



FMO

Entrepreneurial  
Development  
Bank

2025

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# SUSTAINABILITY BONDS NEWSLETTER

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Newsletter **no.16**

**Cover image:** Genneia S.A. is one of Argentina's leaders in renewable energy, holding roughly a quarter of the country's installed renewable energy capacity and having a gross installed capacity of approximately 1,230 MW. They have built the largest wind farms in Argentina.

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### Newsletter No. 16 – June 2025

The Sustainability Bonds Newsletter is published annually. It reports on the allocations of projects selected for Green, Social and Sustainability Bonds. It is sent to investors and is publicly made available via [our website](#).

**FMO**  
Entrepreneurial  
Development  
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## FMO in 2024

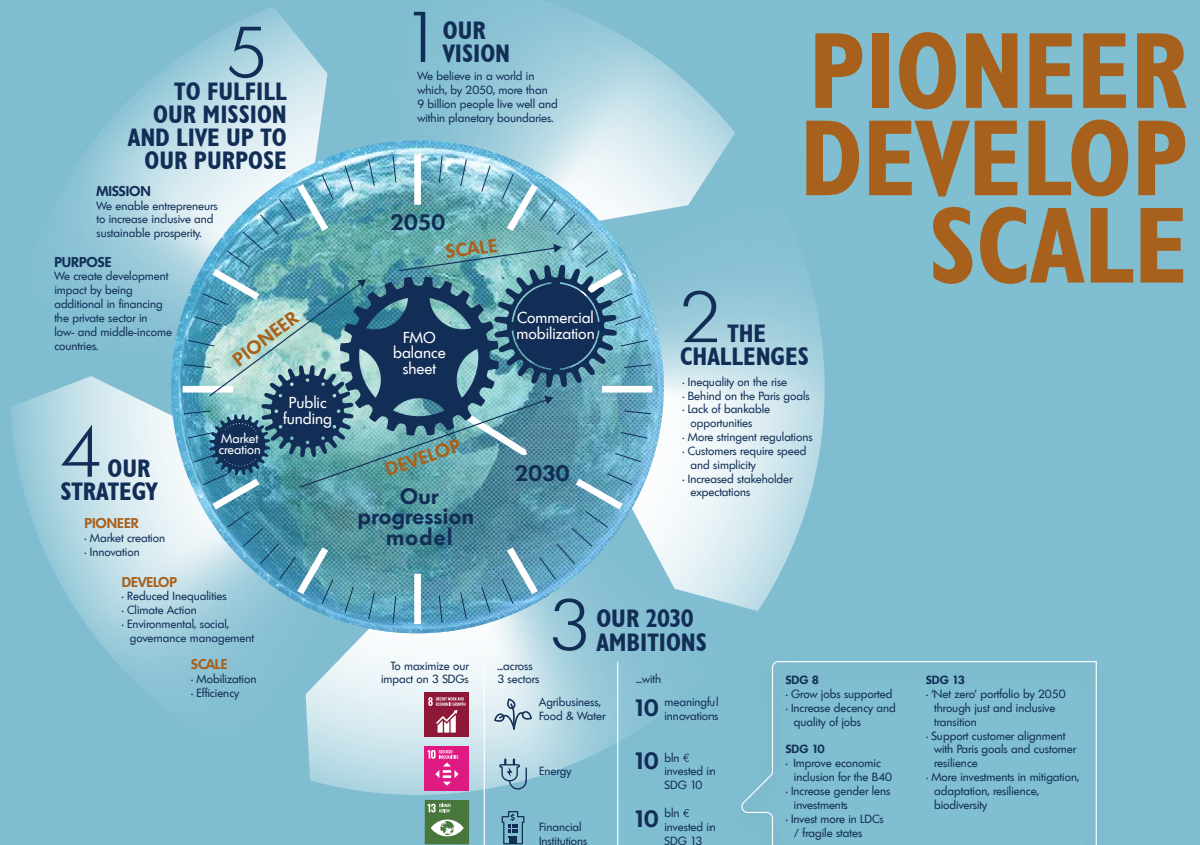
# Stepping up together

In 2024, FMO achieved strong financial and impact results amidst a global landscape dominated by geopolitical tensions, high financing costs, and the increasing urgency to address climate change and inequality. Additionally, FMO acknowledges several concerning trends: weakening institutional foundations threaten global stability and solidarity, disproportionately affecting the most vulnerable people. We are witnessing the public withdrawal of several major financial players from their climate and environmental, social and governance (ESG) commitments. In this context, FMO calls on the financial sector to remain resolute in advancing sustainable investment strategies. Financial institutions are pivotal in enabling local economic growth, reducing inequality and driving meaningful climate action, key factors in global stability. Investing in access to (green) energy, food and finance creates long-term value, something FMO has demonstrated consistently over 50 years of impactful and profitable investments.

Amidst these challenges, FMO recognizes the urgent need to step up even more. However, meaningful change cannot be achieved alone, partnerships are essential. By working together, we can drive sustainable investments, create economic opportunities in our markets, support Dutch businesses, and build a more resilient, inclusive future.

In 2024, we supported our customers with approximately €3.8 billion in total new investments (2023: €2.7 billion), a record number of which we are proud. €2.2 billion in new investments was made through FMO's own balance sheet, €285 million through public funds and €1.4 billion through direct mobilized funds. At €15.5 billion (2023: €13.2 billion), our total committed portfolio grew significantly, driven by the appreciation of the US Dollar against the Euro and an increase in investments, particularly mobilized investments, an important component in maximizing our impact.

Looking ahead, FMO faces three key long-term challenges: a scarcity of investment-ready companies, limited availability of concessional funding, and increasing regulatory requirements. However, as these challenging times also call for steadfast action, we remain firmly committed to FMO's 2030 ambitions: €10 billion in Green investments and €10 billion in Social investments.





### Decent work and economic growth

By investing in underserved markets, we support job growth, improved labor standards and economic prosperity. Jobs allow people to develop themselves and lift their families out of poverty;



### Reduced inequalities

is about promoting social and economic inclusion of all, which we support by investing in the world's poorest countries and inclusive business;



### Climate action

We provide finance to projects that reduce greenhouse gas emissions, increase resource efficiency, preserve and grow natural capital and support climate mitigation. We aim to align our portfolio to a 1.5-degree pathway.

## EU TAXONOMY

# FMO and the EU taxonomy

FMO discloses how and to what extent investments are aligned with economic activities that qualify as environmentally sustainable under the first two defined environmental objectives (climate change mitigation and adaptation) of the EU Taxonomy Regulation (Taxonomy). Moreover, FMO reports on eligibility in line with the Taxonomy for the remaining four environmental objectives. Alignment with the remaining four objectives will be disclosed in FMO's Annual Report covering the financial year 2025 (reported in 2026).

Recognizing the importance of financing the transition to a sustainable economy, FMO supports the EU Taxonomy's objective to enhance transparency and address greenwashing by providing clear criteria and definitions for what constitutes environmentally sustainable economic activities.

FMO closely follows the developments related to the EU sustainable finance regulations and has been disclosing under EU Taxonomy since 2021. Despite being an EU-based organization, FMO's core business focuses on investing in Low and Middle Income Countries (LMIC). As FMO invests mostly outside of the EU, we deal with counterparties that, for the most part, do not fall within the scope of the Non-financial Reporting Directive (NFRD) and, hence, are not required to disclose their Taxonomy eligibility and alignment. As the current Taxonomy regulation stipulates that mandatory disclosure on eligibility and alignment must be based on actual information disclosed by financial or non-financial undertakings subject to the NFRD, FMO reports that

zero percent of its balance sheet in 2024 is Taxonomy eligible and aligned. As such, we report a Green Asset Ratio (GAR) of 0 percent.

FMO supports the intention of the EU Taxonomy to redirect capital flows towards sustainable development investments. However, when analyzing the regulatory framework, gaps were identified preventing the use of this framework as a steering instrument for sustainable activities outside the EU.

Most notably, the mandatory reporting under the EU Taxonomy can only be reported for NFRD compliant counterparties. Since FMO invests outside the EU, the investment portfolio cannot be assessed for its Taxonomy eligibility and alignment for mandatory disclosures. As these entities do not disclose in line with the NFRD, they are excluded from the numerator of the GAR and related templates.

Moreover, the direct application of the Taxonomy with regards to investments in LMICs is limited given that its requirements and thresholds have been developed with the needs of European markets in mind. Additionally, data and disclosure requirements might be challenging to deliver by companies located in LMIC at the level required by the Taxonomy regulation.

If these challenges are not addressed, the EU Taxonomy could not function as an effective tool to reorientate capital flows towards sustainable investments in LMICs.

## GREEN AND SUSTAINABILITY BONDS OUTSTANDING

Year of Issue	Amount	Tenor	Isin code
<b>Sustainability Bonds</b>			
2020	EUR 500 mln, 0.125% 01/04/2027	7 year	XS2150158405
2022	EUR 500 mln, 3% 25/10/2027	5 year	XS2548490734
<b>Green Bonds</b>			
2020	SEK 1,500 mln, 0.86% 27/03/2028	8 year	XS2146570077
2023	SEK 1,500 mln, 3.394% 22/06/2028	5 year	XS2639075154
2023	USD 500 mln, 4.75% 15/11/2028	5 year	XS2718201275
2024	USD 500 mln, 4.50% 12/06/2029	5 year	XS2838900152
2024	USD 500 mln, 3.75% 10/10/2029	5 year	XS2915525369

# Key features FMO Sustainability Bonds Framework



## ESG RATING

AA Unsolicited Rating



## ESG RISK RATING

5.5 – Negligible Risk  
(ranked 7th out of 1,015 banks)



## ESG SCORE

67 (ranked 4th out of 22 in the sector) Unsolicited Rating



## ESG CORPORATE RATING

C+ (Prime)



## FMO IS A MEMBER OF THE GREEN BOND PRINCIPLES (GBP)

### Reporting

- Reporting through guidelines that recommend transparency, disclosure and reporting
- Use of Proceeds and impact reporting via Sustainability Bonds Newsletter
- Project disclosure on [FMO world map](#)



## EXTERNAL REVIEW TO ENSURE ALIGNMENT WITH GREEN BOND PRINCIPLES AND INDUSTRY BEST PRACTICES

### Second Party Opinion provided by Sustainalytics:

"FMO Sustainability Bonds Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021, Social Bond Principles 2023 and Sustainability Bond Guidelines 2021"

### Sustainalytics' review of eligible projects in 2015-2024

All of the climate change mitigation projects were assessed and all of them meet the eligibility criteria

- All of the other footprint projects were assessed and all of them meet the eligibility criteria
- All of the inclusive finance were assessed and all of them meet the eligibility criteria

### Reasonable and limited assurance

Each year, FMO requests EY as external auditors to perform a review of the sustainability information reported by FMO. It involves the application of sustainability policies, applied criteria, reporting, appropriateness and processes. More info can be found in our annual report.



## IMPACT

### Harmonization

FMO works closely with other Development Finance Institutions (including the EDFIs) in multiple work streams, amongst others refinement of Project and Portfolio level Paris Alignment, human rights guidance and harmonized data collection from our clients.

### Extensive external commitments

To embrace our mission fully, we are committed to doing business in a responsible and sustainable way, guided by global standards and guidelines. These commitments are not prescribed by law but have been made on a voluntary basis. Commitments include: signatory, adopter and member. For full list: [FMO | annual and interim reports](#)

### Responsible Investing

Throughout the year, FMO has built a robust Sustainability Universe, including:

- FMO's Sustainability Policy
- FMO's Position Statements
- FMO's Climate Action Plan
- FMO's Double Materiality Assessment
- FMO's Exclusion List



## From Mangroves to Markets: Scaling Climate-Resilient Shrimp Farming in Vietnam

Camimex Group is one of Vietnam's leading processors and exporters of seafood, primarily shrimps, and a market leader in certified organic shrimp product. Established in 1977 in the Ca Mau province of the Mekong Delta, the company processes seafood, mainly shrimps, at three processing factories, with an annual capacity of 10,000t. The company sources organic shrimp from over 1,200 smallholder farmers across 8,500 ha of integrated mangrove farms.

FMO provided a USD 15 mln investment to Camimex, following origination support by SNV as part of the Dutch Fund for Climate and Development's (DFCD) Origination Facility. This marks the first investment in a company that has been de-risked through the DFCD's innovative origination approach, a program designed to help promising companies offering scalable solutions for climate adaptation and improved biodiversity to become investment-ready. This transaction highlights a successful progression as part of our market creation strategy, a new flywheel in our investment approach where we transform unbankable projects into bankable opportunities. FMO's funding will be used to construct a new processing facility, as well as to strengthen the climate adaptation and resiliency of shrimp farmers.



## Financing the reduction of inequality

Sekerbank is a rural and agri oriented high-impact financial institution in Türkiye and existing partner of FMO. Established in 1953 as sugar beet cooperative, Sekerbank is now a bank with an extensive branch network in the Anatolian rural areas in Türkiye and is still an important player in the Turkish agricultural supply chain. It is a key player in rural areas and has a strong reputation with farmers and rural clients. Its key focus is on sustainability, as demonstrated through their initiatives on sustainable agriculture, energy efficiency and inclusive finance for women.

In 2024, FMO functioned as lead arranger of a syndicated, multi-currency loan of up to USD 160 mln, with FMO contributing EUR 30 mln. The remainder of the proceeds were mobilized through various partners including Japan International Cooperation Agency (marking their first investment in the country), Proparco, BlueOrchard, European Fund for Southeast Europe, and ILX. The funding will be used to support SMEs and micro-enterprises, with a prioritized focus on the development of rural areas. The proceeds of the loan will also be used in financing of projects in the fields of sustainable agriculture and women's banking, thereby reducing disparities between rural and urban regions in Türkiye.



# Progress report on use of proceeds

More project information can be found on [fmo.nl/worldmap](https://fmo.nl/worldmap)

## Reporting

FMO reports to stakeholders on an annual basis via the Sustainability Bonds Newsletter in line with the ICMA Green Bond and Social Bond reporting templates.

The reporting currency is USD as the majority of FMO's asset base is denominated in USD (about 80%). For the respective non-USD green and sustainability Bonds, the FX rate at issuance date is used to convert the issuance amounts to USD outstandings. For the eligible ESG assets, allocations are converted into USD at the exchange rate of the reporting date (December 2024).

## Allocation reporting

- The progress on allocation of use of proceeds for new and existing projects on a portfolio basis
- The bond allocations are based on outstanding portfolio and 85% of the committed non-disbursed project portfolio
- For Sustainability Bonds, we will allocate 70% of the bond proceeds to green assets and 30% to social assets

## Impact reporting

We will continue to report on impact on a portfolio basis for the direct green investments (current Avoided GHG emissions) and the (in)direct jobs supported with our investments.

The table below outlines the reporting characteristics of the Use of Proceeds

## REPORTING ON USE OF PROCEEDS

Item	From 2019
Frequency	Annually
Impact	Portfolio level
Use of Proceeds (UoP)	ESG Bond allocations to outstanding + committed non-disbursed eligible project portfolio
Templates	Use templates released during GBP 2021
Reporting Ccy	USD

- The actual annual GHG emission reduction from direct green investments on a portfolio level
- An estimation of the number of (in)direct jobs supported with our investments on per target group

## Green Bond and Sustainability Bond Portfolio

The ESG Bond allocation overview shows that FMO has fully allocated the proceeds of its Green and Sustainability Bonds per December 2024. Moreover, FMO reports an excess of eligible ESG assets of USD 490 million Green and USD 981 million Social (FMO could allocate USD 490 million of additional green funding to green projects).



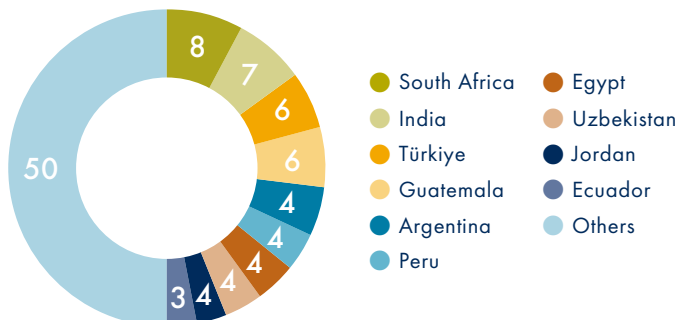
## ESG BOND ALLOCATION OVERVIEW (in USD million)

Eligible ESG Assets		share/ green bond	share/ sustainability bond	ESG Bond Liabilities	
Green Assets	3009	100%	70%	Green outstanding liabilities	2,519
<b>Climate change mitigation</b>					
Renewable Energy	1433	47.6%	33.3%	XS2146570077 SEK Mar-2028	152
Green loans & Green Funds	1126	37.4%	26.2%	XS2639075154 SEK Jun-2028	140
Agriculture, forestry and landuse	229	7.6%	5.3%	Green Bonds XS2718201275 USD Nov-2028	500
Energy efficiency	94	3.1%	2.2%	XS2838900152 USD Jun-2029	500
Lower-carbon and efficient energy generation	8	0.3%	0.2%	XS2915525369 USD Oct-2029	500
<b>Climate Change Adaptation</b>				Sustainability bonds (70% green) XS2150158405 EUR Apr-2027	378
Activities adressing climate vulnerability	29	1.0%	0.7%	XS2548490734 EUR Oct-2027	349
<b>Other Footprint</b>				<b>Room for new Green Bond funding</b>	
Pollution mitigation	49	1.6%	1.1%		490
Biodiversity	40	1.3%	0.9%		
Conservation of natural resources	1	0.0%	0.0%		
<b>Social assets</b>	<b>1292</b>		<b>30.0%</b>	<b>Social outstanding liabilities</b>	<b>311</b>
Microfinance	338		7.8%	Sustainability bonds XS2150158405 EUR Apr-2027	162
Least Developed Countries	234		5.4%	(30% social) XS2548490734 EUR Oct-2027	149
Agricultural SME lending	233		5.4%		
Social FI loans (mixed)	250		5.8%	<b>Room for new Social Bond funding</b>	
Gender: Women-owned SME	182		4.2%		981
Smallholder Finance	13		0.3%		
Innovative solutions for the BOP	22		0.5%		
Youth finance	20		0.5%		
<b>Total Eligible Projects</b>	<b>4,301</b>				<b>4,301</b>

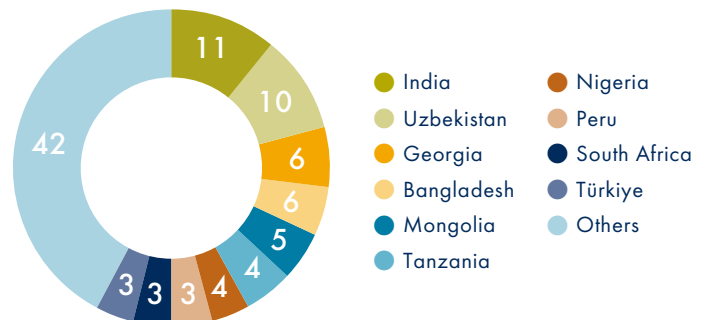
% of Eligible ESG Assets allocated to net proceeds of outstanding ESG Bonds	66%
% of ESG Bonds net proceeds allocated to Eligible ESG Assets	100%
Existing disbursed projects	83%
Committed not disbursed projects (incl. 85% haircut)	17%
New Green assets added in 2024	781
New Social assets added in 2024	540

## Distribution of Eligible ESG Assets (top 10 countries)

Eligible Green Assets (in %)



Eligible Social Assets (in %)





**Bacao S.A.S.** is main Colombian subsidiary of Andean Cacao. Their vision is to catalyse change to the cacao sector by providing a scalable sustainable production model that can satisfy the growing need for regenerative and carbon-neutral cacao.

## FMO ESG BONDS IMPACT REPORTING

We measure our impact on employment and environment, through jobs supported and avoided greenhouse gas emissions (GHG).

More information on impact methodologies can be found on [fmo.nl/impact/how-we-measure-impact](https://fmo.nl/impact/how-we-measure-impact)

In the below table, we report the overall impact figures from our total Eligible ESG assets. For bond investors, a dedicated table is available in order to facilitate capturing the information at a bond level.

Since 2020, FMO reports **avoided GHG emissions** in line with the PCAF Global Standard for the entire portfolio. The actual GHG reduction is based on the annual reductions in an operational year of our direct green investments, multiplied by the ratio between the Sustainability / Green Bond allocation and the Project Size.

Since 2020, FMO has launched the **Joint Impact Model (JIM)** to measure employment and environmental impact among its portfolio of investments. The model is used to estimate the number of supported

Direct and Indirect jobs reported in this newsletter. The model has been developed in a joint effort with partner development finance institutions that agreed on harmonizing their methodology and assumptions. The model has been made publicly available for impact investors, bilateral and multilateral development banks and other interested parties. It works using input/output modelling, combining the latest available macroeconomic statistics from several reliable sources, and it gives fair estimation on key indicators such as direct and indirect jobs supported, GHG emissions and total value added supported by clients in the portfolio.

The numbers published in this newsletter are comparable across institutions using this model.

The JIM aligns with the PCAF Global Standard. For more information, please visit: [jointimpactmodel.com](https://jointimpactmodel.com).

## IMPACT REPORTING 2023

Eligible ESG Asset	Signed Amount (in USD mln)	Direct Jobs Supported	Indirect Jobs Supported	GHG emissions avoided in tCO <sub>2</sub> e
		a/	b/	c/
<b>Green assets</b>	<b>3,009</b>	<b>10,090</b>	<b>109,261</b>	<b>935,574</b>
<b>Climate change mitigation</b>				
Renewable Energy	1,433	2,032	29,250	858,206
Green loans & Green Funds	1,126	3,407	44,495	0
Agriculture, forestry and landuse	229	2,631	4,402	70,072
Energy efficiency	94	396	6,887	7,233
Lower-carbon and efficient energy generation	8	59	315	62
<b>Climate Change Adaptation</b>				0
Activities addressing climate vulnerability	29	177	687	0
<b>Other Footprint</b>				0
Pollution mitigation	49	521	22,334	0
Biodiversity	40	868	891	0
Conservation of natural resources	1	-	-	0
<b>Social assets</b>	<b>1,292</b>	<b>6,242</b>	<b>101,939</b>	<b>0</b>
Social FI loans (mixed)	250	1,790	14,377	0
Least Developed Countries	234	1,189	25,598	0
Microfinance	338	1,562	37,546	0
Gender: Women-owned SME	182	244	10,012	0
Agricultural SME lending	233	482	13,132	0
Smallholder Finance	13	780	570	0
Youth finance	20	14	516	0
Innovative solutions for the BOP	22	181	187	0
<b>Total</b>	<b>4,301</b>	<b>16,333</b>	<b>211,200</b>	<b>935,574</b>

a/ Direct jobs refer to the number of full-time equivalent employees, as defined at a local level, working for the customer company or on a project.

b/ Estimates of indirect impact are based on industry averages. In reality indirect effects will be different at the individual company level due to differences in individual company characteristics.

c/ Sample of impact indicators (impact for debt funded part) for direct green investments -GHG emissions avoided in tCO<sub>2</sub>e

ESG Bond type	For each amount of (in USD mln)	Direct Jobs Supported	Indirect Jobs Supported	GHG emissions avoided in tCO <sub>2</sub> e
Green bond	10	34	363	3,109
Sustainability Bond	10	38	491	2,177



# Use of Proceeds criteria

## Green investments

FMO looks for investments in the following three “Green” categories:

- **Climate Change Mitigation:** An activity is mitigating climate change if it contributes to either reducing GHG emissions into the atmosphere, or sequester GHG emissions from the atmosphere. If the project or activity relates to Energy efficiency, it should achieve at least 20% reduction in energy consumptions or GHG emissions
- **Climate Change Adaptation:** An activity is considered as climate change adaptation if the intention of the activity or project design is to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience
- **Other Footprint:** This category includes those activities that do not directly target climate change mitigation or adaptation yet have a positive impact on the environment including water, waste and biodiversity

FMOs green eligibility criteria are aligned with the Common Principles for Climate Mitigation Finance and the Common Principles for Climate Adaptation Finance

Eligible projects may include:

- Renewable energy projects such as solar, wind, ocean, geothermal power and hydro
- Energy efficiency projects, such as improvements in existing buildings, upgrade heating controls, IFC EDGE certified building projects
- Waste management
- Agriculture, forestry and other land use

## Inclusive business investments

Inclusive finance focuses on expanding access to affordable and responsible financial products and services to the poor and vulnerable populations. This includes microfinance as well as directly financing organizations that are often unable to gain access to financial products and services such as small- and medium-sized enterprises. A wide range of financial products and services are incorporated within the remit of inclusive finance including savings, credit, insurance, remittances, and payments (source: UNPRI).

Eligible projects include microfinance institutions (MFI), and financing of micro, small- and medium-sized enterprises (MSMEs) through financial intermediaries in developing and emerging markets in which FMO operates. To be eligible for the use of proceeds, financial institutions should:

- Specifically target one or more of the following populations: females; rural populations who are focusing on agricultural production and agricultural value chains; economically excluded individuals; and low-income populations who earn less than USD 8 per day; and
- be identified as an SME, as defined by the International Finance Corporation (IFC), as outlined in below table.

Projects are classified as microfinance if they meet the following criteria:

- End-client should meet two of the three criteria to qualify: the number of employees <10; turnover < USD 100,000; total assets < USD 100,000;
- If data mentioned under item a) is not available, the end-client average loan size should be less than USD 10,000. (source: IFC)

Projects are classified as SMEs if they meet the following criteria:

- The end-client should meet two of three criteria to be eligible for the Sustainability Bond (see below table): 1) 10 < number of employees < 300; 2) USD 100,000 < turnover < USD 15,000,000; 3) total assets < USD 100,000; or
- If data mentioned under item a) is not available, then the SME average loan size should be between USD 10,000 or more, but less than USD 1,000,000 (10,000 < USD < 1,000,000)

# Management of Proceeds

The net proceeds of any issue under the Framework are held within FMO's Treasury in a sub-portfolio that is linked to FMO's lending operations in the fields of green finance and inclusive finance. As long as the notes issued under the Framework are outstanding, the balance of the sub-portfolio will be reduced by amounts corresponding to the financing or refinancing of eligible projects, or to repay a note issued under the Framework.

Pending allocations, the net proceeds of the notes will be held in FMO's liquidity portfolio and may temporarily be used for different purposes in case of liquidity stress situations. FMO expects the bond proceeds to be fully allocated within 2 years from the issue date.

Projects eligible to be financed with the proceeds of FMO's Green \ Social \ Sustainability Bonds include projects that meet the eligibility criteria described above and are:

- Projects committed after the issuance of the Green \ Social \ Sustainability Bond; or
- Projects committed before the issuance of the Green \ Social \ Sustainability Bond but funded (disbursed) after the issuance of the Bond;



**Miro Forestry** operates plantations in Ghana and Sierra Leone, developing and managing high quality, cost-competitive, FSC certified, fast-growing industrial timber species. They process the harvested timbers into high-value ready-made plywood, edged glued boards, and utility poles for local and export markets.





**Limbomar** and Limbopack are companies that are both part of Grupo Almar, one of the top 5 shrimp producers in the world and a frontrunner in climate smart aquaculture with 40+ years of experience that's Global Gap, ASC and SSP certified.

## Process to define green and social<sup>1</sup> projects

### IMPACT

- Green and Reduce Inequality (RI) definition
- IFI definition of climate finance

### INVESTMENT

- Apply for green and RI label
- Exclusion list
- ESG standards

### CREDIT

- Approve green and RI label
- Take note of green and RI label
- Impact narrative

### TREASURY

- Consider for thematic bond
- Green label
- RI label
- Issue mgt

<sup>1</sup> Social projects aiming at reducing inequality