



Entrepreneurial  
Development  
Bank

# **CUSTOMER DISCLOSURE POLICY**

**JANUARY 1, 2023**

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# 1. INTRODUCTION

The text below sets out the policy of the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (“**FMO**”) regarding the scope of information that it routinely discloses to the public (referred to below as “**FMO’s Customer Disclosure Policy**” or “**Policy**”). This Policy is effective as of January 1, 2013, and has been partially revised as of 1 January 2016 in connection with IATI (see below), and on January 1, 2018, regarding the extension to E&S categories B and C.

This version of the Policy has been approved by FMO’s Management Board and is effective as of January 1, 2023, as a general update was required in terms of readability and further improved disclosure practices established since the last revision. The Policy will be reviewed on a yearly basis.

Having in place a formal policy on disclosure and transparency is aligned with various international best practices, guidelines and procedures to which FMO has committed, including the [IFC Performance Standards](#) and EDFI’s ‘[Principles for Responsible Financing of Sustainable Development](#)’.

This policy is part of the FMO [Sustainability Policy Universe](#).

## 1.1 Scope

FMO’s Customer Disclosure Policy and corresponding practices apply, in general terms, to all investments involving FMO debt and equity transactions, either involving FMO-A funding or public funds, guarantees, and/or Capacity Development (“**CD**”) transactions.

Disclosure and transparency are important and mandatory elements of FMO’s investment process.

The Policy outlines the following types of disclosure:

- a) [Ex-ante disclosure by FMO](#)
- b) [Ex-post disclosure by FMO](#)

The scope of this document is limited to FMO’s commitment to disclose proposed, in contracting phase, approved and completed investments on the [World Map on FMO’s website](#) (“**World Map**”). Information on other types of disclosure of information by FMO can be found under Annex A.

## 1.2 Objectives

The objectives of FMO’s Customer Disclosure Policy are to:

- Improve FMO’s transparency and accountability as a Development Finance Institution.
- Increase the quality of investments by enabling (local) stakeholders to provide feedback or additional information, thus helping FMO make better investment decisions.

## 2. THE POLICY

The Customer Disclosure Policy focuses on customer disclosure performed by FMO. The disclosed investments can be consulted by project-related and/or other FMO stakeholders on the World Map.

Aside from the different filter functionalities to search for investments, the webpage enables its users [to register to receive notifications](#) about proposed investments which meet the criteria for ex-ante disclosure by FMO as stated below.

### 2.1 Disclosure by FMO

Disclosure of relevant investment information by FMO occurs at two distinct points in time: (i) “*Proposed investment*”, i.e., [ex-ante](#) (at the Financial Proposal (“**FP**”) stage in FMO’s investment process); and (ii) “*Approved investment*”, i.e., [ex-post](#) (after contracting the investment).

Between these two moments, the information about the investment remains publicly available under the status “*Investment in contracting phase*”, for stakeholders to keep track of the status of the investment and to continuously have the opportunity to provide feedback.

#### a. Ex-ante disclosure

<b>Description</b>	<ul style="list-style-type: none"><li>• For each investment opportunity, FMO makes publicly available certain information on the investment, including relevant project details, E&amp;S rationale, and development impact information.</li><li>• Public disclosure of this information takes place prior to contracting on the World Map section on the FMO website.</li></ul>
<b>Type of transaction</b>	<ul style="list-style-type: none"><li>• All investments including unfunded participations and guarantees, FMO intends to contract, apart from a specific and limited set of exceptions (referred to as <i>Transaction exempt from ex-ante disclosure, by default or waiver request</i>).</li><li>• FMO discloses ex-ante for:<ul style="list-style-type: none"><li>○ New contracts in the investment portfolio involving an FMO Financial Product for a customer. A Financial Product is a product that is provided or acquired by FMO in its role as Financial Institution; or</li><li>○ Any amendment or waiver resulting in a new purpose and/or new business activity financed by an existing contract; or</li><li>○ Increased exposure (&gt;50%) for an existing contract that occurs after one year from FP approval.</li></ul></li></ul>
<b>Duration of disclosure</b>	<ul style="list-style-type: none"><li>• 60 calendar days for E&amp;S risk categories B+ and A (high-risk).</li><li>• 30 calendar days for E&amp;S risk categories B and C (low risk).</li><li>• 15 calendar days for Venture Capital (VC) investments.</li></ul>
<b>Transactions exempt from ex-ante disclosure (by default)</b>	<ul style="list-style-type: none"><li>• Investment opportunities with listed companies; or</li><li>• Increases in committed capital to prevent dilution; or</li><li>• CD grant opportunities, including convertible grants that are booked as a CD product.</li></ul>

<b>Transactions exempt from ex-ante disclosure (via waiver request)</b>	<ul style="list-style-type: none"> <li>• Market disruption (to be confirmed by local legal counsel).</li> <li>• Disruption of the commercial process in the lead up to FMO contracting: <ul style="list-style-type: none"> <li>○ Customers who are not listed, but are nonetheless part of a listed group entity; or</li> <li>○ Instances when FMO is financing a company which intends to become publicly traded; or</li> <li>○ Investments where the anticipated customer is part of a bidding process and ex-ante disclosure would frustrate this bidding process.</li> </ul> </li> </ul>
<b>Language</b>	<ul style="list-style-type: none"> <li>• English, except for E&amp;S Categories (A and B+) (high-risk) which are also available in one of the following languages depending on where the investment takes place: French, Spanish, Arabic, Chinese, Russian, Portuguese.</li> </ul>

*b. Ex-post disclosure*

<b>Description</b>	<ul style="list-style-type: none"> <li>• For each investment opportunity, FMO makes publicly available certain information on the investment, including relevant project details, E&amp;S rationale, and development impact information.</li> <li>• Public disclosure of this information takes place after contracting on the World Map section on the FMO website.</li> </ul>
<b>Type of transaction</b>	<ul style="list-style-type: none"> <li>• <b>All investments</b>, including those that have been exempted from ex-ante disclosure.</li> <li>• <b>Private Equity Funds (PEF) sub-investments</b>, including name, sector, and location (country or region(s) where most operations take place).</li> <li>• <b>CD transactions</b> which meet the following criteria: <ul style="list-style-type: none"> <li>○ Development contribution grants to customers; or</li> <li>○ Partnership grants; or</li> <li>○ Repayable grants; or</li> <li>○ Convertible grants.</li> </ul> </li> </ul>
<b>Duration of disclosure</b>	<ul style="list-style-type: none"> <li>• From contracting until seven years after end date, when the investments are removed.</li> <li>• An overview of active PEF sub-investments is disclosed ex-post once a year.</li> </ul>
<b>Transactions exempt from ex-post disclosure (by default)</b>	<ul style="list-style-type: none"> <li>• <b>CD transactions</b>, unless otherwise contractually agreed with an external funder, which relate to: <ul style="list-style-type: none"> <li>○ Technical assistance product line; or</li> <li>○ Development contribution grants covering more than one beneficiary (e.g., Board seats, FMOXChange, FMO Academy).</li> </ul> </li> </ul>
<b>Transactions exempt from ex-post disclosure (via waiver request)</b>	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>
<b>Language</b>	<ul style="list-style-type: none"> <li>• English.</li> </ul>

## 2.2. What we disclose

For every investment, the following information is published on FMO's World Map:

Customer name		<ul style="list-style-type: none"><li>Legal name</li></ul>
Website customer/investment		<ul style="list-style-type: none"><li>A link to the customer-owned website containing both the most accurate and comprehensive information concerning the investment opportunity.</li></ul>
Region		<ul style="list-style-type: none"><li>Region where the operation takes place; regions where most operations take place; or the plurality; or the largest 2-3 operations in the absence of any majority.</li></ul>
Country		<ul style="list-style-type: none"><li>Country where (bulk of) operations take place.</li><li>Not applicable if investment opportunity is non-country specific.</li></ul>
Sector		<ul style="list-style-type: none"><li>Sector in which the (bulk of) operations take place.</li></ul>
Status of investment cycle		<ul style="list-style-type: none"><li>Proposed investment</li></ul> Disclosure of potential investment; open for pre-contracting input.
		<ul style="list-style-type: none"><li>Investment in contracting phase</li></ul> Disclosure of potential investment; pre-contracting input window has closed.
		<ul style="list-style-type: none"><li>Approved investment</li></ul> Disclosure of contracted investment.
		<ul style="list-style-type: none"><li>Completed investment</li></ul> Disclosure of investment after end date.
Investment milestones		<ul style="list-style-type: none"><li>Publication date.</li><li>Deadline for feedback.</li><li>Effective date.</li><li>End date.</li></ul>
Total FMO financing		<ul style="list-style-type: none"><li>The amount of FMO's investment in USD or EUR, or local currency (if applicable).</li></ul>
Funding		<ul style="list-style-type: none"><li>FMO (FMO-A), CD, or Public Fund.</li></ul>
Loan participation		<ul style="list-style-type: none"><li>In case of FMO being a Participant, FMO states project details of the end-recipient and links to disclosure webpage of the Lender (if applicable).</li></ul>
Environmental & Social (E&S) Category		<ul style="list-style-type: none"><li>A / B+ / B / C.</li></ul>
Description of the investment	Who is our customer?	<ul style="list-style-type: none"><li>Name, background, description of organization and (if applicable) main group(s) of customers.</li></ul>
	What is our funding objective?	<ul style="list-style-type: none"><li>Purpose and financial product type of the investment.</li><li>Structure of the investment.</li><li>FMO Green or Reducing Inequalities (RI) labels (if applicable).</li></ul>
	Why do we fund this investment?	<ul style="list-style-type: none"><li>FMO's role and additionality in the investment.</li><li>FMO's alignment with the transition criteria laid out in the Position Statement on Phasing out</li></ul>

		fossil fuels from direct investments (if applicable).
	<b><i>What is the Environmental and Social categorization rationale?</i></b>	<ul style="list-style-type: none"> <li>• The E&amp;S risk and impact category (A/B+/B/C), including rationale and expected focus of ESG performances, and the applicability of the IFC Performance Standards.</li> </ul>

### 3. APPENDIX

#### Appendix A | Other types of disclosure of information by FMO

In addition to the disclosure of customer- and investment-related information [as described above](#), FMO also provides other ways of public access to information about the company and its undertakings. These are described below but are outside the scope of this Customer Disclosure Policy.

- **FMO's Reporting Center:** FMO regularly evaluates and reports on various performance indicators, both financial and relating to Impact and ESG. All reports can be found in the dedicated [Reporting Center](#).

Examples include:

- **Annual Report:** Through its annual report, FMO accounts for its performance (against strategy), mission, values and behaviours, and other indicators. Importantly and relevant to the Customer Disclosure Policy, from 2021 FMO has started disclosing in the Annual Report contextual Impact and ESG information pertaining to certain specific investments.
- **Annual Reports on the Public Funds and Programs:** FMO annually reports on the performances of the funds it manages on behalf of the Public funds and programs.
- **Evaluations:** FMO frequently commissions outside, independent evaluations of its performance as an organisation or relating to specific geographies, E&S themes, product types or other aspects of its business.
- **Capacity Development and Convertible Grants:** Where FMO receives funding from external sources (e.g., EC and BEIS/MFF) it adheres to their disclosure requirements regardless of product type. For example, EC requires FMO to disclose on an annual basis information on Procurement Contracts exceeding €15.000 and all Grants financed by the EU Contribution. FMO discloses this through an external redacted version of a program specific annual report published online in the Reporting Center.

**FMO's Policies and Position Statements:** In the [Policies and Position Statements](#) section of its website, FMO publishes information about the criteria, policies and position statements that guide its investment process consistent with its mandate as a development bank.

**IATI:** The International Aid Transparency Initiative (IATI) makes information about aid spending easier to access, use and understand. [FMO reports to IATI on a quarterly basis](#) through an upload to its platform (format iati-xml) performed by P4i. The file includes information concerning FMO projects funded through Dutch Government Funds (Massif, AEF, DFCF, BP, LUF). The latest report can also be found via [FMO's website](#).

**Ad hoc disclosure of information:** FMO may on a case-by-case basis decide to disclose additional information – investment-related or otherwise – to the public.