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POSITION STATEMENT ON ESG IMPACT & FINANCIAL INTERMEDIARIES

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1. Introduction

FMO is the Dutch entrepreneurial development bank. Since 1970, it has been a driving force behind investments that enable entrepreneurs to increase inclusive and sustainable prosperity in emerging markets and developing countries.

By engaging with underserved markets, FMO invests in some of the world's most challenging business environments and economies, many of which have fragile private sectors, limited job security, and high poverty rates.

2. FMO Vision & Strategy

FMO envisions a world where, by 2050, more than nine billion people live well within planetary boundaries[1].

FMO is committed to promoting inclusive and sustainable economic growth and addressing inequalities in emerging markets and developing countries—both of which are essential for reducing poverty.

FMO strives to create value, opportunities, and development impact[2] through its investments and works closely with customers and financing partners to manage—including avoiding and mitigating, and, where not possible, minimizing—potential and actual negative impacts on people and the environment. It also aims to ensure that this development impact is sustained without compromising resources for future generations.

FMO aims to maximize its development impact and contribution to the United Nations Sustainable Development Goals (SDGs) by focusing on three priorities where it can have greatest impact: SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities, and SDG 13: Climate Action.

[1]For further information on FMO's vision and strategy, refer to FMO's Impact webpage.

[2]Development impact is the overall positive impact that FMO's investments and activities have, either primarily or secondarily, on people and environment.

3. FMO Position Statement on ESG Impact and Financial Intermediaries

The Position Statement on ESG Impact and Financial Intermediaries is an integral part of FMO's Sustainability Policy Universe—a comprehensive policy framework that defines FMO's approach to financing development impact and addresses environmental, social, and governance (ESG) and human rights impact[3] across its investment portfolio.

FMO's Position Statements are supplementary to the Sustainability Policy and are not stand-alone policy documents. They provide further context on FMO's sustainability choices, as well as additional policy requirements in relation to major global sustainability issues, specific themes, and investment sectors. Additionally, they outline how FMO selects investments, works with customers and other stakeholders, and monitors customers' ESG performance.

The Position Statements also underpin FMO's commitment to responsible business conduct by upholding high standards of ethics and integrity—including transparency and accountability in FMO's investment actions and decision-making—which safeguard its assets and reputation.

FMO's approach to sustainability is shaped by many factors and continues to evolve as part of an ongoing process. This process involves monitoring and responding to changes in the broader context in which it operates, continuously engaging with stakeholders, effectively addressing dilemmas and challenges in order to uphold its commitments, and taking appropriate steps based on lessons learned.

Consequently, the Position Statement on ESG Impact and Financial Intermediaries is a living document that is regularly reviewed and updated over time[4].

[3]FMO has updated the language in the Sustainability Policy Universe to align with the terminology and definitions in the ESRS 2 'double materiality assessment' (DMA) regarding "impact" and "impact materiality." The DMA helps FMO identify which sustainability-related matters are material from an impact and/or financial perspective and therefore need to be included in its reporting under the EU Corporate Sustainability Reporting Directive (CSRD). A sustainability-related matter is considered material from an impact perspective when it relates to FMO's potential or actual—positive or negative—impacts on people or the environment over the short, medium, and long term.

[4]This Position Statement was approved by FMO's Management Board on 01 October 2022. It was last updated in April 2026.

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3.1. ESG Impact and Financial Intermediaries

This position statement provides an overview of FMO's approach to achieving development impact and addressing ESG and human rights impacts in partnership with, and through, financial intermediaries.

It provides further context on how FMO selects its investments in the financial sector to create value, opportunities, and development impact; how it works with financial intermediaries to improve their ESG performance and manage the potential negative impacts of their investments; and how FMO's approach may differ from that applied to its corporate customers.

FMO uses the term "financial intermediaries" to refer to entities to which FMO provides indirect investments, either for on-lending (i.e., debt) or to supply equity to end-customers. Financial intermediaries include banks; financial service providers (FSPs)—including microfinance institutions (MFIs), non-banking financial institutions, and corporates such as leasing companies; and private equity (PE) funds.

FMO uses the term "end-customer" to describe a financial intermediary's customer who is the final recipient of FMO's indirect investment.

FMO regards financial intermediaries as key partners that play a pivotal role in fostering inclusive, sustainable, and prosperous economies. A healthy financial sector and accessible finance form fundamental pillars of a resilient economy and a dynamic private sector, enabling entrepreneurship, stimulating economic growth, and supporting sustainable job creation.

Financial intermediaries enable FMO to reach micro, small, and medium-sized enterprises (MSMEs), thereby increasing access to capital, supporting business expansion, and channeling finance to businesses and end-customers that FMO would not be able to serve directly.

In emerging and developing economies, the MSME market plays an important role in advancing the United Nations Sustainable Development Goals (SDGs), accounting for up to 70% of total employment and 50% of GDP worldwide[5]. MSMEs are significant contributors to economic growth and job creation and have substantial potential to promote decent work and foster

[5]International Finance Corporation 'MSME Finance Gap: An Updated Estimation and Evolution of the MSME Finance Gap in Emerging Markets and Developing Economies (2025)

entrepreneurship, thereby supporting SDG 8: Decent Work and Economic Growth. However, in FMO's target markets, an estimated 65 million enterprises—representing around 70% of formal MSMEs—face unmet financing needs totaling USD 5.7 trillion annually[6].

3.2. FMO Approach

FMO aims to allocate capital toward financial intermediaries with high-impact portfolios, particularly those that expand access to finance—including long-term funding, risk capital, and local-currency financing—in underserved countries where investment gaps persist.

By investing through financial intermediaries, FMO is able to catalyze financial flows that far exceed the scale of its direct lending capacity. FMO aims to create value, opportunities, and development impact at scale by leveraging its strong network and relationships—including collaboration with other Development Finance Institutions (DFIs) and the mobilization of additional commercial funding for emerging markets—thereby enhancing its overall impact.

Additionally, through their own investments, financial intermediaries can contribute to FMO's development impact by supporting end-customers in strengthening their management of ESG and human rights impacts, thereby improving ESG performance at both the enterprise and sectoral levels.

FMO targets a wide range of end-customers by directing its finance to priority sectors, geographies, and thematic focus areas. These include MSMEs; renewable energy; energy efficiency; agriculture and forestry; as well as youth- and women-led entrepreneurship. In addition, FMO supports innovation by promoting and financing digital solutions, including fintech and agritech.

In this context, FMO promotes and advises its financial intermediaries on green finance to support SDG 13: Climate Action, as well as on social credit lines that enable business models serving unbanked and underserved populations, thereby contributing to SDG 10: Reduced Inequalities.

[6]International Finance Corporation 'MSME Finance Gap: An Updated Estimation and Evolution of the MSME Finance Gap in Emerging Markets and Developing Economies (2025)

FMO actively seeks to invest in Clean Energy Funds[7] and increasingly aims to have a "transformative" effect on financial intermediaries through a strategic approach that includes the development of product propositions, capabilities, and related financing, with the goal of achieving the same impact for end-customers. Additionally, FMO supports them on their Green Finance journey with both Green credit lines and Green guarantees for on-lending and risk-sharing for eligible Green end-customers and investment opportunities[8]. Furthermore, FMO aims to provide support to customers in the form of dedicated Technical Assistance to build their Green Finance capacity.

FMO selects its financial intermediary customers in line with its Exclusion List and works with them as guided by its Sustainability Policy and applicable Position Statements.

FMO provides financing to financial intermediaries in a variety of ways and through a wide range of fund-like structures—such as debt, mezzanine facilities, and guarantees—as well as permanent capital vehicles and liquidity structures, including PE funds. This position statement focuses on FMO's approach to classic PE fund structures. For other fund-like structures, the PE fund approach serves as the starting point, with specific details varying according to factors such as the ownership structure, the lifetime of the chosen fund vehicle, and other differentiating criteria.

FMO's financial intermediary customers are responsible for, and make decisions, on how FMO's funding is used. Importantly, these decisions need to be within the boundaries established by their contract with FMO.

The relationship between FMO and the end-customer of its financing through financial intermediaries is indirect by nature. The benefit of this is that it enables FMO to finance a larger number and more types of high-impact end-customers than it could otherwise reach. The drawback is that FMO's influence is limited, as there is no direct contractual relationship with those end-customers.

[7]A Clean Energy Fund is a financial vehicle that invests in technologies, companies, and projects reducing greenhouse gas emissions, supporting renewable sources (e.g., solar, wind, hydro), or improving efficiency.
[8]Further information on FMO's Green Methodology and Green eligibility criteria, refer to FMO's How We Manage Impact webpage.

In this context, FMO applies a structured approach when working with and through financial intermediaries, whereby it may require—and support—the development of additional institutional capacity and capabilities. The objective is that, over the tenor of the financing (in the case of debt investments) or the lifetime of the investment (in the case of equity), the financial intermediary is able to adequately identify, assess, and manage the ESG and human rights impacts associated with its investment activities.

FMO's general approach to financing development impact is guided by nationally and internationally recognized ESG and human rights principles and standards, as outlined in its Sustainability Policy, and it encourages its financial intermediary customers to align their approach similarly.

The principles and standards that primarily guide FMO's approach to working with financial intermediaries include:

- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- IFC Performance Standards on Environmental and Social Sustainability
- World Bank Group General Environmental, Health, and Safety Guidelines
- Client Protection Standards

Additionally, FMO promotes, where relevant and applicable, industry-specific principles and initiatives that support good international industry practice, including but not limited to, the United Nations Principles for Responsible Banking and the United Nations Principles for Responsible Investment.

As outlined in its Position Statement on Human Rights, FMO recognizes its responsibility to respect human rights in line with applicable international standards, and it acknowledges that its financial intermediary customers likewise hold their own responsibility to respect human rights. FMO encourages its financial intermediary customers to reflect this commitment in their operations and supports financial intermediary customers in preventing and mitigating their human rights impacts.

FMO recognizes that identifying and managing human rights impacts is central to preventing and mitigating the negative impacts of its investments on human rights. It has therefore integrated human rights considerations into its due diligence and monitoring processes to

address and support accountability for negative impacts on human rights.

FMO recognizes that its investments through financial intermediaries may have actual negative impacts or unintended consequences for local communities and the environment. FMO will seek to use its leverage with its financial intermediary customers, and where relevant other parties, to support the prevention, mitigation, and remediation of the negative human rights impacts. Additionally, FMO will cooperate in remediation through legitimate and rights-compatible[9] processes, in a manner proportionate to its contribution to the harm and commensurate to its leverage with the customer.

3.3. FMO Implementation

FMO believes that, through its structured approach to financing financial intermediaries, it can advance durable improvements; create value, opportunities, and development impact; and contribute to building financial intermediaries' capacity and capability to improve their overall ESG performance and manage the negative impacts of their investments.

Fundamental to this approach is the way in which FMO structures the customer relationship, which varies depending on the intended development impact and the interdependent relationship between FMO's risk appetite and the customer's capacity, capability, and willingness to manage the potential ESG and human rights impacts associated with the specific investment.

FMO engages with its financial intermediary customers at the institutional level to raise awareness of the ESG and human rights principles and standards set out in FMO's Sustainability Policy, which guide the minimum ESG-related conditions and requirements (and related actions) incorporated into FMO's contractual agreements.

FMO adopts a risk-based approach, as outlined in Section 5.1 of its Sustainability Policy, to assess and manage the potential ESG and human rights impacts of its investments through financial intermediaries. As part of its due diligence process, FMO conducts up to three types

[9]As described in the United Nations Guiding Principles on Business and Human Rights 31.f., "*Rights-compatible: ensuring that outcomes and remedies accord with internationally recognized human rights.*"

of ESG risk categorization processes[10]: Environmental and Social (E&S) Risk Categorization, Corporate Governance (CG) Risk Categorization, and, as applicable, Client Protection (CP) Risk Categorization for FSPs. The resulting risk categories—together with an assessment of the customer's capacity, capability, and potential support needs—informs FMO's decision on whether to continue with the investment process.

If FMO decides to proceed, the risk categories and customer assessment guide its approach to (i) structuring the customer relationship, including defining responsibilities and related accountability within the relationship, and (ii) engaging with the customer to strengthen overall ESG performance.

3.3.1. Relationship Structure, Responsibilities & Accountability

As a first step in defining its relationship with a financial intermediary, FMO considers its commitment to align with the United Nations Guiding Principles on Business and Human Rights—specifically clarifying the respective responsibilities and related accountability. In particular, with Principle 13(b), which states that business enterprises must "*seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts*."

However, in 2017 the Office of the United Nations High Commissioner for Human Rights (OHCHR) explicitly clarified that a business relationship between a bank and a customer does not, by itself, mean the bank is directly linked to every negative impact caused by that customer. OHCHR further explained that determining whether a bank is "directly linked" under Principle 13(b) requires an analysis of the specific connection between the bank's financial product or service and the negative impact, not merely the existence of a general banking relationship.

This clarification is essential for understanding FMO's responsibilities and accountability for actual negative impacts that may arise in the context of its indirect financing. FMO outlines its policy commitment to meet its responsibility to respect human rights and its approach to remedy in its Position Statement on Human Rights.

[10]ESG risk categorization is an assessment process that is informed and guided by the risk-based approach—the outcome of which reflects FMO's professional judgment regarding the potential magnitude of an investment's negative impacts on people and the environment, as identified at the time of the assessment.

Whether FMO is deemed to be directly linked to negative impacts within a financial intermediary's portfolio depends on the specific circumstances. These include—but are not limited to—whether FMO's ESG-related conditions and requirements are applied through its "Portfolio" or "Asset Class" approach, as well as the quality and level of engagement and action (or potential inaction) taken by both the customer and FMO in relation to those impacts.

Both the Portfolio and Asset Class approaches, as described below, have distinct merits and challenges. The decision on which approach to apply depends on the financing or investment structure; therefore it is assessed on a case-by-case basis. In line with FMO's commitment to transparency through disclosure, the approach selected for each investment is disclosed in accordance with its Customer Disclosure Policy.

Portfolio Approach

Under the Portfolio approach, FMO aspires to work with and support financial intermediaries to improve their institutional capacity and capabilities, as well as their ESG performance across their entire portfolio.

FMO focuses its ESG-related conditions and requirements on managing the most material ESG and human rights impacts across the financial intermediary's existing or proposed portfolio. These conditions and requirements focus on developing systems, processes, and related governance to enable the customer to adopt a fully integrated, risk-based approach to managing such impacts.

FMO requires customers to commit to and implement an Environmental and Social Management System (ESMS) for managing and monitoring potential negative impacts. FMO expects the ESMS to reflect and align with the relevant internationally recognized ESG principles and standards, as well as good international industry practice. FMO also expects it to reflect and be commensurate[11] with the potential negative impacts identified, so that these impacts can be adequately managed within the existing or proposed portfolio.

Where gaps in a financial intermediary's management of negative impacts are identified, FMO and the customer may agree on measures and actions to address these performance gaps. In

[11]In this context commensurate means proportionate to the type, scope, scale, and the materiality of the negative impacts identified.

those cases, these measures and actions—agreed upon prior to contracting—are formalized and implemented through an Environmental and Social Action Plan (ESAP), a Corporate Governance Action Plan (CGAP), and, as applicable, a Client Protection Standards Action Plan (CPAP) and/or a Paris Alignment Action Plan. The objective of these action plans is to support alignment with FMO's Sustainability Policy and applicable ESG principles and standards within a reasonable time frame, and at a minimum throughout the tenor of the financing or the lifetime of the investment.

FMO engages with its financial intermediary customers on an ongoing basis throughout the lifetime of the relationship, providing structured support with the aim of improving the quality and implementation of the ESMS. Furthermore, FMO monitors performance and progress on the improvements agreed in the relevant action plan(s). If there is insufficient progress, or if material or recurring negative impacts are identified in the portfolio, FMO increases its engagement with the financial intermediary to further build and use its leverage, with the aim of ceasing or mitigating the negative impacts and, where feasible and to the extent possible, applying leverage to support remediation.

Asset Class Approach

Under the Asset Class approach, FMO's ESG-related conditions and requirements are applied to a defined asset class rather than the financial intermediary's entire portfolio. Examples of asset classes include, but are not limited to, a specific line of business or practice; industry, sector, or region; client or end-customer type; ring-fenced transactions; or any other distinguishing characteristic.

FMO may require the financial intermediary to develop an ESMS, or policies and procedures, for managing and monitoring potential negative impacts of the specific asset class. If required, these are expected to reflect and be commensurate with the nature and potential materiality of the negative impacts identified, so that these impacts can be adequately managed in the specific asset class within the financial intermediary's portfolio.

The Asset Class approach allows FMO to focus its engagement and support to the financial intermediary on tailored measures to improve its understanding, management, and monitoring of potential negative impacts, enabling adjustments within a specific segment of its portfolio. It enhances transparency and allows FMO to apply more targeted ESG-related conditions and

requirements that reflect and are commensurate with the potential negative impacts of the financed assets.

This approach also allows for increased leverage to take action when material negative impacts occur within the boundaries of the asset class or group of assets. If there is insufficient progress in managing negative impacts, or if material or recurring negative impacts are identified in the asset class, FMO increases its engagement with the financial intermediary to further build and use its leverage, with the aim of ceasing and mitigating the negative impacts and, where feasible and to the extent possible, applying leverage to support remediation.

If FMO becomes aware of material negative impacts occurring outside of the boundaries of the asset class, it will engage with the financial intermediary to use its influence and leverage the relationship, including by providing recommendations to help address the negative impacts. While contractual leverage is limited, if FMO identifies ongoing occurrences or consistent patterns of material negative impacts within the financial intermediary's general portfolio, it will seek to respond in a manner proportionate to the severity of the impacts and relative to FMO's connection to them.

3.3.2. ESG Performance

FMO considers it part of its development mandate not only to work with best-in-class financial intermediaries but also to partner with institutions that may have more basic ESG practices in place, provided they demonstrate a clear commitment to improving their ESG practices and performance.

FMO supports these financial intermediaries in strengthening their practices over the course of the relationship. In line with its commitment to internationally recognized ESG principles and standards, FMO acknowledges that a financial intermediary or its investee companies may not be fully aligned with all principles and standards to which FMO seeks alignment. FMO further recognizes that the development of capacity and capabilities required to adequately manage ESG and human rights impacts typically takes time and sustained effort.

The decision to work with such financial intermediaries falls within FMO's risk appetite, provided the customer demonstrates a clear commitment to work towards improvement.

For debt investments, FMO incorporates Paris-alignment requirements and minimum ESG-

related conditions and requirements (and related actions) into its contractual agreements, with a focus on compliance with local legislation and applicable internationally recognized ESG principles and standards.

In cases where FMO reasonably determines that it lacks sufficient leverage, or is unable to support the customer in achieving the required improvements, FMO will refrain from further investment or explore options for responsible exit. FMO includes legal provisions in its contractual agreements that allow for an event of default to be declared in cases of systematic non-compliance with the ESG-related conditions and requirements. Exit from an investment on these grounds is considered only as a measure of last resort, given the potential negative impacts on affected stakeholders.

3.3.3. ESG Management

FMO engages with its financial intermediary customers to actively support capacity and capability building by using its own risk-based approach, Sustainability Policy, and related Position Statements as reference models to help financial intermediaries design, adapt, and strengthen their own ESG policies and practices aligned with their local context and regulatory environment.

FMO applies and builds leverage with its financial intermediary customers to help them prevent and mitigate negative impacts that they and their investee companies may cause, including by incorporating the most important ESG commitments and reporting requirements into contractual agreements and fund documentation. FMO actively monitors progress and compliance with its ESG-related conditions and requirements throughout the tenor of the financing or the lifetime of the investment.

Additionally, for investments in PE funds, FMO may participate in ESG-related advisory panels and limited partner advisory committees to provide feedback and advice based on its ESG due diligence and monitoring reports. Throughout this process, FMO engages with its financial intermediary customers in a structured manner and, where necessary, intensifies its engagement to build their capacity.

FMO has integrated explicit human rights reference points at key stages of the investment process, including the consideration and assessment of contextual impacts—particularly in Fragile and Conflict-Affected Situations (FCS)—as well as the potential for project-related

conflict and infringements on civil and political rights. All high-risk investments through financial intermediaries are assessed from an ESG and human rights impact perspective both prior to and throughout the tenor of the financing or the lifetime of the investment.

Furthermore, FMO conducts close monitoring of investments involving human rights impacts and may also commission independent, qualified, and reputable experts to provide support. Further information on FMO's approach to human rights can be found in FMO's Sustainability Policy, Position Statement on Human Rights, and Position Statement on Gender Equality.

FMO's approach to supporting financial intermediary customers' corporate governance is founded on the G20/OECD Principles of Corporate Governance and guided by the Corporate Governance Development Framework. Corporate governance is assessed for every co-investment with a PE fund in an investee company and for every loan to a financial intermediary. The assessment focus is on customer's commitment to good corporate governance practices, including the structure and functioning of the supervisory and management boards, internal control processes, transparency, and the adequacy of (minority) shareholder rights.

As part of FMO's approach to working with FSPs, FMO aims to protect the most vulnerable end-customers as they access financial services. FMO promotes responsible financial inclusion by endorsing and using the Client Protection Standards to assess and manage potential negative impacts on end-customers (i.e., individuals and micro-enterprises).

In summary, FMO's financial intermediary customers and investee companies are contractually required to:

- Comply with applicable laws and regulations in both their home and host countries, including all applicable ESG-related and human rights laws and regulations.

- Adopt a risk-based approach to assessing, managing, and monitoring potential ESG and human rights impacts, taking into account their business activity, sector-specific risks, country-specific risks, and other relevant contextual factors and, as appropriate, involving qualified ESG professionals to support these activities.

- Align with internationally recognized ESG and human rights principles and standards and apply them as relevant and applicable to the context and characteristics of the specific investment.

This may include, where applicable:

- applying the requirements of the IFC Performance Standards on Environmental and Social Sustainability, including to investee companies that (also) finance high-risk business activities.
- applying the Client Protection Standards for customers offering financial products to individuals and micro-enterprises.

- Adhere to FMO's minimum ESG-related conditions and requirements (and related actions) and take appropriate measures and actions where FMO identifies gaps in relevant national legislation.

- Implement any changes required to improve capacity and capability and overall ESG performance within a contractually agreed timeframe.

- Report annually on their ESG performance to assess progress against the agreed action plans.

Additionally, for PE funds, the financial intermediary commits to effectively managing the potential ESG and human rights impacts of its investee companies, working directly with them to set and achieve appropriate risk-based ESG targets in line with FMO's investment criteria. Investment decisions are delegated to the fund manager and are governed by the investment mandate, in accordance with the agreement between FMO and the fund manager.

FMO also requires PE funds to develop and maintain an ESMS that is commensurate with the potential negative impacts identified within the fund and seeks to build ESG capacity and capability in fund managers. PE funds report annually on ESG developments across their portfolios, and FMO conducts regular monitoring of these developments, including visits to investee companies.

3.3.4. Sector and Client Level Value Creation

In addition to supporting the capacity and capabilities of its financial intermediary customers and their investee companies, FMO may offer assistance in the form of grant funding, advisory support, and/or Technical Assistance. This support can be invaluable in helping to achieve development impact and to improve overall ESG performance. It can create value for

customers and investee companies by contributing to higher valuations, an enhanced reputation, and positive effects across their value chains.

FMO continues to encourage financial intermediaries to adopt the United Nations Principles for Responsible Banking and the United Nations Principles for Responsible Investment and seeks to further support its customers in identifying and addressing potential human rights impacts within their portfolios.

FMO recognizes the importance of a level playing field in which its customers can operate, particularly when they are introducing practices for managing ESG and human rights impacts in their respective markets. Where FMO identifies that multiple financial intermediaries within a country or region face systemic barriers to the effective management of ESG and human rights impacts, it may choose to initiate or support sector-wide approaches or initiatives as a strategic tool to promote locally owned change.

Such initiatives engage all relevant stakeholders during the planning phase and are designed to address systemic challenges in a manner that aligns commercial success with effective management of ESG and human rights impacts. By doing so, these initiatives enable FMO to extend its impact beyond its own customers and contribute to creating a level playing field across a sector. FMO's financial intermediary customers may play a key convening and catalytic role in these efforts.

4. Stakeholder Feedback

FMO considers stakeholder feedback an integral part of policy development and strives to ensure that its policies are ambitious, relevant, realistic, and enforceable; contribute to societal needs; and underpin its license to operate.

FMO welcomes feedback on its position statements, which can be submitted by email to consultation@fmo.nl.

Appendix I: FMO's Sustainability Policy Universe

The Sustainability Policy Universe is a comprehensive policy framework that defines FMO's approach to financing development impact and addresses environmental, social, and governance (ESG) and human rights impacts across its investment portfolio.

The Sustainability Policy Universe consists of the following documents:

- Sustainability Policy;
- Exclusion List; and
- Position Statements
  - Combined Position Statement on Fossil Fuels
  - Position Statement ESG Impact and Financial Intermediaries
  - Position Statement on Human Rights
  - Position Statement on Gender Equality
  - Position Statement on Land Governance
  - Position Statement on Hydropower
  - Position Statement on Responsible Tax
  - Position Statement on Animal Welfare

The Sustainability Policy defines FMO's commitment to achieving development impact and serves as a guide for its investment decisions and actions.

The Exclusion List is an EDFI-harmonized document that defines activities that FMO will not finance or support, directly or indirectly.

The Position Statements are an integral part of the Sustainability Policy Universe and are supplementary to the Sustainability Policy. They are not stand-alone policy documents; however, they provide additional context on FMO's sustainability choices, as well as additional policy requirements in relation to major global sustainability issues, specific themes, and investment sectors. Additionally, they outline how FMO selects investments, works with customers and other stakeholders, and monitors customers' ESG performance.