

Reference # 27/23

October 19, 2023

Re: Project Number 46415, MHP Loan 2023

Dear Stop Financing Factory Farming Coalition:

Thank you for your letter dated 21 September 2023 regarding IFC project number 46415, MHP Loan 2023. We appreciate your recognition of IFC's contribution to supporting global food security and Ukraine's reconstruction efforts.

We recognize the pertinent issues you have raised and below we share additional information for your consideration:

GHG emissions and risk of methane leakage

MHP's biogas plant has been developed using technologies in line with Best Available Technology (BAT) and Good International Industry Practices (GIIP) and is maintained appropriately to reduce the risk of leakages. Moreover, the methane gas produced is liquified which significantly reduces the risk of leakages. A robust maintenance regime is in place to avoid leakages in the long-term operation of the plant.

Nutrient (nitrogen) pollution

The company follows the EU Nitrates Directive in reference to nitrogen application on agricultural lands including the required nutrient management planning systems. When applying digestates, MHP's agronomic services also comply with the requirements of the current Ukrainian and relevant European Union legislations, in particular with the Council Directive 91/676/EEC of December 12, 1991.

Interaction between animal welfare, antimicrobial usage and biomethane production

MHP follows EU requirements on animal welfare and antimicrobial use. All poultry farms will be verified and audited to Global GAP standards and are aligned with Farm Assurance Standards. MHP has an antimicrobial stewardship policy that is fully aligned with EU requirements. This includes not using Antimicrobial Growth Promotors and no routine or prophylactic use of antimicrobials. MHP's facilities undergo periodic inspection by the State Service of Ukraine on Food Safety and Consumer Protection. In 2022, MHP had 89 inspections in total and no non-compliances were recorded. MHP continues to implement strict biosafety procedures with sanitation and disinfection

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procedures in place and their use is systematically enforced at all MHP poultry rearing units.

Decarbonization

As referenced in MHP's [annual report](#) from 2022, MHP has a decarbonization plan, with the aim to become carbon neutral by 2030, depending on the security situation. As a part of its decarbonization strategy, biogas is being used to produce electricity, industrial steam and heating. It is also integrating energy storage technology and MHP is looking to roll this out more widely, as well as investing in biomethane projects.

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.

Sincerely,



Lisa Kaestner
Country Manager for Ukraine and Moldova

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