

IDLC Finance Limited
Statement on green banking as of 30/06/2015

Policy Formulation and Governance

1.1.1	Formulation and Board/Regional Head approval of Green Banking Policy	Yes	No	Remarks
		Yes		An amended version of the Green Banking Policy, incorporating observations of FMO, has been approved by IDLC Board on June 23, 2014

1.1.2	Allocation of Fund in the Budget for Green Banking (In Million Taka)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks
	Green Finance	BDT 250 Million	BDT 250 Million			BDT 500 Million	
	Climate Risk Fund	BDT 0.1 Million	BDT 0.60 Million			BDT 0.70 Million	
	Marketing, Training and Capacity Building	BDT 0.23 Million	BDT 0.27 Million			BDT 0.5 Million	

1.1.3	Utilization of Funds (In Million Taka)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks
	Green Finance	BDT 129.65 Million	BDT 99.2 Million			BDT 228.85 Million	
	Climate Risk Fund	BDT 0.07 Million	BDT 0.587 Million			BDT 0.657 Million	
	Marketing, Training and Capacity Building	BDT 0.18 Million	BDT 0.23 Million			BDT 0.41 Million	

1.1.4	Formation of Green Banking Unit	Yes	No	Composition (Name, Designation & Department)	Remarks
		Yes		Mr. Md. Mehbuboor Rahman, Manager, Green Banking Desk Mr. Kazi Farhan Zahir, AGM, Corporate Mr. Nasiruddin M. Chowdhury, Sr. Manager, Corporate Mr. Md. Jobayer Alam, AGM, SME Mr. Rashedul Haque, Head of Products and Marketing, Consumer Mr. Adnan Rashid, Sr. Manager, Credit Risk Management(CRM) Mr. Md. Shahariar Kamal, Manager, Credit Risk Management(CRM)	

				Ms. Shamima Akter, AGM, Human Resource Department Mr. M. Hasibur Rashid Chowdhury, AGM, IT Ms. Tabassum Abedin, Sr. Manager, Admin Mr. Mustaq Ahammed, Head of ICC (Internal Credit and Compliance) Mr. Jane Alam Romel, Sr. Manager, Marketing communications Ms. Ayesha Haque, Manager and Head of CSR	
--	--	--	--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

1.2 INCORPORATION OF ENVIRONMENTAL RISK IN CORE RISK MANAGEMENT

		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks		
1.2.1	No of projects applicable for environmental due diligence (EDD)	67	75			142			
1.2.2	No of projects rated (Environmental Risk Rating sanctioned)	67	75			142			
	Low	35	36			71			
	Moderate	2	0			2			
	High	30	39			69			
1.2.3	Rated Projects Financed	Total Number (Disbursed)	63	61			124		
		Low	31	30			61		
		Moderate	0	0			0		
		High	32	31			63		
		Total amount disbursed (in million tk)	1311.81	1412.11			2723.91		
		Low	656.25	1002.11			1658.36		
		Moderate	0	0			0		
		High	655.56	409.99			1065.55		
		Loan classification as of quarter end							
				UC(standard)	SMA	SS	DF	BL	
			No of projects	61					
			Amount (in million tk)	1412.11					

1.3 Initiating in house environment management

		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks
1.3.1	No of branches and booths (Data in each quarter will reflect the cumulative figure)	29 branches 2 booths	29 branches 2 booths			29 branches 2 booths	
1.3.2	No of branches powered by solar energy (Data in each quarter will reflect the cumulative figure)	2	2			2	
1.3.3	No of booths powered by solar energy (Data in each quarter will reflect the cumulative figure)	0	0			0	

1.3.4	Introduction of Green Office Guide or General Instruction	Yes	No	Remarks
		Yes		A Green Office Guideline has been approved by the Management on June 24, 2014

1.3.5	Pin points of Green Office Guide or General Instruction	Remarks
		<p>The Green Office Guideline focuses on saving electricity, water and paper, and maintenance of a clean and hygienic office environment across branches, through systematic intervention across the following areas:</p> <ol style="list-style-type: none"> 1. Green Code of Conduct for IDLC Staff; 2. Green Office Premises; 3. Green Technologies; and 4. Staff Training;

1.3.6	Inventory Details	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks
	Consumption of Water(In Million Taka)	0.12	0.14				
	Consumption of Paper(In Million Taka)	0.38	0.44				
	Electricity	3.1	4.0				

1.3.6	Inventory Details		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks
Energy Consumption (In Million Taka)	Gas		0	0				
	Fuel		1.2	2.2				

1.3.6	Others (Please Specify)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks

1.4 Introducing Green Financing (In Million BDT)

ETP		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total		Remarks
		No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	
	For Installation of ETP(Amount Disbursed)	1	30 Million	3	36 Million					4	66 Million	Direct Green
	Projects financed having ETP(Full amount disbursed)											
	Bio-gas Plant											
	Solar panel/Renewable Energy Plant	1	10 Million	1	2 Million					2	12 Million	Direct Green
	Solar Energy /Renewable Energy Plant	11	25.35 Million									Indirect Green
	Bio-fertilizer Plant											
	Hybrid Hoffman Kiln (HHK)/ (Conversion from FCK to Zigzag)	3	5.60 Million	-	-					3	5.60 Million	Direct Green
	Fire safety	2	8.70 Million	2	9 Million					4	17.7 Million	Direct Green
	Green Industry	1	50 Million	1	30 Million					2	80 Million	Direct Green
	Energy Efficiency	-	-	1	17.5 Million					1	17.5 Million	Direct Green
	Green Finance at reduced rate of interest	-	-	-	-	-	-					

1.5 Utilization of Climate Risk Fund

		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks
1.5.1	Fund for part of CSR activities (Event) related to climate change (In million taka)		BDT 0.2 Million			BDT 0.2 Million	
1.5.2	Fund for part of CSR activities (project) related to climate change (In million taka)	BDT 0.07 Million	BDT 0.387			BDT 0.457 Million	

1.6 Introduction Green Marketing

1.6.1	Introduction of Green banking Products (Please Specify)	<p>IDLC Finance Limited with support from USAID CCEB, conducted one regional workshop and training on “Technical Best Practices in Industrial Energy Efficiency” for different industrial sectors including frozen food, jute, textile and ready-made garments (RMG) on May 06, 2015 in Khulna. The objective of the workshop was to raise awareness amongst industry owners and plant engineers on the opportunities to improve energy efficiency and its relative cost effectiveness. In addition, the training was directed at building the capacity of engineers from various industrial sectors, manufacturers, and energy firms on operating industrial facilities efficiently.</p> <p>More than 60-participants attended the events of which maximum were engineers working in different industries. In the inaugural session Prokash Chandra Bhadra, General Manager, Bangladesh Bank, Engr. M.M. Abdul Gofran, Chairman, IEB Khulna Centre, Khulna, and A.K.D. Sher Mohammad Khan, COR, CCEB & Senior Energy Advisor, USAID & Mr. Mesbah Uddin Ahmed, DGM & Head of Structured Finance gave their opening speeches and highly appreciated such type of workshop arranged at the regional venues. It is to be noted that, IDLC has set up a target of disbursing BDT 100 Crore loan from green finance.</p> <p>Apart from such initiative for introducing Energy Efficiency products, IDLC is also working with BGMEA, IFC-PaCT program to encourage sponsors in establishing Green Industry with renewable energy, efficient energy and waste management facilities.</p>					
-------	---------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	--	--

		Regular client visit is ongoing to aware them on green finance especially for RMG and Textile industry.
--	--	---------------------------------------------------------------------------------------------------------

1.7 Employee Training, Consumer Awareness and Green Event

		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks
1.7.1	No of programs/trainings/seminar/workshops/awareness program exclusively conducted for Green Banking	5	10			15	Apart from in house training event on green banking, IDLC jointly with USAID conducted one awareness workshop in Hotel City Inn, Khulna for the representatives of Textile, Steel and Frozen Food sector. (Press release is attached in annex section) Furthermore, in order to expedite the business in energy efficient brick kiln industry as well as to learn more, two officials from IDLC visited six provinces of China on June.
1.7.2	No of participants covered	143	144			287	
	Employees	56	84			140	
	Customers	87	60			147	
1.7.3	Green Events (Please Specify)	1				1	IDLC presented green and other regular commercial products in 6 th International Energy Generation & Innovative Building material expo 2015 at Bangabandhu International Conference Centre from 12-14 March, 2015.

1.8 Disclosure of green banking activities

Disclosure In		Remarks
Annual Report	Yes	Green Banking activities have been covered in IDLC's 2014 Annual Report.

Disclosure In		Remarks
Website	Yes	Green Banking activities are updated regularly under the section "Green Banking and Sustainability" in IDLC's website (www.idlc.com).
Media	Yes	News of joint workshop organized by IDLC and USAID-CCEB was covered in Monthly Business Review.
Preparation of Independent green banking and sustainability report	Yes	IDLC prepares an independent Sustainability Report following the GRI (Global Reporting Initiatives) Guidelines. Green Banking issues have been covered extensively in IDLC's 2014 Sustainability Report.

2.1 Sector specific environment policy

2.1.1	Formulation of sector specific Environment Policy (Under phase 2) (If yes then please give pin points in a separate sheet)	Yes	No	Remarks
		In Process		
2.1.2	Name of the sectors for which specific environment policy formulated	Following sectors has been decided considering sector specific exposure and their environmental and social risk: Textiles, apparels and accessories, power and energy, iron and steel, building materials, cement, glass, ceramics and pipes, pharmaceuticals, food and beverage, telecommunication, transport, paper and packaging etc.		

2.2 Green Strategic Planning

2.2.1	Formulation of green strategic planning (If yes then please describe in a separate sheet)	Yes	No	Remarks

2.3 Environment Risk Management Plan

2.3.1	Formulation of Banks specific environmental risk management plan and guideline	Yes	No	Remarks
		Yes		<p>IDLC complies with Bangladesh Bank guideline on Environmental Risk Management (ERM) for FI dated January, 2011 and the ECR-1997 standard</p> <p>IDLC also complies with the UNGC and UNEP FI principles on a voluntary basis being the only listed FI in Bangladesh</p> <p>Besides, IDLC is in process of implementing ESMS across the organization and to be completed and rolled out by June 2015.</p> <p>A software has been formed with assistance from FI Konsult and FMO to assess the environmental risk and to compute scoring of risk of different sectors under different business segment. The program is in testing phase and to be rolled out by September, 2015.</p> <p>Meanwhile, green desk and Credit department of IDLC is working with new draft ESRM guideline issued by Bangladesh Bank.</p>

IDLC & CCEB Promotes Technical Best Practices in Khulna Industries

IDLC Finance Limited with support from USAID CCEB, conducted one regional workshop and training on “Technical Best Practices in Industrial Energy Efficiency” for different industrial sectors including frozen food, jute, textile and ready-made garments (RMG) on May 06, 2015 in Khulna. The objective of the workshop was to raise awareness amongst industry owners and plant engineers on the opportunities to improve energy efficiency and its relative cost effectiveness. In addition, the training was directed at building the capacity of engineers from various industrial sectors, manufacturers, and energy firms on operating industrial facilities efficiently.

A lively dialogue took place during the open discussions where plant representatives shared their experiences in implementing energy efficiency improvement options, and also helped us to identify plants interested in implementing new projects. Some of the academicians including professors from engineering university and environment specialists present at the workshop actively participated in the open discussion session and shared their views on the importance of energy efficiency. Also, the participants agreed that 15-25% energy consumption in industries can be reduced by using energy efficient boiler, motor, lights etc. CCEB shall provide technical assistance through conducting energy audits and provide incentive funds to suitable plants. Whereas IDLC shall be disbursing soft loan under green finance through Bangladesh Bank at reduced rate of interest. More than 60-participants attended the events of which maximum were engineers working in different industries. In the inaugural session Prokash Chandra Bhadra, General Manager, Bangladesh Bank, Engr. M.M. Abdul Gofran, Chairman, IEB Khulna Centre, Khulna, and A.K.D. Sher Mohammad Khan, COR, CCEB & Senior Energy Advisor, USAID & Mr. Mesbah Uddin Ahmed, DGM & Head of Structured Finance gave their opening speeches and highly appreciated such type of workshop arranged at the regional venues. It is to be noted that, IDLC has set up a target of disbursing BDT 100 Crore loan from green finance.



Fig: Opening remarks by Prokash Chandra Bhadra, General Manager, Bangladesh Bank



Fig: Technical Session



Fig: Open Discussion



Fig: Mr. Prokash Chandra Bhadra, GM of Bangladesh Bank Khulna Region receiving crest from USAID-CCEB and IDLC officials

Progress of Green Finance

IDLC Finance Limited

30-Jun-15

			(Taka in million)		
Total Loan Disbursement (Funded)	Direct Green Finance (Disbursement)	Indirect Green Finance (Disbursement)	Total Green Finance (Disbursement)	Direct Green Finance as % of Total Loan Disbursement	
9,439.26	94.50	4.70	99.20	1.00%	

Details of Green Finance

Renewable Energy

		Amount (in million Taka)			Amount (in million Taka)
Bio-gas	Setting up of Bio-gas Plant in existing Dairy & poultry Farm		Solar Energy	Solar Home System	2.00
	Integrated Cow Rearing and Setting up of Bio-gas Plant			Solar Micro/Mini Grid	
	Organic Manure from Slurry			Solar Irrigation Pumping System	

	Mid Range Bio-gas Plant			Solar PV Assembly Plant	
	Biomass based large scale Bio-gas Plant			Solar PV Plant capable to produce 1 MW or more Power	
	Poultry & Dairy based large scale Bio-gas Plant			Solar Cooker assembly Plant Solar Cooker assembly Plant	
Hydro-Power	Hydropower (Pico, Micro & Mini)			Solar Water Heater Assembly Plant	
Wind-Power	Wind Energy driven Power Plant			Solar Air Heater & Cooling System Assembly Plant	
				Solar Energy Driven Cold Storage	
				Surface Water Purification Plant using Solar Pump	

Energy Efficiency	
Amount (in million Taka)	Amount (in million Taka)

Substitution of Conventional Lime Kiln by Energy Efficient Kiln		Energy efficient Improved Cook Stove(ICS)/ ICS Renewable/ Hybrid Cook Stove Assembly Plant	
Substitution of Conventional lighting system, electronic material, Boiler with energy efficient alternatives on the basis of Energy Audit	17.5	LED Bulb/Tube Manufacturing Plant	
Auto sensor power switch assembly Plant		LED Bulb/Tube Assembly Plant	

Solid Waste Management

	Amount (in million Taka)		Amount (in million Taka)
Methane Recovery from Municipal waste & to produce Power		Auto sensor power switch assembly Plant	
Municipal waste to Compost		Hazardous waste treatment facility	

Liquid Waste Management

	Amount (in million Taka)		Amount (in million Taka)
Biological Effluent Treatment Plant (ETP)		Waste Water Treatment Plant	
Biochemical Effluent Treatment Plant (ETP)	36.00	Sewage Water Treatment Plant	
Conversion of Chemical ETP to Combination type (Chemical+Biological) of ETP			

Alternative Energy

	Amount (in million Taka)
Production of Burnable Oil from waste Tire by the Process of Pyrolysis	

Fire Burnt Brick

Amount (in million Taka)

Setting up of Hybrid Hoffman Kiln(HHK)/ Tunnel Kiln/equivalent technology in Brick manufacturing Industry	
-----------------------------------------------------------------------------------------------------------	--

Non Fire Block Brick

	Amount (in million Taka)
Compressed Block-Brick	
Autoclaved Aerated Concrete	

Recycling & Recyclable Product

	Amount (in million Taka)		Amount (in million Taka)
Waste Paper Recycling Plant for production of recycled paper		Recyclable Poly Propylene Thread & Baggage Manufacturing Plant	
Plastic Waste Recycling Plant (PVC, PP, LDPE, HDPE,PS)		PET Bottle Recycling Plant	

Recyclable Baggage Manufacturing Plant		Solar Battery Recycling Plant	
-------------------------------------------------	--	----------------------------------------	--

Green Industry		
-----------------------	--	--

	Amount (in million Taka)
Establishmen t of Green Industry	30.00

Safety and Security of Factory		
---------------------------------------	--	--

	Amount (in million Taka)
Ensuring Work Environment and Security of Workers of Textile and Garments Industry	9.00

Miscellaneous		
----------------------	--	--

	Amount (in million Taka)
Vermicompo st	
Palm Oil Plant	

Others		
---------------	--	--

	Amount (in million Taka)

