Management Board Report.</p> <p>In 2025, an independent auditor provided limited assurance on FMO’s Sustainability Statement.</p> <p>This PRB progress report draws exclusively on publicly disclosed and assured information from that Integrated Annual Report.</p> <p>The independent auditor’s report and limited assurance report are included in FMO’s 2025 Integrated Annual Report (pp. 338–366). The assurance provider was not engaged to review this standalone PRB submission and is therefore not responsible for its contents.</p>

	<p>avoiding incentive structures that could encourage excessive risk-taking, in line with FMO’s mission and long-term sustainability objectives.</p> <p>The Management Board remuneration policy is aligned with the bank’s mission, corporate values, strategy, and risk appetite, and is overseen by the Supervisory Board’s Selection, Appointment and Remuneration Committee.</p>	
<p>Links & references</p> <p>FMO Integrated Annual Report 2025 (see supplement templates for specific page references).</p>	<p>Links & references</p> <p>FMO Integrated Annual Report 2025 (see supplement templates for specific page references).</p>	<p>Links & references</p> <p>FMO Integrated Annual Report 2025 (see supplement templates for specific page references).</p>

Supplement templates

<p>Principle 1: Alignment</p>
<p>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>
<p>Business model Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.</p>
<p>Links & references FMO Integrated Annual Report 2025</p>
<p>Response Detailed information about FMO's business model can be found in our Sustainability Statement, specifically in ESRS 2, section 'Strategy, business model, and value chain' (pages 132-136). Information about the distribution of the bank's portfolio can be found in the World Map visual of the Management Board report (page 24).</p>
<p>Strategy alignment Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc. Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.</p>
<p>Links & references FMO Integrated Annual Report 2025</p>
<p>Response Details on our strategy alignment with the Sustainable Development Goals (SDGs) and the Paris Climate Agreement can be found in our Sustainability Statement. Refer to:</p>

- ESRS 2, 'Strategy, business model, and value chain' (page 132) and 'IRO Management' (pages 139-146).
- E1 Climate change, 'E1-1 Transition plan for climate change mitigation' (pages 164-165) and 'E1-3 Actions and resources in relation to climate change policies' (pages 168-171).

For information on sustainability regulatory reporting requirements, see ESRS 2, 'Basis for preparation' (pages 124-125).

Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target- setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

Links & references

[FMO Integrated Annual Report 2025](#)

Response

Scope: Information about FMO's impact assessment can be found in our Sustainability Statement in ESRS 2, section 'Double materiality assessment' (pages 127-130).

Portfolio composition: Details about how FMO's portfolio composition is considered in the impact analysis can be found in ESRS 2, in the sections 'Double materiality assessment – process and methodology' (pages 128-130) and 'Main features of FMO's value chain' (pages 135-136).

Context: Information about the main challenges and priorities related to sustainable development in the countries and regions where FMO operates can be found in ESRS 2, in the section ' Double materiality assessment':

- Main challenges and priorities – Table 2 FMO material sustainability-related matters (page 130)
- How these have been considered and stakeholders engaged – 'Process and methodology' section (pages 128-130)

Impact Areas: Details about FMO's positive and negative impacts can be found in the section 'Double materiality assessment' within ESRS 2, Table 2 FMO material sustainability-related matters (page 130) and in the 'Impacts, risks and opportunities' sections within the Topical Standards, specifically:

- E1 Climate change (pages 157-162)
- E3 Water and marine resources (pages 181-182)
- E4 Biodiversity and ecosystems (pages 184-186)
- S1 Own workforce (pages 191-193)
- S2 Workers in the value chain (pages 206-207)
- S3 Affected communities (pages 214-215)
- S4 Consumers and end-users (pages 220-221)
- G1 Business conduct (pages 225-227)

For information on the two impact areas – climate change and reducing inequalities – FMO has prioritized in its target setting strategy, please refer to the section 'IRO Management – Monitor and manage impact at portfolio level' within ESRS 2 (pages 145-146).

Performance Measurement: Details on how FMO has assessed the performance of the most significant positive and negative impacts can be found:

- ESRS 2: section 'Double materiality assessment' (pages 127-130)
- ESRS 2: section 'IRO Management' (pages 139-150)

Topical Standards: sections on 'Impacts, risks, and opportunities' (refer to the Impact Areas section above for page references).

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

Links & references

[FMO Integrated Annual Report 2025](#)

Response

Alignment: Information about the policy frameworks that FMO has aligned its portfolio with can be found in ESRS 2, section 'IRO Management – Strategy and policy' (pages 140-141).

Baseline: Information about the baseline for the indicators FMO has selected can be found in ESRS 2, section 'IRO Management– Monitor and Manage Impact at Portfolio Level'. Refer to:

- Table 10, 'Minimum Disclosure Requirements for SDG 13 Target,' for indicators related to the climate change impact area (page 146)
- Table 9, 'Minimum Disclosure Requirements for SDG 10 Target,' for indicators concerning the reducing inequalities impact area (pages 145-146)

Targets: Information about the targets for the most significant impact areas and the KPIs used to monitor progress can be found in ESRS 2, section 'IRO Management– Monitor and Manage Impact at Portfolio Level'. Refer to:

- Table 10, for the target related to the climate change impact area (page 146)
- Table 9, for the target addressing the reducing inequalities impact area (pages 145-146)

Action Plan: Information about the actions that FMO has defined to meet its set targets can be found in the Sustainability Statement.

- See E1 Climate Change, section 'E1-1 Transition plan for climate change mitigation' (pages 164-165) and section 'E1-3 Actions and resources in relation to climate change policies' (pages 168-171) for actions regarding climate change.
- See S4 Consumers and end-users, section 'S4-4 Key actions' (pages 223-224) for actions regarding reducing inequalities.

Monitoring: Information about FMO's progress toward achieving each of the set targets can be found in the Sustainability Statement. Refer to:

- ESRS 2: section 'IRO Management – Allocate and structure capital' (pages 141-143)
- E1 Climate change in the sections 'E1-1 Transition plan for climate change mitigation' (pages 164-165), 'E1-3 Actions and resources in relation to climate change policies' (pages 168-171) and 'E1-4 Targets related to climate change mitigation and adaptation' (pages 172-174)
- S4 Consumers and end-users in the section 'S4-4 Key actions' (pages 223-224)

Principle 3: Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Links & references

[FMO Integrated Annual Report 2025](#)

Response

Details on how FMO engages with its customers to encourage sustainable business practices can be found within our Sustainability Statement in ESRS 2 in the section 'IRO Management – ESG management at customer level' (pages 143-144).

Details on the policy for sectors in which FMO has identified the highest (potential) negative impacts can be found within our Sustainability Statement in S4 Consumers and end-users in the 'Introduction'

section (page 220) where we provide information about how we apply the Client Protection Standards.

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

*Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

Links & references

[FMO Integrated Annual Report 2025](#)

Response

Details on the opportunities FMO has identified in relation to the positive and negative impacts from the double materiality assessment can be found in the 'Impacts, risks and opportunities' section within the Topical Standards (refer to PRB Principle 2, section 'Impact Areas' for page references).

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Links & references

[FMO Integrated Annual Report 2025](#)

Response

Details on how FMO engages with stakeholders can be found within ESRS 2 in the 'Interests and views of stakeholders' section of the Sustainability Statement (pages 136-139).

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Governance Structure for Implementation of the Principles

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

Links & references

[FMO Integrated Annual Report 2025](#)

Response

Details on FMO's governance structure related to sustainability matters can be found within ESRS 2 in the 'Governance of sustainability matters' section of the Sustainability Statement (pages 150-153). FMO's commitment to the Principles for Responsible Banking is part of our Sustainability Policy Universe. This policy framework falls under the authority of the Management Board and is delegated to the Impact and Sustainability Committee (ISCO) for implementation.

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Links & references

[FMO Integrated Annual Report 2025](#)

Response

Details on FMO's policies and initiatives to promote a culture of responsible banking can be found in:

- G1 Business Conduct
 - G1-1 Business conduct policies and corporate culture (pages 227-228)
 - G1-3 Anti-bribery and corruption (pages 228-232)
 - Governance and compliance (pages 232-234)
 - G1 Key actions (page 234)
- ESRS 2 General Information
 - Strategy, business model and value chain – Long-term outcomes: FMO's own operations (page 135)
- E4 Biodiversity and ecosystems

<ul style="list-style-type: none"> ○ E4-3 Key actions (pages 189-190) ● S4 Consumers and end users <ul style="list-style-type: none"> ○ S4-4 General actions (pages 223-224)
<p>Risk and due diligence processes and policies</p> <p>Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank’s portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.</p>
<p>Links & references</p> <p>FMO Integrated Annual Report 2025</p>
<p>Response</p> <p>Details on the policies and due diligence processes that FMO has in place to address environmental and social risks within its portfolio can be found within ESRS 2 in the 'IRO Management – ESG management at customer level' section of the Sustainability Statement (pages 143-144).</p>

<p>Principle 6: Transparency & Accountability</p>
<p>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.</p>
<p>The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report</p>
<p>Links & references</p> <p>FMO Integrated Annual Report 2025</p>
<p>Response</p> <p>An independent assurance provider has conducted a limited assurance engagement on the consolidated Sustainability Statement, disclosed in FMO's 2025 Integrated Annual Report. The details in this PRB report are entirely derived from the disclosures in FMO's Sustainability Statement.</p> <p>Please note that the independent assurance provider was not involved in the preparation and review of this separate UNEP FI PRB submission and as such, is not responsible for any information in this report.</p> <p>The independent auditor’s report and assurance report can be found on pages 338-366 of FMO’s Integrated Annual Report.</p>