CORPORATE ENVIRONMENTAL RESPONSIBILITY

IFC'S CORPORATE ENVIRONMENTAL RESPONSIBILITY FY25

In the pursuit of driving positive change and a sustainable future, IFC remains committed to protecting the environment through its Corporate Environmental Sustainability program in its Headquarters and Country Offices. We aim to identify and implement initiatives that reduce our carbon footprint, improve energy efficiency and climate resiliency, promote responsible waste management and sustainable purchasing, and create healthy workspaces for our staff.

CALCULATING OUR GREENHOUSE GAS (GHG) EMISSIONS

IFC recognizes the urgent need to address climate change and has set ambitious targets to reduce its internal greenhouse gas emissions. This commitment is pursued through a combination of energy efficiency measures, investments in renewable energy, and the use of carbon offsets. We strive to meet the rigorous climate and sustainability standards set by leading global frameworks and stakeholders, and continuously challenge ourselves to exceed them within IFC.

Since 2006, IFC has calculated, managed, and reported on the carbon footprint of its internal business operations. The methodology used is based on the Greenhouse Gas Protocol Initiative (GHG Protocol), an internationally recognized standard for GHG accounting and reporting. Additional methodology details are available in the World Bank Group Inventory Management Plan.

In addition, IFC has signed the Cool Food Pledge, committing to reduce food-related emissions from cafeterias, coffee bars, and catering operations at its Washington, D.C. headquarters by 25 percent by 2030.

Since FY09, IFC has managed and collected its GHG inventory using an online data management system. The system has been customized in accordance with the World Bank Group Greenhouse Gas Emissions Inventory Management Plan (IMP). The IMP provides organization-wide information, including:

- A corporate overview and goals
- Inventory boundary conditions
- Emissions quantification methods
- Data management methods, base year selection discussion, list of management tools
- Auditing and verification processes

The latest IMP can be downloaded at: https://documents1.worldbank.org/curated/en/099035310062533534/pdf/IDU-b9956fed-813d-4217-8864-b8c14792af88.pdf

IFC uses the "operational control approach" for setting the organizational boundaries of its GHG inventory. Under this approach emissions are included from all locations where IFC has direct operational control, and can influence decisions that affect GHG emissions.

REDUCING OUR GHG EMISSIONS

In 2018, IFC set its first global, science-based target. This target was announced together with the World Bank Group-wide climate-related commitments at COP24. IFC aims to reduce its facility-related carbon emissions (Scope 1 and 2) by 20 percent between 2016 and 2026, contributing to the World Bank Group's broader goal of a 28 percent reduction over the same time. As of FY24[1] Scope 1 and 2 emissions are down by 38 percent from the 2016 baseline year and IFC is on track to meet its 2026 target.

In addition to direct emissions IFC also measures indirect (Scope 3) GHG emissions including:

- Global business air travel
- Global contractor-owned vehicles
- HQ food purchases (calculated through the World Resources Institute's Cool Food Pledge)

1. Data lag by one FY due to timing of data collection.

Business air travel emissions represent most Scope 3 emissions.

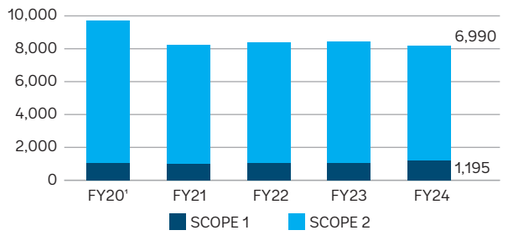
SCOPE 3 EMISSIONS (tCO_2eq)[2]

	FY20	FY21[3]	FY22	FY23	FY24
Global business air travel emissions (with radiative forcing)	34,692	1,180	12,694	42,674	47,940
Global contractor-owned vehicles emissions	300	10	21	16	116
Headquarters Cool Food Pledge emissions	2,305	–	655	2,360	3,513

2. Beginning in FY20, the WBG applies forcing with an index factor of 1.9 to reflect the higher environmental impact of business air travel. For consistent comparison, FY19 emissions were also recalculated with the radiative forcing (RF) factor applied. FY20 business air travel was impacted by three and a half months of the COVID-19 pandemic. IFC gradually returned to pre-pandemic operations between FY21 and FY24.
3. IFC facilities were closed or at reduced occupancy and travel was at a minimum for most of FY21.

Note: Scope 3 GHG emissions from corporate operations do not include emissions from IFC's financing activities. For methodology details and data, please see the World Bank Group Greenhouse Gas Emissions Inventory Management Plan.

GHG EMISSIONS (tCO_2eq)



PURCHASING CARBON OFFSETS

To offset its GHG emissions, IFC purchases carbon offsets from IDA Borrowing Countries or from least developed countries in accordance with the World Bank Group's Guidelines for selecting emission reduction offsets.

At its Washington, D.C. headquarters, IFC offsets building electricity consumption through the annual purchasing of renewable energy credits (RECs). As part of the World Bank Group, IFC is also a member of the United States Environmental Protection Agency (EPA) Green Power Partnership, which recognizes organizations that voluntarily use and support green power to reduce emissions.

AUDITING OUR GHG EMISSIONS INVENTORY

IFC's GHG inventory, GHG Inventory Management Plan, and relevant fiscal year GHG data are audited annually by an independent third party as part of IFC's Annual Report audit.

Scope 1, Scope 2, and partial Scope 3 emissions (business air travel, food purchases, and mobile source emissions) are subject to a Limited Assurance Review by EY (Ernst & Young). Details of the audit and its methodology can be found in the WBG GHG Inventory Management Plan.

SUSTAINABLE BUILDINGS

A key component of IFC's sustainability program is its focus on high-performance buildings and green certifications. Given that buildings account for a significant portion of global energy consumption and greenhouse gas emissions, IFC actively promotes the construction and operation of facilities that meet stringent sustainability standards.

Through green building certifications, IFC encourages the adoption of energy-efficient technologies, renewable energy sources, and sustainable materials. As of FY25 IFC has **40 country offices** that hold a green building certification such as EDGE, LEED, BREAM, and GreenMark and IFC is actively pursuing EDGE for all country offices. These efforts not only reduce our environmental impact but also foster healthier and more productive workspaces for our staff.

IFC HEADQUARTERS CERTIFICATIONS

The two buildings comprising IFC's Washington, D.C. headquarters hold a variety of sustainable building certifications, including:

- LEED Platinum for Existing Buildings by the United States Green Building Council (USGBC)
- UL Verified Healthy Buildings
- U.S. Energy Star
- EDGE Advanced

IFC's HQ building is also pursuing ISO 14001:2015 certification, an internationally recognized standard for environmental management. This certification will further strengthen our commitment to pollution prevention, environmental protection, and our corporate sustainability goals.

COUNTRY OFFICE HIGHLIGHTS

Dakar, Senegal office: Recently achieved EDGE Advanced certification and is pursuing EDGE Net Zero. The building is designed to deliver 95 percent energy savings and 51 percent water savings resulting in significantly lower operational costs.

Johannesburg, South Africa office: In FY25, IFC installed a rooftop solar power system to reduce environmental impact and mitigate climate risk related to energy consumption and grid instability. This system includes:

- Over 200 solar PV panels generating approximately 200,000 kilowatt-hours (kWh) of electricity per year.
- Backup battery capacity of 400kWh, storing excess energy for use during nighttime or low sunlight periods.

The system is designed to meet a substantial portion of the office's energy needs, lower greenhouse gas emissions, reduce reliance on municipal power and backup generators, and deliver overall cost savings.

HQ ENERGY

HQ ELECTRICITY DATA (KWHS)

FY	TOTAL
2019	3,620,644
2020	14,173,018
2021	13,437,353
2022	13,392,648
2023	13,966,337
2024	14,478,515
2025	**14,828,335**

HQ WASTE

IFC has introduced several programs to reduce landfill waste including office supply reuse and donation programs, electronic waste recycling, scrap metal recycling, and composting of food waste. IFC requires construction contractors and subcontractors to recycle as much building material as possible. Contractors are also responsible for recycling construction materials (i.e., carpet tiles, acoustic ceiling tiles, metals, etc.). When interior renovations are made, IFC seeks to repurpose and reuse office furniture. In situations where this is not possible or feasible, IFC donates office furniture including desks, tables, chairs, and bookcases to local charitable organizations. With employees and events returning back to HQ after the pandemic, IFC is experiencing contamination in its waste stream and has identified opportunities for improvement. In FY24, IFC conducted a waste audit to identify the types and quantities of waste generated onsite, as well as waste management practices. IFC is currently reviewing the recommendations to make necessary improvements to minimize its environmental impact.

HQ CONSUMABLE OFFICE WASTE DATA (TONS)

FY	TOTAL LANDFILL	TOTAL RECYCLING	TOTAL COMPOST	TOTAL WASTE	TOTAL DIVERTED FROM LANDFILL	PERCENTAGE DIVERTED FROM LANDFILL
2019	225.27	386.08	–	611.35	386.08	63%
2020	169.04	276.78	–	445.82	276.78	62%
2021	20.41	5.20	–	25.61	5.20	20%
2022	68.65	227.61	–	296.26	227.61	77%
2023	126.78	281.31	15.53	423.62	296.84	70%
2024	161.04	71.93	103.34	336.31	175.27	52%
2025	281.74	51.48	52.46	385.68	103.94	27%

WATER EFFICIENCY (HQ)

IFC implements a range of water efficiency measures to conserve resources and reduce environmental impact. These measures help save millions of gallons of water annually and include:

- Low-flow toilet flush valves and urinals
- Low-flow sink faucets in bathrooms and pantries
- Low-flow shower heads in fitness center locker rooms
- Rain sensors that adjust irrigation based on actual rainfall, reducing unnecessary watering of landscaped vegetation

In FY24, HQ conducted a water audit to examine additional opportunities for water reduction and to ensure water is not wasted.

HQ WATER DATA (GALLONS)

FY	TOTAL
2019	12,242,447.03
2020	9,987,105.08
2021	6,597,247.03
2022	9,756,233.94
2023	11,286,958.75
2024	11,021,383.25
2025	10,512,340.00

COOL FOOD PLEDGE

IFC implements several food sustainability measures to support sustainable sourcing and proactive waste efficiency. At its Headquarters, food outlets follow responsible sourcing standards including:

- Purchasing cage-free eggs
- Using milk and yogurt free from recombinant bovine growth hormone (rBGH)
- Serving reduced-antibiotic chicken and turkey
- Ensuring all seafood purchased is approved by the Monterey Bay Aquarium Seafood Watch Program

Since FY20, IFC has reported food-sourcing-related emissions at HQ to the Cool Food Pledge — a collaborative initiative with the World Resources Institute. This effort supports the WBG-wide goal to reduce food-related emissions by 25 percent by 2030. As part of the Cool Food Pledge, IFC's food service provider promotes Plant Power Days during which plant-based food options are featured in cafeterias, cafes, and catering each month.

SUSTAINABLE PROCUREMENT

Sustainable procurement is another critical component of IFC's corporate environmental sustainability program based on the premise that purchasing decisions can have far-reaching environmental and social impacts. More information can be found on WBG's Corporate Procurement page.