

To: Bank Climate Advocates (BCA)

Subject: Response to Reko Diq Copper #46824 BCA analysis

Date: February 4, 2026

Dear Jason,

Thank you for your correspondence of 21 October 2025 and for sharing BCA's analysis related to the proposed Reko Diq Copper (#46824) project. We recognize the detail and effort reflected in your review, and your focus on the project's climate-related considerations. IFC has carefully considered your analysis and the points raised.

IFC assessed the main environmental and social (E&S) and climate-related risks and impacts of the project, as well as an analysis of alternative power supply options and appropriate mitigation measures. In line with the IFC Access to Information Policy, IFC disclosed the E&S Review Summary, E&S Action Plan (ESAP), as well as the Environmental and Social Impact Assessment commissioned by the client. The disclosure includes expected greenhouse gas (GHG) emissions of the project and considerations relevant to the detailed alternative analysis carried out to assess the project's potential emissions and the application of the mitigation hierarchy, consistent with the harmonized approaches adopted by IFIs for GHG emissions calculations. IFC applied its assessment in line with the Performance Standards, including the requirements on technically feasible alternatives and the mitigation hierarchy, as set out below.

The client completed a series of power alternative assessment studies, which benefited from review and input from various experts and third parties – including maximizing utilization of renewable energy to the extent feasible – leading to the selection of the most suitable energy configuration. This takes into account system design, reliability, integration constraints, site specific conditions, project economics, and other relevant factors. We note that BCA's analysis reaches different conclusions regarding the preferred power supply system, and places greater weight on the feasibility of higher renewable penetration and earlier grid reliance. The client's alternatives assessment and the lenders' review identified several operational constraints that materially influence the comparative outcomes. In particular, the mining operations require reliable baseload power 24 hours a day. Heavy mining operations also require the ability to meet significant surge-current demands during mill starts and other high-load events. Renewable-based options, even at large-scale, are not currently able to meet these requirements, which means that any high-renewable option would still require a backup power plant capable of meeting 100% of demand. The assessments also considered site-specific factors such as meteorological variability, the extreme remoteness of the location, the absence of access to a high-voltage grid (the nearest connection is approximately 600km away), long-distance fuel transport, uncertainty around the timing and stability of future grid interconnections, and security challenges within Pakistan and its neighboring regions.

The client aims to achieve 60% renewable energy supply through grid connection, during the 2030s. In addition, a GHG Transition Plan, agreed with the lenders and part of the project's ESAP, provides more detail on the phased increase in renewable energy penetration. Lenders have collaborated closely with Reko Diq Mining Company to establish interim milestones required to reach this objective.

The Paris Alignment (PA) assessment of the project followed the Joint MDB Principles. Beyond Pakistan's NDCs, IFC's PA assessment takes into account sectoral pathways, including the International Copper Association's Pathway to Net Zero 2050 and IEA mining decarbonization analyses, which highlight electrification, efficiency, and increased low carbon energy usage as key levers for decarbonization. The project incorporates these considerations to the extent feasible within geographical and operational constraints.

The project is consistent with key pillars of Pakistan's Nationally Determined Contribution (NDC). While the NDC does not restrict the use of HFO, it prioritizes renewable energy development, energy efficiency, economic diversification, technology and innovation, and international cooperation. The project supports these priorities through a 150 MWp solar system, a 50 MW/100 MWh BESS, electrification of major systems, and design provisions for future efficiency improvements, alongside its role in economic diversification and in producing a commodity that is essential to the global transition toward increased electrification.

The World Bank Group (WBG) has been supporting Pakistan's decarbonization efforts through initiatives such as the Industrial Energy Efficiency and Decarbonization Study (2022–2023), the Country Climate and Development Report, the Program for Affordable and Clean Energy, energy access and diagnostic surveys, Energy Sector Management Assistance Program analysis, and the recent Balochistan Renewable Energy Study. The WBG plans to continue assisting the Government of Pakistan with its objectives of improving energy efficiency and advancing decarbonization strategies.

We are providing this additional information to BCA on this occasion, as a courtesy. You will appreciate, however, that IFC cannot always respond bilaterally to views and comments expressed by interested parties.

Thank you again for your engagement and interest in this project.

Sincerely,

Namrata Thapar

Namrata Thapar
Global Head of Metals & Mining, IFC

