



Type of engagement	Response for intermedia
Individual/informal stake engagements	<input type="checkbox"/> To support investment decisions/ESG decisions <input type="checkbox"/> To enhance corporate practice for sustainability <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other: specify
Collaborative engagements	<input type="checkbox"/> To support investment decisions/ESG decisions <input type="checkbox"/> To enhance corporate practice for sustainability <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other: specify
Service provider engagements	<input type="checkbox"/> To support investment decisions/ESG decisions <input type="checkbox"/> To enhance corporate practice for sustainability <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other: specify

CLIMATE TRANSPARENCY REPORT 2020

IFC

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-2D23393D-2068-49A1-8CC3-13AB8CAF6A96/79894dbc337a40828d895f9402aa63de/html/2/?!lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Private				
SG 13.5 CC	✓	Private				
SG 13.6 CC	✓	Private				
SG 13.7 CC	✓	Private				
SG 13.8 CC	✓	Private				
SG 14.1	✓	Private				
SG 14.2	✓	Private				
SG 14.3	✓	Private				
SG 14.6 CC	-					
SG 14.7 CC	-					
SG 14.8 CC	-					
SG 14.9 CC	-					
SG 15.1	✓	Private				
SG 15.2	✓	Private				
SG 15.3	✓	Private				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	IFC
Signatory Category	Development finance institution
Signatory Type	Asset Owner
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2011
Region	North America
Country	United States
Disclosure of Voluntary Indicators	24% from 38 Voluntary indicators

IFC

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Transition risk: IFC uses carbon pricing to address transition risk and avoid stranded assets. Since May 2018, a carbon price is included in the economic analysis of project finance transactions with estimated annual emissions of more than 25,000 tons of carbon dioxide equivalent in the cement, chemicals, and thermal power generation sectors. These are the most greenhouse gas- intensive projects and account for over half of IFC's greenhouse gas footprint from its investments. In FY19, IFC initiated a new carbon pricing pilot for projects in all real sectors - both project finance and corporate finance with known use of proceeds - with estimated annual emissions of more than 25,000 tons of carbon dioxide equivalent. The pilot was evaluated and extended in FY20.

As part of our efforts to address climate risks and minimize our indirect exposure to coal- related projects, IFC does not provide loans to financial institutions for coal- related activities. To further reduce exposure to coal, IFC no longer provides general purpose loans to financial institutions. Targeted loans are directed to key strategic sectors, such as micro, small, and medium size enterprises, women-owned businesses, climate- related projects, and housing finance. The use of proceeds is disclosed on IFC's Project Information Portal.

Physical risk: As of FY19, physical climate risk screening was mainstreamed in seven industry sectors: ports, waterways, airports, roads, insurance, forestry, pulp & paper. The screening will be expanded to other sectors, with priority given to more vulnerable sectors. In addition, IFC is also developing systems to monitor its portfolio for climate risks and impacts.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

No

Describe why your organisation has not yet assessed the likelihood and impact of climate risks

IFC is working to identify appropriate systems to assess the likelihood and impact of these climate risks, including appropriate scenarios and tools, as best fit IFC's operations and investments.

SG 01.8
CC

Indicate whether the organisation publicly supports the TCFD?

- Yes
 No

SG 01.9
CC

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes

Describe

IFC's climate business plan is part of the Climate Change Action Plan 2016-2020 and continues to build upon the IFC Climate Implementation Plan noted in IFC's FY18 TCFD disclosure. IFC and the World Bank are currently updating the plan for the period of FY2021-2025. IFC has already amended its climate targets, which are in line with the World Bank Group's climate targets for 2021-2025. IFC will continue to focus on five strategic investment areas-- clean energy, climate-smart agribusiness, green buildings, climate-smart cities, and green finance. Below is progress toward this strategy.

Increasing IFC's share of investment in climate business: In FY19, IFC's total climate-related commitments amounted to \$2.6 billion, or 29 percent of new investments.

Opening new markets to create new investment opportunities: Over time, IFC's climate business has diversified. Just over 10 years ago, renewable energy investments comprised almost 40 percent of IFC's annual climate business. Today, IFC's renewable energy business remains strong at \$2.4 billion in FY19 of IFC's own account investments and mobilized capital, not including investments into renewable energy through financial institutions. IFC has additional business in green buildings (\$761 million), manufacturing (\$380 million), climate-smart agribusiness (\$162 million), and climate investments through financial institutions (\$1.98 billion). IFC is targeting new business opportunities in energy storage, transportation logistics, distributed renewables, and off-shore wind.

Catalyzing external investment: IFC brings partners into its investments in climate projects. Mobilizing external capital limits IFC's own exposure in the near term and builds more robust markets in the long run. In FY19, IFC directly mobilized \$3.2 billion in climate investments through syndications, public-private partnerships, and platforms that crowd in external capital. IFC also works with policy makers on enabling environment, which reduces risks in new and emerging sectors.

- No

SG 1.10
CC

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
 Annual financial filings
 Regular client reporting
 Member communications
 Other

specify

IFC's Annual Report - <https://www.ifc.org/wps/wcm/connect/4ffd985d-c160-4b5b-8fbe-3ad2d642bbad/IFC-AR19-Full-Report.pdf?MOD=AJPERES&CVID=mV2uYFU>

- We currently do not publish TCFD disclosures

Governance and human resources

SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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IFC's climate business and risk are overseen by IFC's CEO, who reports to the President of the World Bank Group on climate business performance and climate risk evaluation. Progress against the corporation's climate targets are reported by the Climate Business Department to both the Board and the Management Team regularly. The World Bank Group also reports annually to the Board on progress toward climate targets.

SG 07.7
CC

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

IFC has a dedicated climate business department that supports investment teams to mitigate risk through carbon pricing and tools to evaluate physical climate risk. The department also helps identify low- carbon investment opportunities and works on climate projects appraisals and supervision, through industry sector experts, metrics, financial tools, and strategy.

Climate Anchors (Oversight/accountability for climate-related issues): To integrate and mainstream climate business throughout the Corporation, IFC established a Climate Anchors Network. The Climate Anchors Network comprises senior staff in each industry and regional department, who are responsible for building climate business in their respective areas. Climate anchors report to their department's management and to the Climate Business director. This year, the Climate Anchors Network expanded to include a senior lawyer to bring awareness and knowledge of climate litigation.

Climate Business Department (Oversight/accountability for climate-related issues & Assessment and management of climate-related issues): The Climate Metrics team and Industry Specialists are responsible for both oversight as well as assessment and management of climate-related issues. The Climate Risk and Adaptation team is responsible for the assessment and management of climate-related issues.

SG 07.8
CC

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other

Specify

IFC also works with its over 750 client banks to build capacity to identify and report on climate investing. https://www.ifc.org/wps/wcm/connect/12ebe660-9cad-4946-825f-66ce1e0ce147/IFC_Green+Finance+-+A+Bottom-up+Approach+to+Track+Existing+Flows+2017.pdf?MOD=AJPERES&CVID=IKMn.-t

- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

IFC's sectoral climate risk screening toolkits incorporate RCP scenarios to assess physical climate risk. IFC is currently developing internal systems to identify appropriate approaches for carrying out scenario analysis for transitional risk.

- No, our organisation does not currently carry out scenario analysis and/or modelling

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

IFC's sectoral climate risk screening toolkits incorporate RCP scenarios to assess physical climate risk.

- We do not consider ESG issues in strategic asset allocation