

Carbon Neutral Commitment for IFC’s Own Operations

IFC, along with the World Bank, are committed to making our internal business operations carbon neutral by:

1. **Calculating greenhouse gas (GHG)** emissions from our operations.
2. **Reducing carbon emissions** through both familiar and innovative conservation measures.
3. **Purchasing carbon offsets** to neutralize our internal carbon footprint after our reduction efforts.

IFC’s Carbon Neutrality Commitment is an integral part of its corporate response to climate change.

IFC’s carbon neutrality commitment encourages more efficient business operations that help mitigate climate change. It is also consistent with IFC’s strategy of guiding our investment work to limit climate change and ensure IFC’s projects are environmentally and socially sustainable. This factsheet focuses on the carbon footprint of our internal operations rather than the footprint of IFC’s client portfolio.

CALCULATING OUR GHG EMISSIONS

Since 2006, IFC has calculated the annual GHG emissions of its internal business operations for headquarters in Washington, D.C. Two years later, IFC began to calculate its global operations’ carbon footprint including those relating to global business travel.

The methodology IFC formally used is based on the Greenhouse Gas Protocol Initiative (GHG Protocol), an internationally recognized GHG accounting and reporting standard. Starting in FY19, IFC implemented a new, more accurate calculation method for business travel emissions called ICAO calculator from the International Civil Aviation Organization. In FY20, IFC began accounting for radiative forcing, the change in radiation received at the surface of the earth due to the emission of GHGs. This multiplies IFC’s air travel emissions by 1.9 to reflect the emissions’ impact on the planet. Additionally, IFC adapted the Cool Food Pledge which reports HQ food sourcing emissions calculated by the World Resources Institute.

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

(WBG)’s Greenhouse Gas Emissions Inventory Management Plan (IMP). The IMP provides organization-wide information, including a corporate overview and goals emissions quantification methods, data management methods, base year selection, list of management tools, and auditing and verification processes.

The latest IMP can be downloaded at:

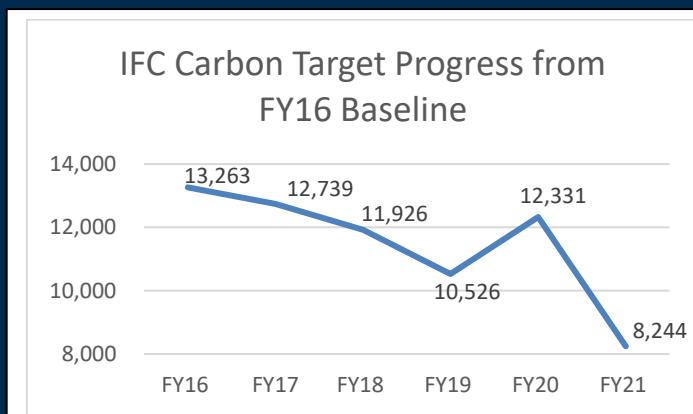
<http://documents.worldbank.org>

IFC uses the ‘operational control approach’ for setting the organizational boundaries of its GHG inventory. Emissions are included from all locations for which IFC has direct control over operations, and where it can influence decisions that impact GHG emissions.

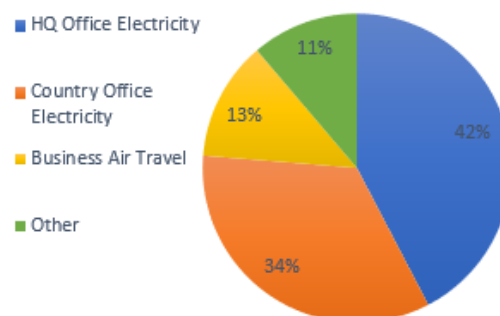
IFC’s annual GHG inventory includes the following sources of GHG emissions from IFC’s leased and owned facilities and air travel:

- Scope 1 Direct Emissions: stationary fuel, refrigerants, fuel used for IFC owned vehicles

IFC CARBON TARGET PROGRESS FROM FY16 BASELINE



FY21 CARBON EMISSIONS BY SOURCE



GHG emissions from IFC’s global internal business operations measured in metric tons of carbon dioxide equivalent

- Scope 2 Indirect Emissions: electricity used, purchased steam and chilled water for heating/cooling
- Scope 3 Optional Emissions: air travel purchased by IFC, fuel used for taxis and rental cars, and HQ Cool Food Pledge

In FY21, emissions from our global business operations totaled 9,435 metric tons of carbon-dioxide equivalent. Usually about 74 percent of that total stems from business travel. However due to the switch to home-based work during all of FY21, travel only accounted for 13% of overall emissions. Office electricity consumption accounted for 76% percent— more than half of which was attributable to HQ.

REDUCING OUR GHG EMISSIONS

Carbon Targets:

In 2018, IFC set its first-ever global corporate carbon emissions reduction science-based target. This was announced together with the World Bank Group-wide climate-related commitments at COP24. IFC's carbon target is to reduce its facility-related carbon emissions (Scope 1 and 2) by 20% between 2016 and 2026. This target represents IFC's contribution towards the WBG's commitment to reduce facility-related emissions by an average of 28% over the same timeframe.

The carbon target tracking has been skewed since FY19 due to fluctuations in data availability and the pandemic era switch to home-based work which lowered energy consumption. FY21 reports that Scope 1 and 2 emissions are down by 38% from 2016 baseline year. The data will better represent a standard operating year in FY23. Despite these circumstances, IFC is on track to meet our target in 2026.

Sustainable Facilities:

Energy-saving projects have included installing variable frequency drives on cooling towers; installing lighting occupancy sensors; raising chilled-water set point, adjusting building-wide heating and cooling set points, and shortening operational hours of heating, cooling, and lighting central control systems for the entire building. Over 50% of IFC's real estate footprint (by square foot, whether leased or owned) is LEED certified or equivalent; HQ is LEED Platinum and EnergyStar certified for existing buildings. In FY19, 70 solar panels were added to the rooftop providing renewable power to the facility. The panels generated 22,070 kWh of energy in FY21. Additionally, in FY21, HQ completed an elevator upgrade project to reduce energy demands on the facility. IFC also installed a rooftop garden, donating over 200 pounds of produce to a local organization. A beehive was placed near the garden to help pollinate the plants and positively impact the local ecology.

Corporate travel:

Due to the switch to home-based work in FY21, business air travel accounted for 13% of annual GHG emissions from internal business operations. FY21 presented an unprecedented

opportunity to rely nearly exclusively on teleconferencing, virtual meetings, online staff trainings, and remote work arrangements.

Global Corporate Solutions provides IFC's staff with options for sustainable travel initiatives such as a decision tree to help staff assess whether train travel is available in the region, if a local delegation can represent them instead, or if they have the option to attend events virtually. Additionally, a feature was added to the travel booking platform which lists carbon emissions associated with each flight option. Hotels with sustainability initiatives are also designated on the accommodations search platform.

IT Initiatives:

IFC purchases office equipment (copiers, printers, etc.) that is EnergyStar certified for energy efficiency. IFC's managed print service program eliminated 87% of print devices (over 1000 devices) and yields annual energy savings. IFC supports power management on all devices globally, further reducing electricity. In FY21, IT determined that 36% of HQ's printing stations were redundant and removed them, eliminating excess energy and paper waste from the facility.

Renewable Energy:

IFC's headquarters in Washington, D.C. offsets building electricity consumption through the annual purchasing of renewable energy credits (RECs). IFC, as part of the World Bank Group, is a member of the United States Environmental Protection Agency (EPA) Green Power Partnership. HQ is currently exploring 100% renewable energy sourcing options.

PURCHASING CARBON OFFSETS

To offset our annual GHG emissions, IFC purchases a combination of Voluntary and Certified Emissions Reductions (VERs and CERs) in accordance with guidelines developed by IFC to ensure alignment with our business priorities and carbon offset market trends.

Offset projects include renewable energy, energy efficiency, waste management and forestry and Ozone Depleting Substance destruction. IFC chooses credits from projects in emerging markets, preferably in low and lower-middle income countries. Carbon credits are typically purchased from a portfolio of projects.

Examples of offset purchases include wind power and small hydropower in India, clean cookstoves in Uganda, household biodigester energy in Cambodia, and clean stoves and water treatment in Rwanda. IFC chooses projects that bring tangible development benefits to communities.

For more information please see:

- Annex 1: WBG Guidelines for Carbon Offset Purchase
- Annex 2: IFC Carbon Offset Purchases to-date

AUDITING OUR GHG EMISSIONS INVENTORY

IFC annually conducts an independent third-party audit of its GHG inventory and relevant FY data as part of IFC's Annual Report audit. In addition, the World Bank Group will periodically hire a third-party reviewer of the Inventory Management Plan and corporate GHG inventory. For example, the GHG inventory and IMP were externally audited for FY09, FY11, FY13, and FY16. The FY20 audit was completed in spring 2021. This information can be found in the WBG GHG Inventory Management Plan <http://documents.worldbank.org>

VOLUNTARY REPORTING OUR GHG EMISSIONS

In 2009, IFC, as part of the World Bank Group, was the first among UN agencies and multilateral development banks to report its greenhouse gas emissions under the Carbon Disclosure Project, the world's largest database of primary corporate information on climate change. IFC continues to report its GHG emissions inventory in IFC's Annual Corporate Report, available at www.ifc.org. IFC also reports its GHG emissions inventory as part of the [Sustainable UN Initiative, Greening the Blue](#).

Scope Emissions by Fiscal Year measured in metric tons of carbon dioxide equivalent

Scope Emissions	FY16	FY17	FY18	FY19	FY20	FY21
Direct (Scope 1)	2,778	2,722	2,040	1,005*	1,058*	970
HQ Office Electricity (Scope 2)	5,393	4,781	4,954	4,923	4,490**	3,995
Country Office Electricity (Scope 2)	4,965	5,098	4,649	4,303	4,093**	3,202
Other (Scope 2 from chiller electricity, purchased steam)	127	137	283	198	86	77
Business Air Travel (Scope 3, Radiative Forcing (RF) factor (1.9x) recognized in FY20)	28,919 <i>(with RF = 54,946)</i>	30,933 <i>(with RF = 58,773)</i>	31,099 <i>(with RF = 59,088)</i>	30,258 <i>(with RF = 57,490)</i>	34,692**	1,180
Other (Scope 3 business ground transportation and HQ Cool Food Pledge (as of FY20))	192	703	52	97	2,605	10
TOTAL EMISSIONS	42,182	44,374	43,025	40,784	47,024	9,435
Scope 1 and 2	13,263	12,738	11,926	10,429	9,727	8,245
Carbon target reduction from 2016 baseline		-4%	-10%	-21%**	-27%***	-38%***

* Though travel declined significantly in FY20, the application of Radiative Forcing to account for true air travel impact to the environment increases the emissions figure compared to prior years when it was not reported. Prior years' RF adjustment provided for reference.

** Scope 1 is underreported for FY19 and FY20 due to some missing CO information leading the percentage difference to appear as if we have met target when we are still tracking towards target.

*** Office electricity consumption impacted by COVID-19 and switch to home-based working during Q4 of FY20 and all of FY21.

Annex 1: World Bank Group (WBG) Guidelines for Selection of Emission Reduction Offsets

Guidelines are reviewed annually to ensure alignment with WBG business priorities and emission reduction offset market trends

<p>Project Types</p>	<ul style="list-style-type: none"> • Renewable energy (e.g. wind, solar, hydro, biomass) • Energy efficiency (e.g. fuel switching, single-to-combine cycle, cookstoves, etc.) • Forestry and agriculture (land-based carbon sequestration) with community development impact • Solid Waste Management with community development impact • Ozone Depleting Substance destruction
<p>Project Locations <i>No priority order</i></p>	<p>Credits must come from IDA Borrowing Countries</p>
<p>Desirable Offset Standards¹ <i>Projects meeting standards that support social as well as environmental benefit are given priority</i></p>	<p>Certified Emissions Reductions (CERs), Emissions Reduction Units (ERUs) – with additional environmental and social benefits Pre-registration vintages under the Clean Development Mechanism (CDM) Gold Standard Voluntary Carbon Standard (VCS) ISO 14064-2 Community Climate Biodiversity Standard (CCBA) [*All projects are subject to due diligence by the World Bank and IFC Carbon Finance Units, regardless of standard met*]</p>
<p>Sourcing <i>No priority order</i></p>	<p>Direct contract with private sector project providers. WB may also enter contract agreements with public sector projects. Emission reduction offset exchanges, such as Markit’s RFI listings. Emission reduction offset brokers Projects identified by WBG Carbon Finance Units. [Joint purchases of IFC and WB are desirable, but WB’s and IFC’s purchase decisions will not be constrained by each other’s program decisions.]</p>
<p>Offset Retirement Requirements²</p>	<p>Unless the offset standard includes a registry to ensure proper retirement and avoid multiple sales, projects shall be required to (i) number or mark each offset with appropriate unique identification codes and, (ii) show evidence of the registration of the offsets in WB name on their website. WB shall then retire the credits on a public registry. The WB will post offset purchase information on its external website</p>
<p>Other Project Features <i>No priority order</i></p>	<p>Vintage: Credits should be used to offset emissions not later than five years from the calendar year in which they were generated. <i>(example: if generated in 2007, credits can be used to offset emissions no later than 2012).</i> Additionality of the credits should be clearly documented. Efficient purchase options with minimal transaction costs. This includes purchasing projects meeting two years’ worth of needs while maintaining competitive pricing. Associated benefits above emissions reductions ex: (Community benefits desirable for all project types; Biodiversity benefits desirable for land-based projects)</p>

¹ See overview of existing market standards, next page

² Intended to avoid double sales

Overview of emission reduction credit market standards

Standard Name & Sponsors	Project Criteria	Registry
CERs, ERUs	CDM/ JI	CDM
CDM Pre-registration	CDM	--
<p>Gold Standard</p> <p><i>Sponsored by DEFRA³, REEP⁴ and WWF</i></p>	<p>CDM methodology plus satisfactory answers to the following 2 questions:</p> <ul style="list-style-type: none"> • Does the project use renewable energy or energy efficiency technologies? • Does the project promote sustainable development? 	Gold Standard Database
International Organization for Standardization 14064-2	CDM	Markit
<p>Voluntary Carbon Standard (VCS)</p> <p><i>Sponsored by IETA⁵, Climate Group and the WEF⁶</i></p>	<ul style="list-style-type: none"> • CDM or CA Climate Action methodology plus: • Recognition of emission reductions generated as early as January 1st, 2000 • Demonstration that project implementation has no negative impact on sustainable development in the local community. • See pages 10-20 of the VCS's Protocol & Criteria for detailed information 	Markit, VCS
Community Climate Biodiversity Standard (CCBS)	<ul style="list-style-type: none"> • Land-based projects that simultaneously address climate change, support local communities, and conserve biodiversity • Promoting innovation in project design. • Audited under the Climate, Community & Biodiversity Standards 	CCBA
<p>Others</p> <p>Examples:</p> <p>Social Carbon</p> <p>Forest Carbon Project Standard</p>	<p>Others that meet the following criteria:</p> <ul style="list-style-type: none"> • The standard was designed and is managed by an independent organization or group of organizations. • The standard has a robust governance process and is well managed: <ul style="list-style-type: none"> ○ The governance process is transparent. ○ Independent decision makers manage the standard. ○ Standard provides oversight to the validators'/verifiers' work, and ensures the work is conducted impartially and rigorously, appropriate to the requirements of the standard. • The standard is linked to a publicly accessible registry, independent of the provider, which tracks issued emission reduction credits to ensure uniqueness for each tonne. • The standard requires that projects and emission reduction claims are independently validated and verified. Validation and verification must be carried out by a suitably accredited, independent organisation. • The principles identified below are met by offset credits generated using the standard: <ul style="list-style-type: none"> • Independently Verified • Unique • Real • Measurable • Permanent • Additional 	

³ British Department for Environment, Food and Rural Affairs

⁴ Renewable Energy and Energy Efficiency Partnership

⁵ International Emissions Trading Association

⁶ World Economic Forum

Annex 2: IFC’s Carbon Offset Purchases To-Date

FY*	Project	Type	Country	Standard
2021	NIHT Topaiyo REDD +	Agriculture, Forestry, Land Use	Papua New Guinea	VCS
	Renewable Energy, Bangladesh	Renewable Energy	Bangladesh	VCS
	Improved Cooking Practices	Cookstoves	Nigeria	Gold Standard CDM
2020	Sachal Wind Power Project, Jhampir	Renewable Energy/Wind	Pakistan	Gold Standard CDM
	Namakkal Waste to Energy Project	Renewable Energy/Waste to energy	India	Gold Standard CDM
	Guacamaya Hydro Power Program	Renewable Energy / Small Hydro	Honduras	Gold Standard CDM
2019	National Biodigester Programme, Cambodia	Biodigester	Cambodia	Gold Standard Registry
	Small-Scale Hydropower Project Sahanivotry in Madagascar	Renewable Energy / Small Hydro	Madagascar	VCS APX
	Solar Power Plant of 15 MW in Gujarat by Palace Solar Energy Private Ltd.	Renewable Energy	Gujarat	VCS APX
	Guacamaya Hydro Power Program	Renewable Energy / Small Hydro	Guacamaya	Gold Standard CDM
2018	Zorlu Wind, Pakistan	Renewable Energy	Pakistan	Gold Standard VER
	Gyapa Stoves, Ghana	Cookstoves	Ghana	Gold Standard VER
	GS Solar Cooking in Chad	Cookstoves	Chad	Gold Standard VER
	VCS Sarbari Small Hydro - India	Renewable Energy / Small Hydro	India	Voluntary Carbon Standard
2017	National Biodigester Programme, Cambodia (IFC)	Biodigester	Cambodia	Gold Standard VER
	Efficient Cooking with Ugastoves/2014/IFC	Cookstoves	Uganda	Gold Standard VER
	Efficient Cooking with Ugastoves/2015/IFC	Cookstoves	Uganda	Gold Standard VER
	5 MW Suman Sarwari hydro electric project* (2015/IFC)	Renewable Energy / Small Hydro	India	VER
	5 MW Suman Sarwari hydro electric project* (2016/IFC)	Renewable Energy / Small Hydro	India	VER
	Wind based Power Generation by Mytrah Energy* (2015/IFC)	Renewable Energy	India	VER
	Wind based Power Generation by Mytrah Energy* (2016/IFC)	Renewable Energy	India	VER
	Del Agua Stoves & Water Programme	Cookstoves		CER
	Enercon Wind Farm in Rajasthan	Renewable Energy	Rajasthan, India	Gold Standard CER
2016	Isangi REDD+ Project	Agriculture, Forestry, Land Use	DRC	VCS, CCBS
	India Delhi Metro CDM	Transportation	India	CER (CDM)
	Small-Scale Hydropower Project Sahanivotry	Renewable Energy / Small Hydro	Madagascar	CER
2015	India CFL CDM (POA 3223)	Energy Efficiency	India	CER
	Enercon Wind Farm (Hindustan) Ltd	Renewable Energy	India	Gold Standard CER

	Ishasha 6.6 MW Small Hydropower Project	Renewable Energy	Uganda	CER
	Efficient Cooking with Ugastoves	Household energy efficiency	Uganda	Gold Standard VER
	51 MW Wind Power Project	Renewable Energy	India	VCS
2014	Paradigm Healthy Cookstove and Water Treatment Project	Cookstoves	Kenya	Gold Standard
2013	LifeStrawWater	Water Filters	Kenya	Gold Standard
2012	Rake Power	Renewable Energy	India	VCS
2011	Composting of Organic Content of Municipal Solid Waste	Waste Handling and Disposal	Pakistan	VCS
2010	Amatitlan Geothermal Project	Energy Industries renewable/ nonrenewable sources	Guatemala	VCS
	Fuel-Switching Project from Fossil Fuels to Biomass	Energy Industries renewable/ nonrenewable sources	Argentina	VCS
	Fuel-Wood Saving with Improved Cookstoves	Energy Demand	Cambodia	VCS
	Wastewater Treatment with Biogas Technology in Tapioca Processing Plant at Roi Et Flour Company Limited	Waste Handling and Disposal	Thailand	VCS
	Rain Calcining: Electricity generation by utilization of waste heat from calcined petroleum coke production process	Energy Industries renewable/ nonrenewable sources	India	VCS
2009	Ceramics Manufacturers Fuel-Switching Project	Energy Industries renewable/ nonrenewable sources	Brazil	VCS
2008	Andhyodaya	Methane Biodigester	India	VCS
2007	Precious Woods	Afforestation	Costa Rica	VCS
2006	Moldsilva	Afforestation	Moldova	VCS

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