Thank you for the email and checking in with us.

Overall, our goal as the World Bank Group is to address the intertwined development challenges of food security, livelihoods and climate change.

Animal protein is important for nutrition, especially in several of our client countries where early childhood and maternal undernutrition and micronutrient deficiencies remain pervasive and animal-source foods consumption is far below the recommended amount. There are 1.3 billion people whose livelihoods are tied to livestock and we also know this sector is responsible for over 30% of the global GHG emissions. Our interventions in the animal protein sector aim to address these challenges.

As stated in IFC's <u>Practices for Sustainable Investment in Private Sector Livestock Operations</u>, IFC works with livestock clients that are committed to enhancing animal health and welfare, protecting the environment, and promoting food safety. By investing in sustainable solutions that intensify production and improve efficiency in livestock operations, it is possible to reduce global GHG emissions and eliminate deforestation in direct and sourcing operations while providing affordable and safe food in emerging markets. This is extremely important to achieve climate goals in line with the pathways identified for this sector.

IFC has committed that 100% of all new investment operations will be Paris Aligned starting July 1, 2025. In every livestock project financed by IFC, we request adherence to the country's Nationally Determined Contribution and Long-Term Strategies and the sectoral decarbonization pathway and seek opportunities to reduce GHG emissions intensity.

In the one IFC project that was mentioned in your inquiry, the company has industry leading productivity measures, energy efficiency and advanced manure management systems that capture methane emissions. GXYX is increasingly using food processing waste or byproducts, such as fruit pomace, Distiller's dried grains with soluble (DDGS), and biscuit crumbs in its pig feed as a substitute for grains and soybean meal. GXYX is also optimizing its pig feed formula and has reduced the use of soybean meal from 19% to 14% in the past few years. IFC projects are to be verified or certified to a recognized animal husbandry standard and IFC benchmarks standards against Global Gap, which is aligned to EU requirements. GXYX has certified, and will continue to maintain certification, of the pig farms against China GAP (a standard that has been benchmarked and is equivalent against Global GAP).

To provide another example, in Uganda, IFC has invested in Pearl Dairy which is the East-African nation's largest milk processing plant. Pearl Dairy buys raw milk from some 10,000 small-scale farmers in rural areas and sells processed products to marginalized communities. Over the past ten years, Pearl Dairy's small-scale supplier farmers have adopted IFC's trainings to produce better quality milk and increase productivity by 63%. The incomes of small-scale farmers have risen by 44%, and they are providing affordable, high-quality dairy products to a growing regional population in need of better nutrition. For farmers supplying Pearl Dairy, the technical support has also led to a 17% drop in GHG emission per liter of milk.

Through such investment and advisory activities, we strive to make meat and dairy production more efficient, reducing the demand on natural resources and the climate impact of meat and dairy production and processing, considering national circumstances and addressing carbon lock-in risks.

I would like to take this opportunity to thank you for your continued interest in our work. We look forward to working with partners on livestock projects to collectively improve global nutrition and preserve ecosystems, and we are currently engaging with civil society organizations to better explain IFC's investments as we continue to improve on aligning the goals of food security, livelihoods and climate.