

Farm Welfare Project Report

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The Dutch Entrepreneurial Development Bank (“FMO”)

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Last Updated: November 17, 2025

Farm animal welfare standards in the Dutch Entrepreneurial Development Bank's livestock projects

Project: ACE International Limited¹

Recipient: ACE International

Amount: US\$ 18,000,000

Location: India

Date approved: October 2025

Project summary: “FMO is investing USD 18 million in equity as part of a broader consortium that includes reputable European impact investors. The capital raised will be primarily growth-focused and allocated to expanding the company's existing processing facilities, developing a new facility, and integrating its milk procurement system upstream.”²

Environmental Safeguards Category: B+

Farm animal welfare standards: No evidence found of any farm welfare standards even though project documents state: “Animal welfare issues, climate change impacts, sourcing quality feed during the dry season, and agroforestry and silvo-pastoral initiatives increase the potential PSs triggered to include PS 5 and PS 6.”³

Project: Produmar S.A.⁴

Recipient: Produmar

Amount: US\$ 45,000,000

Location: Ecuador

Date approved: August 2025

Project summary: The project supports “the acquisition of new shrimp farms, their refurbishment, electrification, and other feed conversion-related projects.”⁵

Environmental Safeguards Category: B+

Farm animal welfare standards: “Key E&S risks related to semi-intensive shrimp production are animal welfare, diseases, working conditions, conflict due to the use of armed security to face the high levels of security risks, and soil and water pollution using fossil fuels as a source of energy in the farms besides the use of electricity generated through hydropower. Monitoring of Produmar's ESG performance will be focused on the assessment and management of these risks by incorporating Good International Industry Practices, including World Bank Group (WBG) Environmental, Health, and Safety Guidelines for Aquaculture, FMO's animal welfare position statement, and International Aquatic Health Code Practices.” Additionally: “Produmar is committed to sustainable production practices (e.g., ASC certifications) and transitional activities.”⁶

¹ <https://www.fmo.nl/project-detail/64508>

² Ibid.

³ Ibid.

⁴ <https://www.fmo.nl/project-detail/64625>

⁵ Ibid.

⁶ Ibid.

Project: Stichting Hivos-Triodos Fonds⁷

Recipient: Stichting Hivos-Triodos Fonds

Amount: US\$ 20,000,000

Location: Global

Date approved: July 2025

Project summary: Loan to a philanthropic financing institution. FMO's support "reaches micro-, small-, and medium-sized enterprises (MSMEs) operating in the nexus of agribusiness and renewable energy in Africa, Asia, and Latin America. Through the financing, FMO also supports underlying smallholders, the backbone of the agricultural sector and local workforce, addresses climate change, improves livelihoods, and reduces inequalities for low-income communities and vulnerable groups."⁸

Environmental Safeguards Category: B

Farm animal welfare standards: No evidence found.

Project: Mirova Sustainable Land Fund 2 SLP RAIF⁹

Recipient: Mirova

Amount: EUR 10,000,000

Location: Latin America and the Caribbean

Date approved: July 2025

Project summary: The project involves supporting an investment fund, which "provides long-term financing for sustainable land use projects and companies that support the certified production of food and fiber value chains through sustainable forestry and sustainable agricultural practices."¹⁰

Environmental Safeguards Category: A

Farm animal welfare standards: No evidence found.

Project: Araz Supermarket LLC¹¹

Recipient: Araz Supermarket

Amount: US\$ 23,000,000

Location: Azerbaijan

Date approved: December 2024

Project summary: "Araz owns and operates approximately 400 supermarkets under the Araz brand and stores under the SPAR franchise. FMO's long-term facility funding provides capex financing for Araz to (i) build and equip a new FMCG logistics facility near its existing distribution center in the Absheron region and (ii) open new stores under the Araz brand, including in rural areas of the country."¹²

Environmental Safeguards Category: B

Farm animal welfare standards: The Environmental and Social categorization rationale states: "In the food retail sector, the client sources food items that could eventually come from

⁷ <https://www.fmo.nl/project-detail/64519>

⁸ Ibid.

⁹ <https://www.fmo.nl/project-detail/64312>

¹⁰ Ibid.

¹¹ <https://www.fmo.nl/project-detail/64021>

¹² Ibid.

agriculture supply chains (mainly primary production), which contain risks. However, it is mostly outside the client's influence as products are not sourced directly from primary producers. Furthermore, the client has a supplier code of conduct and carries out an internal screening process.”¹³ There is no evidence of farm animal welfare standards. According to FMO's response to FWF's request for additional information about the project: “Due to the E&S risk categorization of B of our investment in Araz Supermarkets, FMO does not have or monitor detailed information on the animal welfare mandates that Araz Supermarkets requires from its suppliers.”

Project: Camimex Joint Stock Company¹⁴

Recipient: Camimex Group Joint Stock Company

Amount: US\$ 15,000,000

Location: Vietnam

Date approved: June 2024

Project summary: “Camimex Group Joint Stock Company (CMX) is one of Vietnam's leading processors and exporters of conventional and premium organic shrimps. The facility finances expansionary capex to (i) construct a new processing factory (6,000), including cold storage and fast freezing systems, (ii) construct new organic hatcheries, (iii) working capital required for certifications and purchasing of organic shrimp. The capex forms part of a larger plan to (i) improve the incomes of ~7,200 smallholder farmers through organic certifications and supplying organic certified PLs, (ii) promote the sustainable management of up to 16,300 hectares of wetlands by promoting sustainable Silvo-aquaculture practices, which includes mangrove cover expansion.”¹⁵

Environmental Safeguards Category: A

Farm animal welfare standards: There is a reference to IFC Performance Standard 6 with respect to “biodiversity conservation and sustainable management of living natural resources including supply chain”¹⁶, but there is no evidence of specific farm animal welfare standards. According to FMO's response to FWF's request for additional information about the project: “Their operations are certified in both EU Organic and Naturland, which include relevant animal welfare measures. A technical consultant also reviewed animal welfare practices as part of the scope.”

The Dutch Entrepreneurial Development Bank's farm animal welfare policy

FMO's Position Statement on Animal Welfare (2022) states: “In practice, as guiding frameworks, FMO subscribes to the animal welfare guidelines of the OIE's Terrestrial Animal Health Code and Aquatic Animal Health Code and the Good Management Practices in Animal Welfare put

¹³ Ibid.

¹⁴ <https://www.fmo.nl/project-detail/63053>

¹⁵ Ibid.

¹⁶ Ibid.

forward by the International Finance Corporation in its Good Practice Note: Improving Animal Welfare in Livestock Operations (2014).”¹⁷

The Position Statement lists a number of other specific animal welfare guidelines, including:

- “FMO will not make investments that substantially involve” practices and systems such as “non-enriched battery cages for chickens, the tethering of sows, individual sow stall housing throughout the entire pregnancy, individual pen housing for veal calves beyond the age of eight weeks, forced feeding of geese and ducks.”
- “At the time of the investment appraisal, FMO undertakes an animal welfare assessment. The assessment checks whether the customer’s practices comply with local legislation and regulation and compares the customer’s practices with the above-mentioned OIE guidelines and the Good Management Practices of the IFC Good Practice Note on Animal Welfare.”
- “For investments with substantial direct involvement of animals, FMO requires its customers to have or develop an Animal Health and Welfare Plan. An Animal Health and Welfare plan lists the customer’s goals and strategy related to animal health and welfare. FMO will monitor the implementation of the plan, will require the customer to report on the identified animal-based indicators and will take appropriate measures when shortcomings are identified.”
- “For investments in businesses whose primary supply chains rely substantially on animal products, FMO will require its customer to identify the animal welfare risks associated with its supply chain. Where the customer can reasonably exercise control given the commercial, regulatory and cultural context, FMO will require the customer to collaborate with its primary suppliers to work towards outcomes that are consistent with FMO’s own approach to animal welfare.”
- “..[W]hen FMO invests in a financial intermediary (a financial institution or a fund) that is substantially exposed to animal welfare risk, FMO will require the financial intermediary to develop procedures to identify transactions with high material animal welfare risk and, for those transactions, to work towards outcomes that are consistent with FMO’s own approach to animal welfare.”

The Dutch Entrepreneurial Development Bank’s environmental safeguard categories

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https://www.fmo.nl/library/download/urn:uuid:58bb4f53-795c-418b-b3d8-78f1085996a5/final_position+statement+on+animal+welfare_technical+update_clean_publication.pdf

“Direct investments.

Category A: Business activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.

Category B+: Business activities with potential adverse environmental or social risks and/or impacts that are generally beyond the site boundaries, largely irreversible and can be addressed through relevant mitigation measures.

Category B: Business activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site specific, largely reversible, and readily addressed through mitigation measures.

Category C: Business activities with minimal or no adverse environmental or social risks and/or impacts.

Financial Intermediaries.

Category FI-A: FIs with an existing or proposed portfolio that includes, or is expected to include, substantial financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.

Category FI-B: FIs with an existing or proposed portfolio that includes, or is expected to include, business activities that have potential limited adverse environmental or social risks or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.

Category FI-C: FIs with an existing or proposed portfolio that includes and is expected to include business activities that predominantly have minimal or no adverse environmental or social impacts.

Private Equity Funds.

Category A: Private Equity Funds which (intend to) invest >15% of its portfolio in high risk (e.g. Category A or B+ as defined above for Direct Investments).

Category B: Private Equity Funds which (intend to) invest ≤15% of its portfolio in high risk (e.g. Category A or B+ as defined above for Direct Investments).¹⁸

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https://www.fmo.nl//library/download/urn:uuid:3a6f7928-d191-416b-9b16-2fb36d8d7f05/faqs+disclosure.pdf?format=save_to_disk

