

UNSUSTAINABLE INVESTMENT:

INTERNATIONAL FINANCE CORPORATION'S FAILURES TO ADDRESS GHG EMISSIONS IN INDUSTRIAL LIVESTOCK OPERATIONS

EXECUTIVE SUMMARY

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The **Stop Financing Factory Farming Campaign** works in partnership with locally affected communities and organizations to shift development finance away from industrial livestock production towards healthier, more humane and sustainable food systems. The campaign's global Steering Committee includes: the Bank Information Center, Compassion in World Farming, Friends of the Earth U.S., The Global Forest Coalition, International Accountability Project, Sinergia Animal, and World Animal Protection. The campaign has more than 30 organizational members and partners globally.

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Executive Summary: Evaluating GHG Mitigation Across IFC's Investments in High-Emitting Industrial Livestock Operations

Our planet is facing an unprecedented multi-faceted environmental crisis. It is a confluence of compounding and mutually-reinforcing challenges of climate change, biodiversity loss, pollution and resource depletion that is nothing less than existential in its scale.¹

Modern agrifood systems and GHG-intensive industrial livestock operations in particular are key drivers of this “polycrisis” and vulnerable to its impacts—a combination that threatens to keep the world’s collective ability to feed a global population of 10B by 2050 out of reach. As the World Bank has explained, “The narrative is clear: to protect our planet, we need to transform the way we produce and consume food.”²

This report analyzes IFC investments in industrial livestock operations between March 2020 and March 2025 and assesses the extent to which the application of IFC’s environmental and social policies resulted in clients quantifying, disclosing, and/or addressing GHG emissions reductions as required. The analysis reveals that despite IFC’s consistent application of requirements, the adherence among industrial meat, dairy and feed clients is low, indicating IFC’s support is unlikely to be resulting in GHG reductions or improving the climate-resiliency of livestock operations or supply chains. This trend is especially worrying given that by [July 1, 2025](#), 100% of IFC’s investments must be aligned with the mitigation, adaptation, and food security-related goals of the Paris Agreement.

Industrial Livestock Production: A Major Contributor to the Climate Crisis and a Threat to Food Security

Large-scale industrial livestock systems’ negative impacts on climate have attracted the attention of [climate scientists](#) as well as [agricultural](#) and [food system](#) experts and [government officials](#). While estimates of these livestock’s contributions to global GHG emissions vary, a recent Harvard study finds that absolute livestock emissions must fall by ~50% by 2030 to keep the goals of the Paris Agreement within reach.³ Important also, livestock production accounts for 30% of global methane emissions, which [must fall 30%](#) by 2030 to limit global warming to 1.5°C. Because methane has [86X](#) the global warming potential of carbon dioxide

(CO₂) over a 20-year timeframe, swift and absolute reductions from the livestock sector are critically important.

Proposed solutions for addressing the food system’s outsized carbon footprint include shifting public and private financial and logistical support away from animal-source foods and toward relatively low GHG-generating plant-source foods that provide comparable or better health outcomes.⁴ Joining a chorus of [world leaders](#), [scientists](#), and [agricultural experts](#), the World Bank itself has called attention to the need for a global shift away from industrial meat and dairy toward sustainable agrifood systems and noted that all countries have a role to play.⁵

As a standard-setter and thought leader among development finance and private sector financial institutions alike, IFC exerts significant influence in the agribusiness space, including by sending signals to global markets about what sustainable and Paris Agreement-aligned⁶ food systems look like.

Recent IFC Investments in Industrial Meat, Dairy and Feed Operations: Analysis

This report analyzes 38⁷ IFC investments (totaling roughly \$2B) in industrial meat, dairy and feed corporations between 2020 and 2025. Examining IFC loan documents and publicly available client company reports, the analysis presents a quantitative evaluation of the extent to which IFC’s industrial livestock clients are mitigating GHG emissions and physical climate risk in ways that align with the bank’s requirements and recommendations.

These requirements and recommendations are laid out across IFC’s suite of environmental policies, including IFC’s [Performance Standards and Guidance Notes](#), the World Bank [Environmental, Health and Safety Guidelines](#), and IFC’s [Practices for Sustainable Investment in Private Sector Livestock Operations](#).⁸ In addition to these policies, IFC has [committed](#) to aligning 100% of its financing activities with the goals of the Paris Agreement by July 1, 2025.

Key Findings

Key Finding #1: A review of IFC’s suite of environmental policies revealed three requirements and four recommendations with respect to GHG mitigation and adaptation:

Requirement 1.1	Quantify and report scope 1 and scope 2 emissions if expected to be or currently more than 25,000 tonnes CO2e
Requirement 1.2	Reduce emissions intensity to lower than national average/reduce absolute emissions
Requirement 1.3	Manage physical climate risks including those within supply chains
Recommendation 1.1	Improve animal productivity to reduce emissions
Recommendation 1.2	Improve operational productivity and energy efficiency to reduce emissions
Recommendation 1.3	Reduce waste-related emissions
Recommendation 1.4	Reduce supply chain emissions

Key Finding #2: Our analysis of industry practices and relevant standards reveals that IFC’s requirements lag behind best practices. Relevant gaps highlight opportunities for IFC to strengthen its Performance Standards during the forthcoming update to the World Bank’s Environmental and Social Framework.

IFC Requirements & Recommendations	Best Practice
Requirement 1.1 Quantify and report scope 1 and scope 2 emissions if expected to be or currently more than 25,000 tonnes CO2e	Client discloses disaggregated GHG emissions (CO ₂ , N ₂ O, CH ₄) across Scopes 1-3, including all relevant categories, e.g., purchased goods and services
Requirement 1.2 Reduce emissions intensity to lower than national average/reduce absolute emissions	Client reports 1.5°C-aligned emissions reduction strategies and measures (which may involve diminished animal-based meat or dairy production and reduction in herd sizes) across Scopes 1-3
Requirement 1.3 Manage physical climate risks including those within supply chains	Client adaptation plans cover supply chains, addressing the risk of heat stress (animals and laborers) and extreme weather events. Adaptation plans should include measures like crop (and/or product) diversification and be updated every three years or as business-interrupting disasters require.

Key Finding #3: Client adherence to IFC requirements

Requirement	Adherence Level			
	High	Low	Zero/No Evidence	Best
1.1: Quantify and report Scope 1 and Scope 2 emissions if expected to be or currently more than 25,000 tonnes CO ₂ e	26	4	8	0
1.2: Reduce emissions intensity to lower than national average/reduce absolute project-related emissions	5	9	24	0
1.3: Manage physical climate risks including those within supply chains	0	0	38	0

Client adherence to IFC requirements: additional detail

Requirement 1.1: GHG Emissions Disclosure

- **While 68% of clients disclosed Scope 1 and 2 emissions, reporting was inconsistent.** Some projects reported only one scope, and others reported company-level emissions when project-specific reporting was required. 21% of clients failed to disclose Scope 1 and 2 emissions at all.
- A review of loan documents and publicly available company documents revealed that **zero clients followed the best practice for GHG disclosure.** This involves disclosing disaggregated GHG emissions — carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) — across Scopes 1-3.

Requirement 1.2: Reduce emissions intensity to lower than national average/reduce absolute project-related emissions

- A review of loan documents and publicly available company reports revealed that **over 60% of projects failed to demonstrate adherence to the requirement that IFC clients reduce emissions intensity** (CO₂e per unit measure of product) to below national average levels.
- While one client (feed crop producer/trader Astarta Holdings) has published a decarbonization strategy that aims to reduce absolute non-FLAG (forest, land, and agriculture) emissions (Scope 1-3) 44% by 2030, it is **widely acknowledged among public and private sector actors that**

agricultural companies must reduce FLAG-related emissions to keep the goals of the Paris Agreement within reach. Just one client, feed producer [Olam](#), has committed to align its company level Scope 1-3 emissions with a 1.5°C pathway by 2030.

Requirement 1.3: Requirement to manage physical climate risks of operations and supply chains

- A significant finding was that zero projects demonstrated adherence to the requirement to manage physical climate risks, including those within supply chains. This is a major oversight given the vulnerability of industrial livestock production to climate change.

Key Finding #4: Client adherence to IFC recommendations

Recommendation	Evidence of Adherence		N/A
	Yes	No	
1.1: Improve animal productivity to reduce emissions	9	22	7 (feed producers)
1.2: Improve operational productivity and energy efficiency to reduce emissions	23	15	0
1.3: Reduce waste-related emissions	11	27	0
1.4: Reduce supply chain emissions	4	34	0

- Our analysis indicates that, with the exception of increasing animal productivity to reduce GHG emissions intensity (a measure that can involve increased animal suffering and disease/pandemic risk), **clients overwhelmingly did not adhere to IFC recommendations around improvements designed to reduce GHG emissions.**
- While roughly **60% of projects complied with IFC's recommendation to reduce energy use (Scope 2)**, the majority (>90%) of agricultural producers' emissions occur in their supply chains (Scope 3). These encompass emissions from livestock-raising activities and feed production, inclusive of land use and land use change (LULUC), e.g., deforestation.
- Just four clients (10%) demonstrated efforts to reduce emissions in their supply chain (Scope 3). It is [widely accepted](#) that addressing Scope 3 emissions from agricultural operations is critical for meeting the goals of the Paris Agreement.

Recommendations for IFC:

- 1.) **Stop supporting the expansion of industrial livestock production.**
 - a.) Instead, MDBs should facilitate the transition of GHG-intensive and otherwise environmentally destructive industrial farming systems to climate-impact mitigating and adaptive agroecological systems.
 - b.) These systems should prioritize the production

- of a variety of high-nutrition crops for human consumption and integrate livestock only where such integration can deliver ecological and social benefits and effectively address—rather than exacerbate—food insecurity and gender inequalities.
- c.) Support short supply chains with a low GHG footprint, promoting regional, sub-regional, national, and sub-national trade instead of global businesses.⁹
- 2.) **Strengthen GHG disclosure and mitigation requirements:**
 - a.) Strengthen mitigation requirements for all animal agriculture investments, including requirements for mandatory Scope 1-3 reporting and science-based, time-bound absolute emissions reduction targets that align with global targets
 - b.) Require disaggregated reporting, with a focus on methane (CH₄). Given that methane has [86X](#) the warming potential of CO₂ over a 20-year timeframe, absolute methane reductions must be prioritized among all industrial livestock operations, including those that IFC supports.
 - c.) However, the need to reduce methane emissions should not lead to ruminants reared on traditional pasture or rangeland being replaced by industrial pig or poultry production, as this has many disadvantages. These include high use of antimicrobials, high risk of zoonoses and very poor standards of animal welfare. Also, these systems are dependent on using soy and cereals as animal feed. These crops are usually

produced intensively in monocultures and with agro-chemicals. This leads to soil degradation, biodiversity loss, unsustainable freshwater consumption, the pollution of air and water, and negative impacts on the health and wellbeing of local communities.

- d.) GHG intensity reduction measures should not allow for the absolute emission increases that arise when the production of animal-source food is increased; nor should such measures suffice for adherence to relevant IFC requirements if implementation leads to other negative impacts (e.g., increased water pollution or diminished animal welfare).

3.) **Strengthen adaptation requirements:**

- a.) “Paris-aligned” labeling should require all borrowers to demonstrate how their operations reduce the risks associated with extreme weather events—both climate’s impacts on the operations, and the operations’ climate-induced impacts on the environment.¹⁰ These include mass pollution, such as release of animal waste and effluents into local waterways due to dumping or flooding, the increased spread of disease associated with global warming, and reliance on brittle supply chains, interruptions of which can cause severe food insecurity among vulnerable populations.

4.) **Acknowledge the need for and support critical demand-side shifts by:**

- a.) Publicly recognizing scientific imperatives concerning the convergence of global diets toward reduced levels of meat and dairy consumption.
- b.) Refraining from making investments in livestock and feed operations that serve over-consuming regions including the EU, US, and parts of South America and Asia.
- c.) Supporting policies, projects and initiatives that promote more sustainable, plant-forward diets.

5.) **With active community participation and consent, support small- and mid-scale agroecological production systems, including diversified, mixed crop and livestock systems, silvopasture, agroforestry, and managed grazing.**

- a.) This may be achieved via direct finance, including advisory assistance, but also by building relationships with financial intermediaries that understand the benefits of this kind of agriculture, that support its integration with local and regional markets, and will commit to IFC Performance Standards and Guidance to reduce environmental and social risk.
- b.) Another alternative is to partner with DFIs that have more experience in this sub-sector, such as IFAD, and to explore innovative financing, such as crop insurance that incentivizes adaptive practices, and collaboration with MIGA on guarantees.



PHOTO: Shutterstock



PHOTO: Sinergia Animal

Annex 1: Requirements and Recommendations Embedded in IFC's Environmental Policies

GHG emissions: Requirements and recommendations

Requirement 1.1: Quantify and report Scope 1 and Scope 2 emissions if expected to be or currently more than 25,000 tonnes CO₂e

“For projects that are expected to or currently produce more than 25,000 tonnes of CO₂-equivalent annually, the client will quantify direct emissions from the facilities owned or controlled within the physical project boundary, as well as indirect emissions associated with the off-site production of energy used by the project.” – **PS3 para 8**

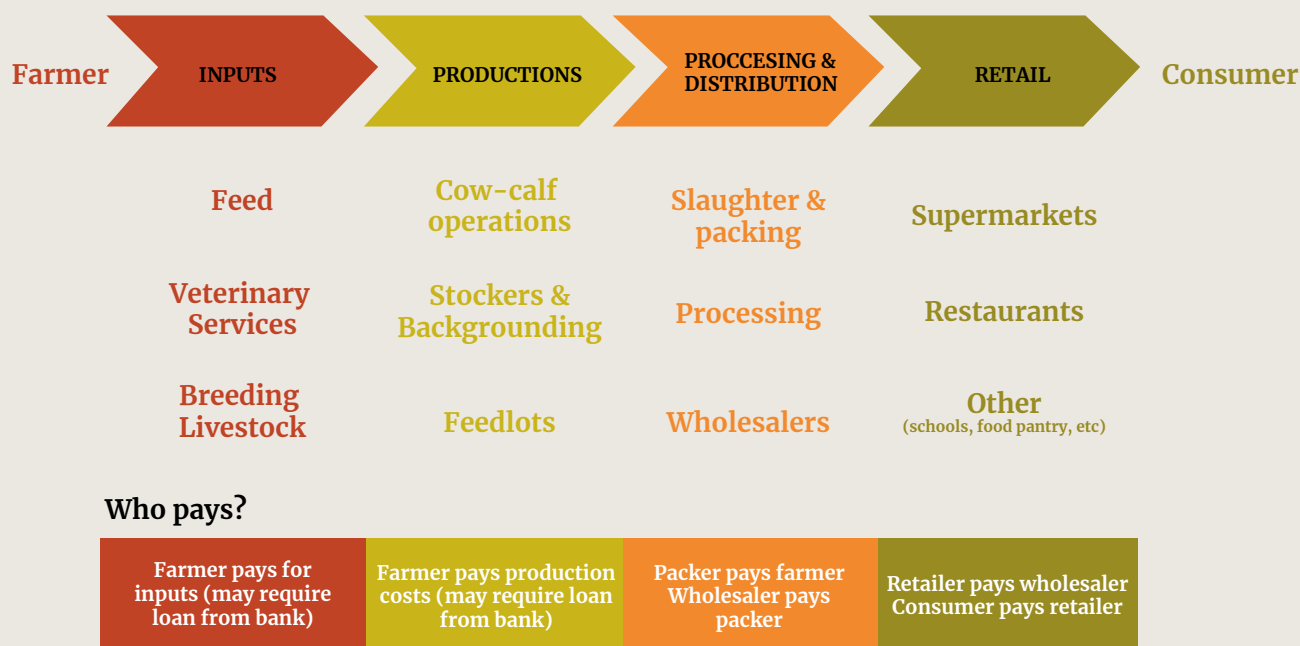
Zero Adherence: Client has reported no GHG emissions.

Low Adherence: Client has quantified and reported only Scope 1 or Scope 2 emissions (if they are above the reporting requirement threshold of more than 25,000 tonnes CO₂e) as evidenced by either or both of IFC loan disclosures and publicly available company documents, or has quantified and reported unspecified emissions.

High Adherence: Client has quantified and reported both Scope 1 and Scope 2 emissions (if they are above the reporting requirement threshold of more than 25,000 tonnes CO₂e) as evidenced by either or both of IFC loan disclosures and publicly available company documents.

Best Practice: Client discloses disaggregated GHG emissions (CO₂, N₂O, CH₄) across Scopes 1-3 (if they are above the reporting requirement threshold of more than 25,000 tonnes CO₂e), including purchased goods and services (as evidenced by either or both of IFC loan disclosures and publicly available company documents).

Flow Chart of the Beef Supply Chain



Own elaboration based on source: <https://www.kansascityfed.org/agriculture/ag-outlooks/COVID-19-US-Meat-Supply-Chain/>

Requirement 1.2: Reduce emissions intensity to lower than national average/reduce absolute project-related emissions

“Credibly demonstrate reduced GHG emissions per unit of output and a lower intensity than the national average for GHG emissions per unit of output during the course of IFC investment.” – **SI Practices**

“The client will consider alternatives and implement technically and financially feasible and cost-effective options to reduce project-related GHG emissions during the design and operation of the project.” – **PS3 para 7**

Zero Adherence: Client does not report on existing or planned absolute emissions reduction measures, emissions intensity reduction measures, or benchmarking against any relevant national averages.

Low Adherence: Client reports on existing or planned absolute emissions reduction measures, and/or emissions intensity reduction measures but does not disclose realized or targeted reduction figures or benchmarking against relevant national averages.

High Adherence: Client reports on existing or planned absolute emissions reduction measures and/or emissions intensity reduction strategies as well as realized or targeted reduction in quantitative terms.

Best Practice: Client reports 1.5°C-aligned emissions reduction strategies and measures (which may involve diminished animal-based meat or dairy production and reduction in herd sizes) across Scopes 1-3.

Requirement 1.3: Manage physical climate risks including those within supply chains

“The risks and impacts identification process will consider the emissions of greenhouse gases, the relevant risks associated with a changing climate and the adaptation opportunities” – **PS1 para 7**

“Continuously review supply chains and where possible work with feed suppliers, so that they also focus on improving efficiency, avoiding deforestation and land-use change, addressing physical climate risks, and lowering the GHG intensity of their operations.” – **SI Practices**

“Plan for adaptation to physical climate change

risks (climate variability, droughts, heatwaves, floods and fires).” – **SI Practices**

Zero Adherence: No provisions for assessment or adaptation to physical climate risks have been reported.

Low Adherence: Client reports plans for assessment of physical climate risks including those within the supply chain.

High Adherence: Client reports plans for assessment of as well as adaptation to physical climate risks including those within the supply chain.

Best Practice: Client adaptation plans cover supply chains, addressing the risk of heat stress (animals and laborers) and extreme weather events. Adaptation plans should include measures like crop (and/or product) diversification and be updated every three years or as business-interrupting disasters require.

Recommendation 1.1: Improve animal productivity to reduce emissions

“To achieve our Paris Agreement alignment commitment, IFC expects its investee companies to lower GHG intensity and adopt climate resilience practices:

- Improve productivity and fertility of livestock where possible or feasible and modify livestock diets to reduce methane production, N₂O and GHG emissions.” – **SI Practices**

Recommendation 1.2: Improve operational productivity and energy efficiency to reduce emissions

“The client will implement technically and financially feasible and cost-effective measures for improving efficiency in its consumption of energy.” – **PS3 para 6**

“To achieve our Paris Agreement alignment commitment, IFC expects its investee companies to lower GHG intensity and adopt climate resilience practices:

- Adopt innovative technologies and interventions to improve the efficiency of their operations.”
- Where feasible, make investments to conserve energy and water and adopt renewable energy solutions.

- Reduce feed losses in their operations, as well as food losses across their supply chain, where possible or feasible.” – SI Practices

Recommendation 1.3: Reduce waste-related emissions

“Manage waste appropriately and seek to reduce its climate impact.” – **SI Practices**

Recommendation 1.4: Reduce supply chain emissions

“Continuously review supply chains and where possible work with feed suppliers, so that they also focus on improving efficiency, avoiding deforestation and land-use change, addressing physical climate risks, and lowering the GHG intensity of their operations.” – **SI Practices**



Final notes

- 1- Stockholm Resilience Centre. (2023). Planetary Boundaries. <https://www.stockholmresilience.org/research/planetary-boundaries.html>.
- 2- Sutton, W., Lotcsch, A., and Prasaan, A. (2024). Recipe for a Livable Planet: Achieving Net Zero Emissions in the Agrifood System. World Bank. <https://openknowledge.worldbank.org/server/api/core/bitstreams/fe52dd8-f058-4cdc-a940-eddd9ccaec2/content>.
- 3- Harwatt, et al. (2024). Options for a Paris Compliant Livestock Sector. <https://animal.law.harvard.edu/wp-content/uploads/Paris-compliant-livestock-report.pdf>.
- 4- Ibid..
- 5- Sutton, William, et al. (2024). Recipe for a Livable Planet. <https://openknowledge.worldbank.org/entities/publication/406c71a3-c13f-49cd-8f3f-a071715858fb>.
- 6- International Finance Corporation, "Paris Alignment at IFC," <https://www.ifc.org/en/what-we-do/sector-expertise/climate-business/paris-alignment-at-ifc>.
- 7- Of the 38 projects, 32 were investments in beef, pig, poultry, or dairy producers, and 6 were investments in animal feed crop producers/traders. With respect to a 2023 investment in Friesland Campina (Pakistan) and a 2024 equity (IPO) investment in Boxer Stores (South Africa): documents disclosed via the IFC's Project Information & Data Portal included no information regarding the application of any environmental or social requirements or, therefore, any adherence to the requirements identified in this report. Where either of the company's publicly disclosed documents indicated indirect adherence to the requirements (e.g., GHG emissions disclosures and/or mitigation or adaptation measures), that information is reflected in the analysis.
- 8- The "Practices" lay out seven fundamental practices (derived from and aligned with the Bank's broader suite of environmental and social safeguards) that inform IFC investments in livestock and aquaculture projects.
- 9- The IFC should avoid investing in projects that promote global supply chains in the livestock sector, which often cause the impact of the sector as a whole to increase considerably in terms of GHG emissions. Examples of such investments are: Samuda Food Products Ltd. (nr. 48407), Sama Al Manar Tiryaki Iraq (nr. 46252), Olam WC Loan (nr. 46759), and Cofco Noble II (nr. 37939).
- 10- Godde, et al. (2021). Impacts of climate change on the livestock food supply chain; a review of the evidence. Global Food Security. <https://pmc.ncbi.nlm.nih.gov/articles/PMC7938222/>.