

IDLC Finance Limited
Statement on green banking as of 31/12/2017

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. Also the formation of Sustainable Finance Unit & Sustainable Finance Committee of IDLC has been approved by IDLC Board on February 10, 2017.

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 250 Million	-	BDT 750 Million	
	Climate Risk Fund	-	BDT 1.0 Million	BDT 1.0 Million	BDT 1.0 Million	BDT 3.0 Million	
	Marketing, Training and Capacity Building	-					

1.1.3	Utilization of Funds (In Million Taka)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks
	Green Finance	BDT 154.73 Million	BDT 124.00 Million	BDT 88.15 Million	-	BDT 366.88 Million	
	Climate Risk Fund		BDT 0.5815 Million	BDT 0.653 Million	BDT 0.87 Million	BDT 2.1045 Million	
	Marketing, Training and Capacity Building						

1.1.4	Formation of Green Banking Unit	Yes	No	Composition (Name, Designation & Department)	Remarks
	Formation of Sustainable Finance Unit	Yes		<p>Mr. Md. Shahriar Rahman, Assistant Manager, Green Banking Desk Mr. Kazi Farhan Zahir, DGM, Head of Structured Finance, Corporate Mr. Farzana Islam Lisa, AGM, Corporate Mr. Md. Jobayer Alam, DGM, Head of Strategic Planning Mr. Rashedul Haque, AGM, Head of Products and Marketing, Consumer Mr. Adnan Rashid, AGM, Credit Risk Management(CRM) Ms. Shamima Akter, AGM, Human Resource Department Mr. Rahat Azim, Manager, IT Ms. Tabassum Abedin, Sr. Manager, Admin Mr. Mahbub-ul-Kader, AGM, ICC (Internal Credit and Compliance) Ms. Sherifa Amreen, Manager, Marketing Communications Ms. Ayesha Haque, Manager and Head of CSR</p> <p>Mr. Asif Saad Bin Shams, Head of Credit & Collection, Unit Head Mr. Md. Mesbah Uddin Ahmed General Manager, Deputy Unit Head Mr. Md. Shahriar Rahman, Assistant Manager, Focal Point Officer Ms. Ayesha Haque, Manager, Fall-back Person Mr. Tahseen Amin Hemel, Senior Manager, Member Mr. Asif Rezwana, Manager, Member</p>	

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)	160	123	71	82	436	
1.2.2	No of projects rated (Environmental Risk Rating sanctioned)						
	Low	98	57	53	54	258	
	Moderate	8	3	9	14	34	
	High	54	63	9	14	140	
1.2.3	Total Number (Disbursed)	195	138	270	119	722	

		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks	
Rated Projects Financed	Low	141	87	234	90	552		
	Moderate	8	2	9	11	31		
	High	46	49	27	18	140		
	Total amount disbursed (in million tk)	4203.22	2160.47	2866.69	3405.28	12635.66		
	Low	3712.38	1739.60	2,207.08	2783.88	10442.94		
	Moderate	104.00	12.00	281.90	358.30	756.2		
	High	386.83	408.88	377.70	263.10	1436.51		
	Loan classification as of quarter end							
		UC(standard)	SMA	SS	DF	BL		
		No of projects	2081					
		Amount (in million tk)	42569.59					

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)	34 Branches 1 Booth	34 Branches 1 Booth	34 Branches 1 Booth	39 Branches 1 booth	39 branches 1 booth	
1.3.2	No of branches powered by solar energy (Data in each quarter will reflect the cumulative figure)	02	02	02	02	02	
1.3.3	No of booths powered by solar energy (Data in each quarter will reflect the cumulative figure)	0	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			

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total		Remarks
Solar Energy /Renewable Energy Plant											Indirect Green
Bio-fertilizer Plant											
Hybrid Hoffman Kiln (HHK)/ (Conversion from FCK to Zigzag)/Compressed Block											Direct Green
Fire safety											Direct Green
Green Industry	2	BDT 150 Million			1	BDT 60 Million			3	BDT 210 Million	Direct Green
Energy Efficiency			2	BDT 40.4 Million					2	BDT 40.4 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. 4627 Million	BDT 0. 653 Million	BDT. 0.21 million	BDT 1. 3257 Million	IDLC through its Keranigonj branch initiated a street clean-up and dustbin set-up on the road located alongside the Buriganga river. This was the first step taken to clean up the area around Buriganga and to prevent further pollution of the waterway. 15 dustbins were installed and being monitored by assigned cleaners periodically. Also the

							local garbage collection authority has agreed to collect the waste properly.
1.5.2	Fund for part of CSR activities (project) related to climate change (In million taka)	-	BDT 0.1188 Million	-	BDT 0.66 million	BDT 0.7788 Million	<p>IDLC in collaboration with renowned Environmental Activist Mr. Ahsan Rony Founder of Green Savers planted 1,000 samplings fruit, vegetable and flower trees at Mymensingh Mukul Niketon School, Mymensingh and 1,000 samplings at Hobiganj High School, Hobiganj.</p> <p>The objective of the project was to construct a green lab garden on the rooftop of these schools so that botany students had access to their own green lab to perform investigations for their practical classes. Total 600 students (300 from each school) participated in a half day workshop, whereby they attended quiz sessions and enjoyed educational audio visual clippings to be more familiarized with rare plant species.</p> <p>Green Savers will perform periodical follow-ups on the</p>

							samplings and until 3 months monitor the plantations at both school.
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1.6 Introduction Green Marketing

1.6.1	Introduction of Green banking Products (Please Specify)	
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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	4	2	7	18	In this quarter IDLC attended 7 more programs/seminars for promoting green & sustainable financing from our end. IDLC attended a program titled "Climate Investment Opportunities in South Asia" which was organized by IFC & ICCCAD. On the program, a publication titled "Climate Investment Opportunities in South Asia" were unveiled which is a rigorous analysis of current situation of South Asia in terms of Climate investment & the immense

		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Remarks
							opportunities that lies in this region for climate change. (Annexure II C) Also, IDLC officials attended two workshops at the Economic Relations Division of Ministry of Finance, Dhaka regarding the Green Climate Fund and its accreditation. IDLC has been long in pursuit for exploring its opportunities on GCF and we already have submitted a country proposal to ERD's end for validation. (Annexure II B)
1.7.2	No of participants covered						
	Employees	5	32	26	16	79	
	Customers	13	15	11		39	
1.7.3	Green Events (Please Specify)	1	1	1	2	5	In this quarter, the representative of IDLC's sustainable finance unit, MR. Shahriar Rahman attend the THINK Bootcamp for Creative Leaders after achieving the Desmond Fortes Scholarship by FMO (Netherlands Development Finance Company). Sustainability Leaders from all around the world gathered on a 3 days program where personal attributes as well as leadership escalations were sharpened with a view to enhance our innovative ideas in promoting sustainability all over the world. (Annexure II A)

1.8 Disclosure of green banking activities

Disclosure In	Status	Remarks
Annual Report	Yes	Green Banking activities have been covered in IDLC's 2016 Annual Report. Currently we are working to publish our 2017 annual report on which activities of Sustainable Finance Unit will be covered extensively.
Website	Yes	Sustainable Finance Unit activities are updated regularly under the section "Sustainability" in IDLC's website (www.idlc.com). Furthermore, different news and press releases are also available in the website news section.
Media	Yes	News of the workshops, seminars and green expo's were covered by different printing & online media as well as the social media.
Preparation of Independent green banking and sustainability report	Yes	IDLC prepares an independent Sustainability Report following the GRI (Global Reporting Initiatives) Guidelines. We have published our Sustainability Report for the year 2017 and it contains extensive coverage on green financing.

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		IDLC with support from FMO and FI Konsult, is implementing an ESMS (Environmental and Social Management System) across the organization. Recently, Bangladesh Bank has published a new guideline titled "Guidelines on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions in Bangladesh". IDLC have done necessary adjustments within our ESMS system to adhere the new guideline & from January 1, 2018 it is on full rollout as an integral part of credit risk management framework.
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. IDLC awaits for the sector specific checklists of Bangladesh Bank new guideline & as soon as it publishes, we will be adding this to our existing framework.		

2.2 Green Strategic Planning

2.2.1	Yes	No	Remarks

	Formulation of green strategic planning (If yes then please describe in a separate sheet)			IDLC has already established the Sustainable Finance Unit & Sustainable Finance Committee as per Bangladesh Bank Guideline. Under this unit, strategic planning for green & CSR activities are under process.
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2.3 Environment Risk Management Plan

2.3.1	Formulation of Banks specific environmental risk management plan and guideline	Yes	No	Remarks
		Yes		IDLC complies with Bangladesh Bank guideline on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions dated February 8, 2017 and the ECR-1997 standard. IDLC also complies with the UNGC and UNEP FI principles on a voluntary basis being the only listed FI in Bangladesh. Also IDLC has its own credit policy where we have adopted the new environmental & social guideline of Bangladesh Bank & the necessity adjustments have already made within our organization.

Progress of Green Finance
IDLC Finance Limited
October-December 2017

(Taka in million)				
Total Loan Disbursement (Funded)	Direct Green Finance (Disbursement)	Indirect Green Finance (Disbursement)	Toal Green Finance (Disbursement)	Direct Green Finance as % of Total Loan Disbursement
1,174.10	0.00	78.10	78.10	0.00%

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	
	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	
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			
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	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	
Substitution of Conventional lighting system, electronic material, Boiler with energy efficient alternatives on the basis of Energy Audit		LED Bulb/Tube Manufacturing Plant	
Auto sensor power switch assembly Plant		LED Bulb/Tube Assembly Plant	
Waste Heat Recovery System			

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

Alternative Energy	
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	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	
Used Lead Acid Battery Recycling Plant			

Green Industry	
	Amount (in million Taka)
Establishment of Green Industry	

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

Miscellaneous	
	Amount (in million Taka)
Vermicompost	
Palm Oil Plant	

Others	
	Amount (in million Taka)

Annexure II A

Participation in the THINK Bootcamp for Creative Leaders

Date: October 4-6, 2017

Place: Amsterdam, Netherlands



To Whom It May Concern:

This invitation letter is to certify that **Shahriar Rahman**, employee of Company: IDLC Finance LTD in Dhaka, Bangladesh is invited by us for a training program from October 4 to October 6 2017.

Personal details:

Name: Shahriar Rahman

Passport number: BE0205442

Working company: IDLC Finance LTD

Shahriar Rahman was selected by THINK to participate in this leadership program due to his background and current experience. He will be one of the 30 participants in the Innovation Bootcamp, which will take place on the THINK campus at Keizersgracht 264 in Amsterdam during the above stated period. **IDLC Finance LTD** will cover the travel and lodging.

Should you need further information, please feel free to contact Iris Pissaride on telephone no: +31206842506. It will be highly appreciated if the requisite visa can be issued.

Yours sincerely,

Mark Vernooij
Partner
THINK, The Amsterdam School of Creative Leadership

Annexure II B

National validation workshop titled 'Bangladesh's Country Programme for Green Climate Fund



Country Programme
Date: 16.11.2017
Government of Bangladesh

Journey with Green Climate Fund
Bangladesh's Country Programme for Green Climate Fund

2018



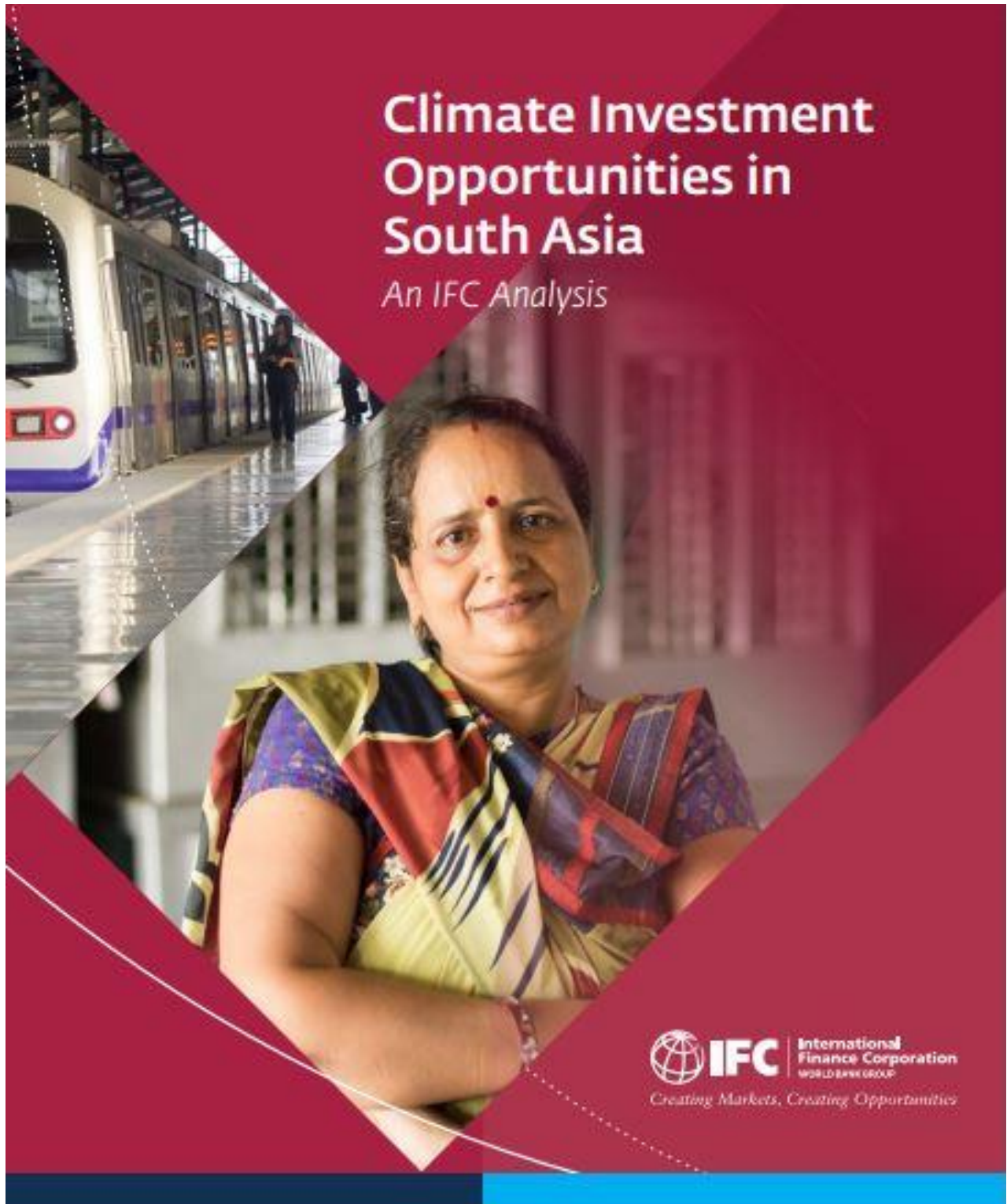
NDA Secretariat
Economic Relations Division
Ministry of Finance
Government of the Peoples' Republic of Bangladesh

In partnership with:



Annexure II C

Discussion on "Climate Investment Opportunities in South Asia" by IFC & ICCCAD



Climate Investment Opportunities in South Asia

An IFC Analysis

 **IFC** | International Finance Corporation
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Creating Markets, Creating Opportunities