

# Prosperity and Planet






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# ANNUAL SUSTAINABILITY REPORT 2023

IDLC is entirely committed to aligning its operations and initiatives with the listed 12 SDGs. Through our sustainable practices and the strategic partnerships, we remain committed to making a positive impact and contributing to a more inclusive and sustainable future for everyone.





Welcome to IDLC Finance PLC.'s 2023 Annual Sustainability Report. This report serves as a comprehensive overview of our Environmental, Social, and Governance (ESG) performance throughout the 2023 financial year (January 1, 2023 - December 31, 2023).

At IDLC, sustainability is embedded in our DNA. We believe that responsible business practices are not only essential for our success, but also contribute to a thriving society and a healthy planet. This report reflects our commitment to transparency and accountability, outlining our progress towards achieving our long-term sustainability goals.

This year's report, titled **Prosperity and Planet** highlights our dedication to:

- Furthering Economic Prosperity
- Driving Inclusive Growth
- Sustainable Business Practices

We have prepared this report in accordance with the Global Reporting Initiative (GRI) Standards, a widely recognized framework for sustainability reporting. The report outlines our approach to materiality assessment, allowing us to focus on the ESG issues most relevant to our stakeholders and our business operations.

We encourage you to explore this report and learn more about IDLC's commitment to building a sustainable future. We welcome your feedback, as it helps us continuously improve our sustainability efforts.

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**Aziz Al Mahmood**  
Chairman



# MESSAGE FROM CHAIRMAN

Dear Stakeholders,

This year marks the 14th edition of IDLC's Sustainability Report. We're proud to share our key activities and progress in making Environmental, Social, and Governance (ESG) practices an essential part of our business strategy.

For nearly four decades, IDLC has been dedicated to achieving sustainable growth and delivering long-term value to our stakeholders. This unwavering commitment, paired with exceptional customer service, has solidified our position as a trusted Bangladeshi financial institution.

## **Navigating Challenges, Delivering Results**

Anticipating a tough economic climate in 2023, we took a proactive approach. We strengthened our financial position, optimized resource management, and refined our business model for greater resilience. These steps yielded positive results, including deposit growth of 4.21% and loan portfolio expansion of 8.66% amidst challenging market conditions.

## **Sustainability at Our Core**

Sustainability has always been a fundamental principle at IDLC. In 2023, we continued to make significant progress on critical economic, social, and environmental issues. Driven by our mission, we strive to positively impact those we serve, the economies we support, and the communities we call home.

## **Expanding Reach, Deepening Impact**

In 2023, we expanded our branch network and widened financial inclusion through initiatives like our "Affordable Housing Loan" program. Our commitment was recognized as IDLC secured the "Best Bank SMEs in Bangladesh" award for the fifth consecutive year by Asia Money Awards 2023.

## **Building Trust through Sustainability**

By thoughtfully developing and delivering our services, we strive to empower communities, create lasting value, and build enduring trust. As evidence of IDLC's unwavering dedication to sustainability across all facets of its operations, Bloomberg has acknowledged us as one of the seven most sustainable companies in Bangladesh; the only Non-Banking

Financial Institution in the accreditation. Additionally, Bangladesh Bank has, for the third time, recognized us as a Sustainable Financial Institution through its Sustainability Rating of 2022.

## **Our Sustainability Roadmap**

We've integrated five-year ESG targets aligned with the GRI Sustainability Standard into our company culture. This includes a carbon footprint analysis, allowing us to set measurable targets for achieving our sustainability goals.

## **Long-Term Success through Sustainability**

At IDLC, we believe long-term success and sustainability are intrinsically linked to our ability to create value for our stakeholders. In 2023, our operations positively impacted over 900,000 lives through various initiatives.

## **Looking Forward: Transparency and Collaboration**

As we pursue our ESG goals, we remain committed to transparency and continuous improvement. We recognize the challenges ahead and are dedicated to driving performance across all ESG factors. Sustainable development requires collective action, and we are committed to collaborating with others to drive positive change. IDLC aligns with the 10 principles of the U.N. Global Compact, ensuring a sustainable future for people and the environment while taking a strong stand against corruption.

On behalf of the Board of Directors, I extend sincere gratitude to all our employees for their dedication to advancing IDLC's sustainability efforts. By integrating sustainability into our core business, we are confident in creating long-term value for our stakeholders and contributing to a more sustainable future for Bangladesh.

Yours Sincerely,

**Aziz Al Mahmood**  
Chairman  
IDLC Finance PLC.



**M Jamal Uddin**  
CEO & Managing Director



# MESSAGE FROM THE CEO AND MANAGING DIRECTOR

## Dear Stakeholders,

I am pleased to present our Annual Sustainability Report, reflecting on a year marked by both significant challenges and remarkable strides towards a sustainable future. The past four years have been unlike any other. We have navigated a global pandemic, a rapidly shifting operational landscape, geopolitical unrest, and now, substantial economic headwinds.

## Steering Through Challenges

When I assumed the helm in 2021, our nation and company, like many others, were grappling with the lingering effects of the pandemic on businesses. As we entered 2023, the entire country remained on high alert due to a weakening currency, declining foreign exchange reserves, rising interest rates, and escalating inflation, prompting the implementation of tighter monetary policies.

These factors significantly impacted the financial sector, a key facilitator of economic activity. Sluggish economic activity, coupled with elevated interest rates, reduced credit demand and amplified credit risk, further compounded by limited liquidity in the market.

## Prioritizing Sustainability and Stakeholder Value

The gravity of this operating environment demanded immediate action. We embarked on a strategic reassessment, prioritizing the company's long-term sustainability while safeguarding the interests of our stakeholders, a core principle at IDLC. This report embodies our resilience in the face of adversity and unwavering commitment to our people, community, and the environment – all essential for a sustainable tomorrow.

## IDLC's Commitment to Stakeholders

Our core values guide us to act ethically towards our clients, employees, shareholders, and society. Over the years, we have implemented robust sustainability initiatives that consistently exceed expectations. Many of these initiatives stem from collaborative discussions with our stakeholders.

## Investing in Our People and Community

Our primary objective has always been to deliver exceptional service to our investors and clients. We are equally committed

to ensuring fair performance management practices and a supportive work environment for our employees. We uphold and continuously improve our processes to comply with regulatory standards, providing adequate work-life balance, competitive compensation packages, and modern appraisal systems. Additionally, in 2023, we prioritized initiatives that fostered community engagement through impactful corporate social responsibility (CSR) activities.

## Our Sustainability Journey

In 2023, we made significant progress towards our ambitious goal of achieving net-zero emissions across our operations and value chain by 2050. To this end, we conducted a carbon footprint analysis, calculated and disclosed greenhouse gas emissions (GHG) across all three scopes. This established a benchmark for setting measurable targets and monitoring progress towards achieving our sustainability goals and integrating sustainable practices throughout the organization.

## Empowering Communities for a Sustainable Future

Our CSR activities contribute directly to community development, unlocking individual potential and fostering a more sustainable world. This value chain encompasses initiatives such as facilitating scholarships for underprivileged yet meritorious students, ensuring access to safe drinking water, planting trees to combat climate change and contributing to healthcare initiatives for those in need.

The dedication and passion of our exceptional team are the driving force behind all our achievements. I extend my sincere gratitude for their hard work. As we build upon the successes of 2023, I'm thrilled to embark on a new chapter of sustainability with their unwavering commitment leading the way!

Thank you for your continued support.

Yours Sincerely

**M Jamal Uddin**  
CEO & Managing Director  
IDLC Finance PLC.



# ABOUT THIS REPORT

## REPORT OVERVIEW

At IDLC Finance PLC., sustainability is at the core of everything we do. In this sustainability report, we provide a comprehensive overview of our sustainability performance, initiatives, and impacts across economic, environmental, and social dimensions in the 2023 financial year and transparently showcase our efforts to ensure sustainable business practices. The key objective of this report is to convey a detailed synopsis of how much progress IDLC Finance PLC. has achieved in its sustainability mission during the reporting period and how it aims to further implement and improve its sustainability performance down the line. Similarly, our sustainability guiding principles are given in this report as snippets only. This year's motto is "Prosperity and Planet" which is a consistent theme across all chapters.

This report has been created collectively and multilaterally with a focus on non-financial and some key financial information, which is of importance for our stakeholders. It includes the content that is necessary for an understanding of the course of business, business results, and position

of IDLC, as well as the impacts of its activities as derived from the materiality assessment in Economic, Social, and Environmental aspects following the GRI Guideline. The Report is not structured according to these specific matters only. Instead, the corresponding information is included in the relevant chapters. IDLC pursues a group-wide approach to sustainability management that applies to IDLC Finance and its subsidiaries.

The report lays out the impacts, risks, and opportunities of our business activity and business relationships. It also includes the sustainability strategy with corresponding management approaches and measures describing specific sustainability activities carried out during and before the reporting period. In addition, we present our sustainability program for the next reporting period and the progress made in the activities already initiated. A rigorous internal review process has been conducted on the report content, including subject matter reviews and validation. The current reporting period follows seamlessly from the IDLC Sustainability Report for 2022, and the report is published annually.



## REPORTING PARAMETERS

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### REPORTING PERIOD

January 1st 2023  
to December 31st  
2023



### REPORTING CYCLE

Annual



### GRI GUIDELINE FOLLOWED

GRI G4 Guideline  
Standards



### MOST RECENT PREVIOUS REPORT

Annual Sustainability  
Report 2022



### IN ACCORDANCE OPTION CHOSEN

In Accordance 'CORE'

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Comments, ideas, and recommendations concerning the report can be submitted to [sfarhana@idlc.com](mailto:sfarhana@idlc.com) and [nagib@idlc.com](mailto:nagib@idlc.com)

# OUR APPROACH

Our approach to sustainability begins by asking key questions:



What ESG issues are most relevant to our business, customers, and stakeholders?



Where and how does our business strategy intersect with our environmental and social impact?



Where and how can we have the most meaningful impact on customers, employees, communities, and our planet?

To target our efforts on areas where we can make the greatest impact, our sustainability strategy is focused on three key topics:



## Furthering Economic Prosperity

This pillar focuses on initiatives that promote financial inclusion, support business growth, and contribute to the overall economic health of the communities IDLC serves.



## Driving Inclusive Growth

This area encompasses efforts to ensure equitable access to financial services, empower underserved populations, and bridge the gap between different economic segments.



## Sustainable Business Practices

Minimizing our environmental footprint and maximizing our positive social impact.

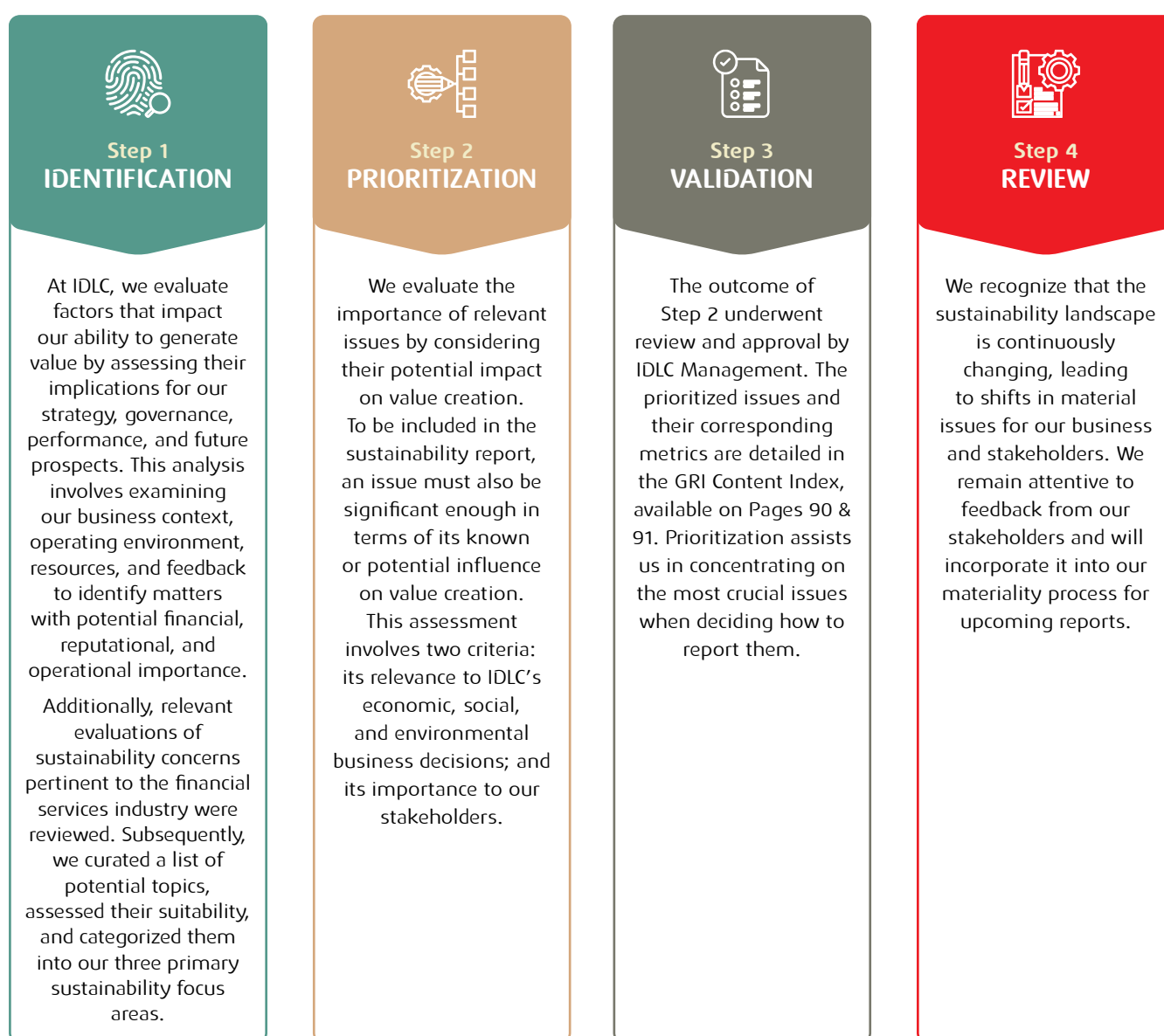
By concentrating our efforts on these three key areas, IDLC aims to maximize its positive impact and contribute to a more sustainable future for itself and the communities it serves.



# MATERIALITY ASSESSMENT

In the report, we address the subjects that have been identified within IDLC as material, reflecting the expectations of our stakeholders and representing our commitment over the past year. It includes information, including non-financial performance indicators, detailing IDLC's impact on the economy, society, and the environment.

Since 2020, we have been enhancing our materiality process by conducting additional research, developing a prioritization methodology tool, and consulting with internal stakeholders. Below, we outline each step of the materiality process, aligned with the GRI Standards.



Back in 2020, we reassessed the materiality and expanded our focus areas from 14 GRI topics to 21, as outlined below:

**MATERIALITY ASSESSMENT TOPICS**



**ECONOMIC**



**Our mission**

As the largest multi-product, multi-segment Non-Banking Financial Institution in the country, IDLC holds a strong and diversified footing in Corporate, SME, Retail, and Capital Market segments. To a large extent, our motivation isn't solely based on the number of customers we cater to, but rather the impact we've had on people's lives and the economy.



**MATERIAL TOPICS**

**1. ECONOMIC PERFORMANCE**

IDLC has demonstrated robust economic performance throughout the year, showcasing resilience and steady growth in its financial metrics. With a focus on sustainable financial practices, IDLC has achieved consistent profitability while maintaining a healthy balance sheet.

**Ambition**

Commitment to excellence and long-term sustainability in the financial services sector.



**2. INDIRECT ECONOMIC IMPACT**

IDLC's indirect economic impact extends beyond its primary financial operations, impacting diverse sectors and stakeholders across the economy. By facilitating lending and investments, IDLC fuels economic expansion, enabling businesses to grow, generate employment, and foster overall economic progress.

**Ambition**

By promoting financial inclusion and stability, IDLC wishes to play a vital role in driving sustainable socio-economic progress.



**3. ANTI-CORRUPTION**

IDLC is dedicated to maintain a strong stance against corruption, prioritizing ethical standards and integrity across all aspects of its business activities. By implementing comprehensive policies, rigorous compliance measures, and continuous employee training, IDLC cultivates a culture centered on transparency and accountability.

**Ambition**

Maintaining the company's reputation by adhering to policy and guidance, conducting thorough due diligence with utmost ethical standards and transparency.



**4. TAX**

IDLC fully adheres to all taxation laws and regulations, ensuring full compliance with tax obligations. By accurately fulfilling its tax requirements, IDLC demonstrates its commitment to responsible corporate citizenship.

**Ambition**

Accurately fulfilling the tax requirements to constantly contribute to the country's revenue generation.



## SOCIAL



### Our mission

IDLC's social initiatives encompass a range of endeavors that contribute to the overall welfare of society, promote social justice and equality, and foster opportunities for community development. These initiatives involve engaging with employees, customers, and the communities within IDLC's operational areas to create a positive impact on societal well-being.



### MATERIAL TOPICS

#### 1. EMPLOYMENT

IDLC views its employees as its primary competitive asset. Recognizing that our reputation hinges on having highly committed and effective staff, we maintain a workforce of 1,685 permanent employees distributed across 44 touchpoints in Bangladesh. Our responsibility is to empower this talent through appropriate training and support, and to create conducive work environments where both individuals and teams can excel, thereby contributing to the overall success of the company.

#### Ambition

Our ambition is to establish a robust employee diversity plan aimed at eliminating barriers to inequality and promoting diversity across all divisions. We are committed to encouraging diverse individuals to join our workforce and to developing an accessibility strategy that removes physical barriers for both disabled customers and employees.

Additionally, we are planning to create a more inclusive and socially responsible business environment. IDLC is also planning to establish day care facilities to provide care for employees' children by 2026.



#### 2. OCCUPATIONAL HEALTH & SAFETY

IDLC has integrated specific guidelines to ensure compliance with relevant environmental, health, and safety (EHS) standards in the workplace. This comprehensive approach ensures that all necessary measures, including laws, regulations, procedures, programs, roles, policies, and initiatives, are in place to safeguard the safety and well-being of employees from potential workplace hazards and risks.

#### Ambition

Regularly review and update EHS policies, procedures, and programs to ensure effectiveness and alignment with best practices.

#### TRAINING AND EDUCATION

As the largest non-banking financial institution in the country, IDLC operates within a dynamic and skill-intensive industry, where our employees' knowledge and abilities are our most valuable assets. We consistently promote a culture of continuous learning among our employees, encouraging them to acquire new skills that align with the evolving needs of the financial sector.

Our training initiatives encompass both internal and external opportunities, with courses being tailored internally or in partnership with external training providers after assessing the specific training requirements of our employees.

#### AMBITION

IDLC's training policy is inclusive of all employees and includes programs for new employees to facilitate their integration into the organization. It also aims to ensure that relevant training opportunities are accessible to enable individuals to attain a satisfactory level of performance in their respective roles.

IDLC further aims to promote its e-learning platform to reduce logistical expenses and workplace disruption.



## SOCIAL



### 3. DIVERSITY & EQUAL OPPORTUNITY

IDLC emphasizes creating a sustainable and future-ready organization that mirrors the broader community it serves relies on establishing an inclusive and diverse workplace. We believe that fostering inclusivity promotes a variety of viewpoints and ideas, leading to innovation and empowering our employees to deliver increased value to our stakeholders. We prioritize the success of all our employees by offering them equal opportunities, competitive benefits, and a safe, supportive workplace environment.

#### **Ambition**

Supporting the advancement of female employees remains a significant focus for us, as we ensure they have ample opportunities to demonstrate and leverage their skills and talents through fair processes.



### 4. NON-DISCRIMINATION

At our organization, we have zero tolerance for discrimination based on factors such as ethnicity, gender, social background, economic status, religion, or personal beliefs.

#### **Ambition**

Establish a zero-tolerance workplace to eliminate all forms of discrimination.



### 5. HUMAN RIGHTS ASSESSMENT

IDLC is dedicated to upholding human rights and is actively engaged in ongoing initiatives to enhance employee awareness and proficiency in human rights matters. Our internal policies, including the Code of Conduct, provide clear guidance on respect for human rights. We conduct our daily operations in accordance with international human rights standards.

#### **Ambition**

Ensure human rights screening before proceeding with a business relationship.



### 6. LOCAL COMMUNITIES

At IDLC, we are dedicated to sustainable development, aiming to generate lasting value not only for our stakeholders but also the community. IDLC is a participant in various local and international initiatives that advocate for sustainable business practices and corporate social responsibility (CSR) activities. While participation in these initiatives is voluntary, adherence to globally recognized CSR standards is obligatory.

#### **Ambition**

IDLC wishes to maintain uniformity in CSR initiatives focused on community development, including programs in the area of education, preventive and curative health, and environment and climate change mitigation and adoption.



### 7. SUPPLIER SOCIAL ASSESSMENT

IDLC's network of supply chain partners mainly consists of vendors offering IT-related products and services, as well as providers of office and kitchen supplies. However, screening those suppliers using environmental criteria is not always possible as they are small vendors.

#### **Ambition**

IDLC aims to ensure social sustainability of their suppliers. To achieve this, the company is planning to set up a new supplier screening process which will include relevant social criteria (Human Rights, Labor Rights, Occupational Health and Safety).



## SOCIAL



### 8. PUBLIC POLICY

IDLC doesn't offer any monetarily measurable contribution to any political entity directly and indirectly and the company is resolute to make it remain this way.

#### **Ambition**

IDLC will not be involved with any political parties/activities in any way.



### 9. CUSTOMER HEALTH AND SAFETY

As IDLC mainly deals in financial products, its operations don't have any direct impact on their customers' health.

#### **Ambition**

Take appropriate measures considering the health and safety concerns of the clients if such situation may arise.



### 10. MARKETING AND LABELING

While communicating with our external stakeholders, IDLC follows the IDLC Brand Guidebook to ensure that it doesn't publish any exaggerated or inaccurate promotional material. IDLC also follows the communication guidelines provided time to time by the regulatory bodies of the government which are relevant in this case.

#### **Ambition**

IDLC always wishes to protect its customers from misleading information while communicating its activities and values.



### 11. CUSTOMER PRIVACY

IDLC prioritizes customer confidentiality and employs advanced technology infrastructure to safeguard customers' data and privacy.

#### **Ambition**

We aim to establish a resilient and reputable brand, placing significant emphasis on the privacy and security of our customers and the sensitive information they entrust us with.

### **SOCIO ECONOMIC COMPLIANCE**

Our company also stays in compliance with applicable laws and regulations in the social and economic area it conducts its operations in. Any breach of rules by the company will duly be stated in the reports if it may occur.

#### **Ambition**

Awareness emails on rigorously following the laws and regulations of the social and economic area is to be constantly circulated. The company is determined to take strict disciplinary actions in case of any non-compliance with laws and regulations.



## ENVIRONMENTAL



### Our mission

At IDLC, we work with clients in nearly every sector of the economy and have always been aware of the impact our activities have on the environment. Thus we hold a significant responsibility in assisting our clients with their environmental goals and building a sustainable portfolio.



### MATERIAL TOPICS

#### 14. MATERIALS

IDLC aims to transform both its current and upcoming branches into environmentally friendly spaces by emphasizing implementing strategies for source reduction and waste minimization concerning resources such as paper, stationery, and other input materials.

#### Ambition

Embracing the principles of Reduce, Reuse, and Recycle (3R's) for both materials and equipment.



#### 15. ENERGY

At IDLC, we constantly try to conduct our day-to-day operations in a more sustainable way. To accomplish this, we take appropriate measures and energy efficient approaches to minimize our power usage.

#### Ambition

Our company is dedicated to consistently implementing improved sustainable solutions to become an energy-efficient and environmentally responsible entity.



#### 16. EMISSION

IDLC aspires to decrease its carbon footprint through sustainable financial practices, minimizing consumption, and adopting renewable and green energy sources to enhance the planet's sustainability and habitability for future generations. IDLC's main focus is on minimizing the GHG emissions generated by its own direct and indirect business activities.

#### Ambition

IDLC, in affiliation with UNEP FI has aligned itself with the global targets with an ambition of reducing carbon emission and ensuring sustainability. Moreover, IDLC has established a goal to decrease their GHG emissions from multiple investment sectors and achieve Net-Zero by 2050. Our company is dedicated to consistently implementing improved sustainable measures to become an energy-efficient and eco-friendly financial institution.

IDLC also tries to make sure that the companies it provides funds to conducts their businesses sustainably. The company is additionally encouraging its retailers to diminish the carbon footprint within its supply chain.



#### 17. WATER

As water is a scarce resource, IDLC is very cautious to prevent any sort of misuse of it. Automated systems are also in place to restrict excess usage of water.

#### Ambition

Efficient use of natural resources in the workplace.



## ABOUT IDLC

# ABOUT IDLC

## DISCOVER THE ESSENCE OF THE COMPANY



Became a member of **United Nations Global Compact (UNGC)** in 2007



Became a member of **United Nations Environment Programme Finance initiatives UNEP FI** in 2011



Became Founding signatory of the **Principles for Responsible Banking** of UNEP FI in 2019



Became a signatory of **Net Zero Banking Alliance** in 2021



Signed the **Tobacco –Free Portfolio Finance Pledge** under UNEP FI in 2019



Became a signatory of **Collective Commitment to Climate Action (CCCA)** in 2019



Developed a **5 year Sustainability Roadmap** in 2021



One of **top ten sustainable Financial Institution** for 3 consecutive years (2021, 2022, 2023)



IDLC Finance PLC. recognized as **one of Bangladesh's top 7 sustainable companies** by Bloomberg in 2023

### ABOUT IDLC

IDLC started as a single product lease finance company back in 1985 with 5 staff members. 38 years down the line, the company has emerged as the largest multi-product, multi-segment, non-banking financial institution in the country.

### A LEGACY OF INNOVATION

At its core, IDLC is driven by a commitment to innovation. We understand that financial needs are not one-size-fits-all, and our diverse service offerings cater to individuals, small and medium enterprises (SMEs), and larger corporations. From traditional deposits and loans to cutting-edge capital market products, IDLC provides a comprehensive suite of financial solutions.



# COMPANY HIGHLIGHTS

1,685

Total Employee

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147,379

Total Asset, IDLC Group  
BDT in Million

---

13,353

No. of  
Shareholders

---

254,000+

Total  
Customer Base

---

44

Number of  
Touchpoints

---

# WHAT DRIVES US



## Vision

We will be the best financial brand in the country.



## Mission

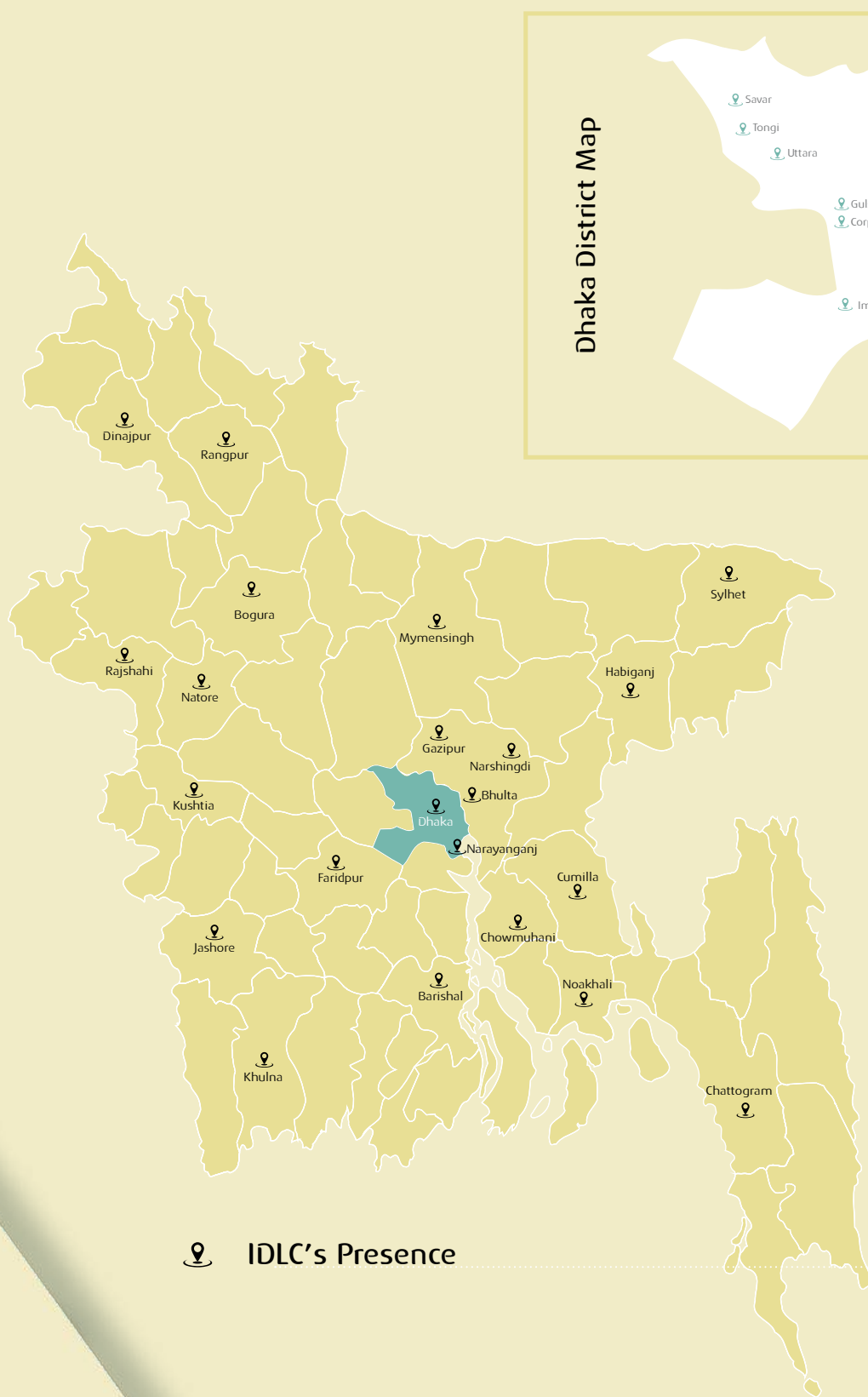
We will focus on quality growth, superior customer experience, and sustainable business practices.



## Core Values

Integrity  
Customer Focus  
Equal Opportunity  
Trust and Respect  
Passion  
Simplicity  
Eco-friendly.

# LOCATION OF HEADQUARTER AND OPERATIONS



## **IDLC Finance PLC.**

### **Corporate Head Office**

Bay's Galleria (1st Floor),  
57 Gulshan Avenue, Dhaka  
1212, Bangladesh

### **Subsidiaries**

#### *IDLC Investments Limited*

DR Tower (4th Floor)  
65/2/2 Bir Protik Gazi Golam  
Dastagir Road, Purana  
Paltan, Dhaka

#### *IDLC Securities Limited*

DR Tower (4th Floor)  
65/2/2 Bir Protik Gazi Golam  
Dastagir Road, Purana  
Paltan, Dhaka

#### *IDLC Asset Management Limited*

Symphony Tower (4th Floor)  
Plot # SE (F): 9, Road # 142  
Gulshan 1, Dhaka

# KEY FINANCIAL METRICS

Share capital	2022	2023
Authorized capital	10,000,000,000	10,000,000,000
Paid-up capital	4,156,984,840	4,156,984,840

	DSE	CSE
Listing information	20 March 1993	25 November 1996

## AAA Credit Score Rating for 12 Consecutive Years

Number of subsidiaries	3
------------------------	---

	2022	2023	% change
Cash dividend (%)	15%	15%	0%
Stock Dividend (%)	0%	0%	0%

Total Number of Employees (Group)	1,685
Total Number of Employees (Solo)	1469

	2019	2020	2021	2022	2023
Total assets (BDT)	117,385	126,874	142,913	148,185	147,379
Loans and Advance (BDT)	92,346	93,074	91,756	106,438	115,656
Deposits (BDT)	77,906	78,764	75,609	80,246	83,625
Net Profit (BDT)	1,700	2,541	2,116	1,915	1,514
CRAR (Capital to Risk Assets Ratio) %	17.50	17.45	18.27	19.29	19.56
Return on Equity (%)	12.29%	17.37%	13.21%	10.97%	8.16%
Return on Assets (%)	1.50%	2.08%	1.57%	1.32%	1.02%
Non- performing loan	3.07%	1.79%	3.05%	3.81%	4.46%
Cost-to-income ratio	43.33%	38.23%	36.16%	43.77%	46.53%



# SHAREHOLDING STRUCTURE

IDLC has a robust shareholding structure distributed amongst four major entities:


	2022	2023
Sponsor/Directors	56.66%	56.66%
Institutions	27.82%	27.91%
Individuals	14.36%	14.27%
Foreign	1.16%	1.16%

**As on December 31, 2023**


SL.	NAME OF SHAREHOLDERS	NO.OF SHARES	AS A % OF TOTAL
<b>1</b>	<b>Sponsors/Directors:</b>		
	<b>City Bank PLC. and its subsidiaries:</b>	<b>96,480,405</b>	<b>23.21</b>
	City Bank PLC.	37,413,699	9.00
	City Bank Capital Resources Limited	41,154,150	9.90
	City Brokerage Limited	17,912,556	4.31
	<b>Transcom Group:</b>	<b>55,426,161</b>	<b>13.33</b>
	Eskayef Pharmaceuticals Limited	33,255,878	8.00
	Transcraft Limited	16,683,065	4.01
	Bangladesh Lamps Limited	5,487,218	1.32
	<b>Sadharan Bima Corporation</b>	<b>31,672,060</b>	<b>7.62</b>
	<b>Reliance Insurance Limited</b>	<b>29,098,891</b>	<b>7.00</b>
	<b>Mercantile Bank PLC. and its subsidiary:</b>	<b>22,863,413</b>	<b>5.50</b>
	Mercantile Bank PLC.	14,549,444	3.50
	Mercantile Bank Securities Limited	8,313,969	2.00
	<b>Sub-Total</b>	<b>235,540,930</b>	<b>56.66</b>
<b>2</b>	<b>GENERAL</b>		
	<b>Institutions:</b>		
	Investment Corporation of Bangladesh (ICB)	34,050,629	8.19
	Bangladesh Fund	5,590,000	1.34
	Delta Life Insurance Co. Ltd.	5,372,595	1.29
	Marina Apparels Limited	4,156,982	1.00
	Other Institutions	66,840,337	16.08
	<b>Sub-Total</b>	<b>116,010,543</b>	<b>27.91</b>
	<b>Individuals:</b>		
	General Public (Individuals)	59,337,284	14.27
	<b>Sub-Total</b>	<b>59,337,284</b>	<b>14.27</b>
	<b>Foreign:</b>		
	Institutions & Individuals	4,809,727	1.16
	<b>Sub-Total</b>	<b>4,809,727</b>	<b>1.16</b>
	<b>Total Holdings</b>	<b>415,698,484</b>	<b>100.00</b>

# ENGAGEMENT WITH OUR STAKEHOLDERS


We are committed to engaging and building strong relationships with our stakeholders. The table below summarizes our engagement with our key stakeholders throughout the year:

 INVESTORS	
Engagement Method	Outcomes
<ul style="list-style-type: none"> <li>- Annual General Meetings (AGM)</li> <li>- Investor relations website</li> <li>- Quarterly Financial Results</li> </ul>	<ul style="list-style-type: none"> <li>- Transparency on Financial and social impact</li> <li>- Increased investor confidence</li> </ul>


  

 CUSTOMERS	
Engagement Method	Outcomes
<ul style="list-style-type: none"> <li>- Service centers</li> <li>- Complaint management</li> <li>- Customer satisfaction surveys</li> <li>- Social media interactions</li> </ul>	<ul style="list-style-type: none"> <li>- Improved customer experience</li> <li>- Development of innovative and sustainable financial products</li> </ul>


  

 EMPLOYEES	
Engagement Method	Outcomes
<ul style="list-style-type: none"> <li>- Regular town hall meetings</li> <li>- Robust training and development programs</li> <li>- Social intranet platform and human resource (HR) portal</li> <li>- Community engagement and volunteering</li> <li>- Newsletter</li> <li>- Rewards and recognition programs</li> <li>- Flexible office hours</li> </ul>	<ul style="list-style-type: none"> <li>- Increased employee engagement</li> <li>- Promotion of a sustainable work culture</li> </ul>


  

 REGULATORS	
Engagement Method	Outcomes
<ul style="list-style-type: none"> <li>- Regular reporting</li> <li>- Meeting with regulatory bodies</li> </ul>	<ul style="list-style-type: none"> <li>- Maintaining regulatory compliance</li> <li>- Alignment with evolving sustainability expectations</li> </ul>

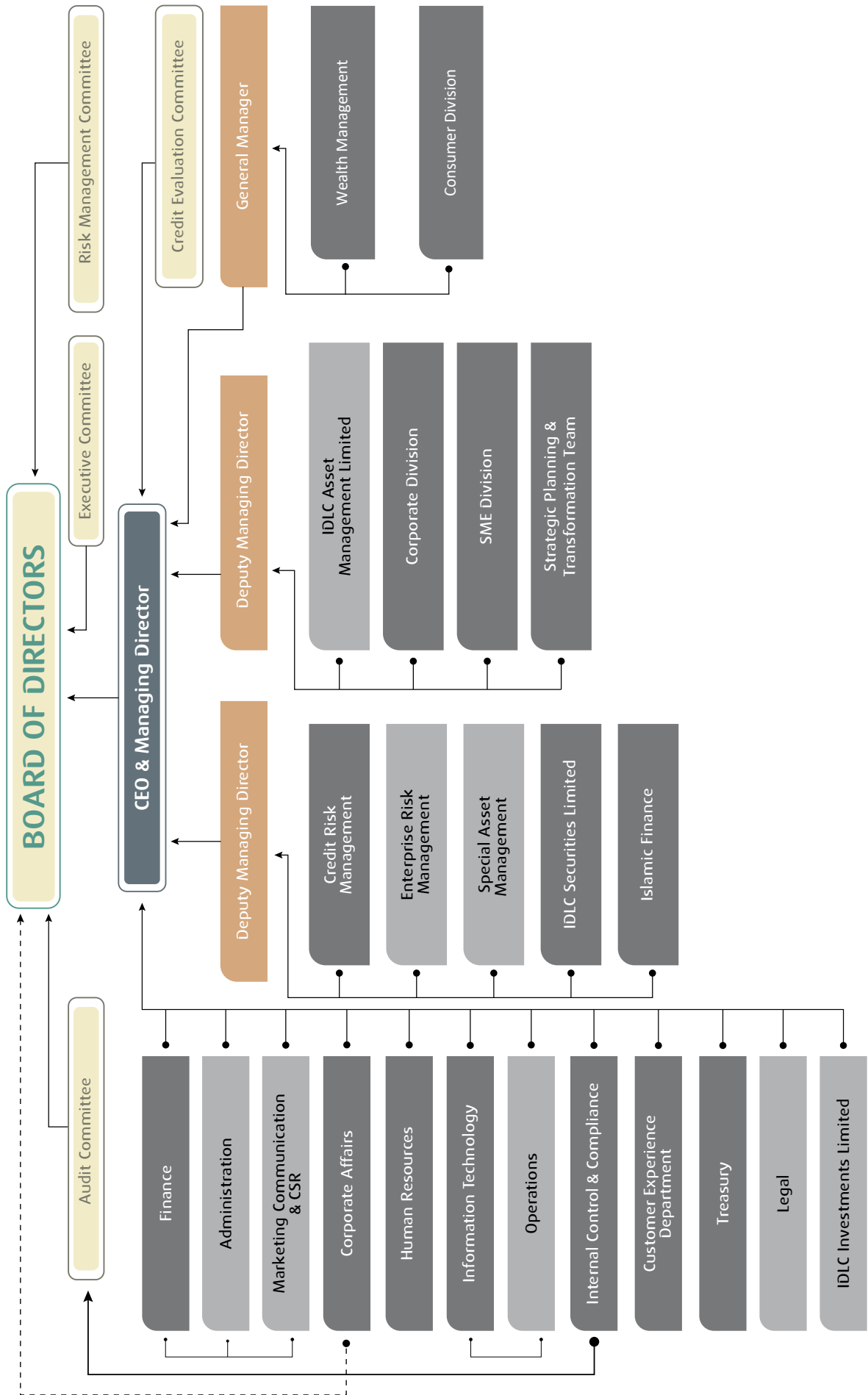
 LOCAL COMMUNITIES	
Engagement Method	Outcomes
<ul style="list-style-type: none"> <li>- CSR project participation</li> <li>- Environmental initiatives</li> </ul>	<ul style="list-style-type: none"> <li>- Building trust and positive relationships with communities</li> <li>- Addressing local needs through sustainable practices</li> </ul>

 CIVIL SOCIETY	
Engagement Method	Outcomes
<ul style="list-style-type: none"> <li>- Participation in community events</li> <li>- Grants, non-profit sponsorships, and donations</li> </ul>	<ul style="list-style-type: none"> <li>- Joint efforts for sustainability</li> </ul>

# COMPANY ORGANOGRAM

This represents our company's governing structure.



# BUSINESS OVERVIEW

## IDLC FINANCE PLC.



### SME DIVISION

IDLC's SME Division started its journey in 2006 by establishing a dedicated SME branch in the northern district of Bogura. Determined to play a significant role in developing the SME segment of Bangladesh, IDLC-SME has evolved into one of the core business segments of the organization. SME Division caters to the needs of its clients through a wide range of customer-centric, suitable, and innovative products. Throughout the years, the SME Division has made significant investments in human resources and infrastructure - the two most critical building blocks, which resulted in the creation of a robust structure that has been facilitating our growth.



### CONSUMER DIVISION

After being launched in 1997, the Consumer Division of IDLC has been contributing to the overall growth of the company by providing customer-centric solutions through providing core loan services: Home Loan, Car Loan & Personal Loan. Currently, the Consumer Division is offering affordable housing financing, especially for the middle-income and lower-middle-income groups, and at the same time, exploring extending its customer base further through enhancing efficiency, offering more customized solutions, and increasing geographical coverage.



### CORPORATE DIVISION

The corporate division of IDLC, the first business wing of IDLC, has demonstrated sturdy resilience throughout the last 37 years and more so during the pandemic-induced situation through quality asset portfolio and proficient teamwork. For the better part of the year the overall economic activity in the country remained low if not at a standstill. However, right after the lifting of the lockdown and the return of partial normalcy, most of the clients, comprising large local corporates as well as foreign corporate houses, showed strong signs of recovery. The corporate team demonstrated remarkable flexibility by re-focusing and increasing efforts for fund collection. Supported by Treasury's excellent fund management, the corporate department achieved excellent disbursement figures at the end of the year maintaining its portfolio even in a year such as this. The team reinforced the portfolio's risk resilience by taking higher exposure with clients who have excellent creditworthiness.



# BUSINESS OVERVIEW

## IDLC CAPITAL MARKET



### IDLC Asset Management Limited

IDLC Asset Management Limited (IDLC AML), a fully owned subsidiary of IDLC Finance PLC., was incorporated in Bangladesh on 19 November 2015. The Company was awarded asset management license on 7 June 2016 with an initial paid-up capital of BDT 100,000,000 (BDT one hundred million only). We expect to operate in the nascent but growing asset management industry of Bangladesh. The Company's principal objective is to conduct the business of asset management, primarily through launching and managing mutual funds, to cater to diverse investor needs. Alongside this, we also manage a venture capital fund and provide related corporate advisory services.



### IDLC Investments Limited

IDLC Finance commenced its merchant banking operations in 1999. Aligning with regulatory requirements, the merchant banking operation was segregated from the parent company and established as IDLC Investments Limited (IDLC IL) in 2011 as a fully-owned subsidiary of IDLC Finance. IDLC Investments provides a high standard of professional and personalized services to its local and NRB customers. IDLC Investments is currently positioned as one of the top-ranking merchant banking enterprises in the country, renowned for its quality investment banking and portfolio management services.

IDLC Investments Limited has received 'Euromoney Awards for Excellence' in 2018, 2019 & 2020 as the 'Best Investment Bank in Bangladesh' in recognition of outstanding performance compared to its peers in the market.



### IDLC Securities Limited

IDLC Securities Limited (IDLC SL), one of the top brokerages in Bangladesh, commenced operations in September 2006. The Company provides brokerage services to more than 16 thousand retail, local & foreign institutional investors through reliable trading platforms of both the Dhaka and Chittagong stock exchanges. It also serves more than 4,500 customers of its enlisted merchant banks as a panel broker. It possesses a proven track record of delivering quality customer services while maintaining a high standard of compliance and corporate ethics. The Company also offers premium brokerage services to High Net Worth (HNWs), Institutional and foreign investors. Premium brokerage services are a prime bundle of research and advisory support in addition to execution brokerage.

# PRODUCTS & SERVICES

## SME Loan

- ▶ Term Loan
- ▶ Shampad (SME Lease)
- ▶ Purnota (Women Entrepreneur Loan)
- ▶ Working Capital Loan
- ▶ Utshob (Seasonal Loan)
- ▶ Abashan
- ▶ Shombhabona (New Entrepreneurs Loan)
- ▶ Bahon (Commercial Vehicle Loan)
- ▶ Imarat (Commercial Space loan)
- ▶ Shachal
- ▶ Uttoron (Special loan product catering to the SMEs transitioning to the corporate segment)

## Consumer

### Home Loan

- ▶ Apartment / Home Purchase
- ▶ Building Construction
- ▶ Commercial Space Purchase
- ▶ Home Equity

- ▶ ASHA
- ▶ ULLASH
- ▶ Semi Paka Loan
- ▶ Affordable Housing Finance Solution
- ▶ Green Affordable Housing Finance Solution

### Car Loan

- ▶ Brand New
- ▶ Reconditioned
- ▶ Registered

### Personal Loan

- ▶ Secured
- ▶ Unsecured

## Corporate

- ▶ Term Loan
- ▶ Lease Financing
- ▶ Term Loan for Vehicles/ Commercial Vehicles
- ▶ Working Capital Loan
- ▶ Commercial Space Loan
- ▶ Bridge Loan

- ▶ Balance Sheet Restructuring
- ▶ Arrangement of Private Equity & Preference Shares
- ▶ Commercial Paper
- ▶ Corporate Advisory for Mergers & Acquisitions and Joint Venture Making
- ▶ Corporate Advisory for Initial Public Offering
- ▶ Preparation of feasibility Study

## Supply Chain Finance

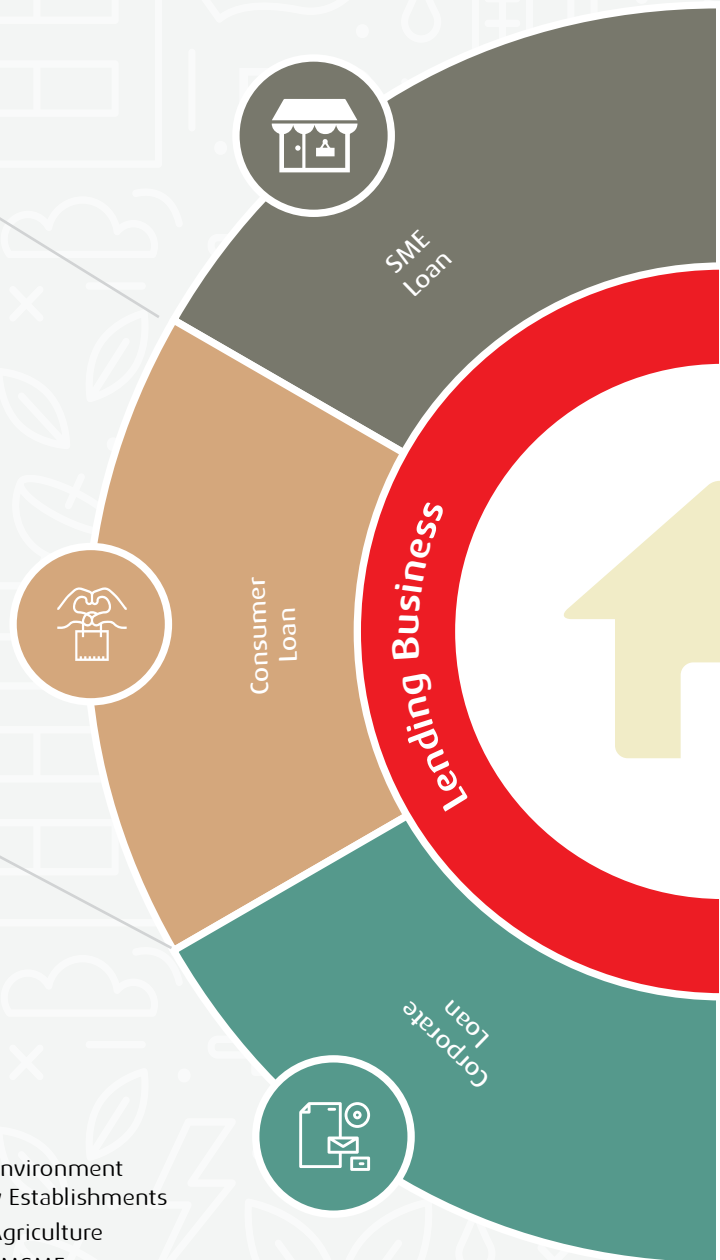
- ▶ Factoring of Accounts receivable
- ▶ Work order financing
- ▶ Distributor Financing
- ▶ Corporate Factoring

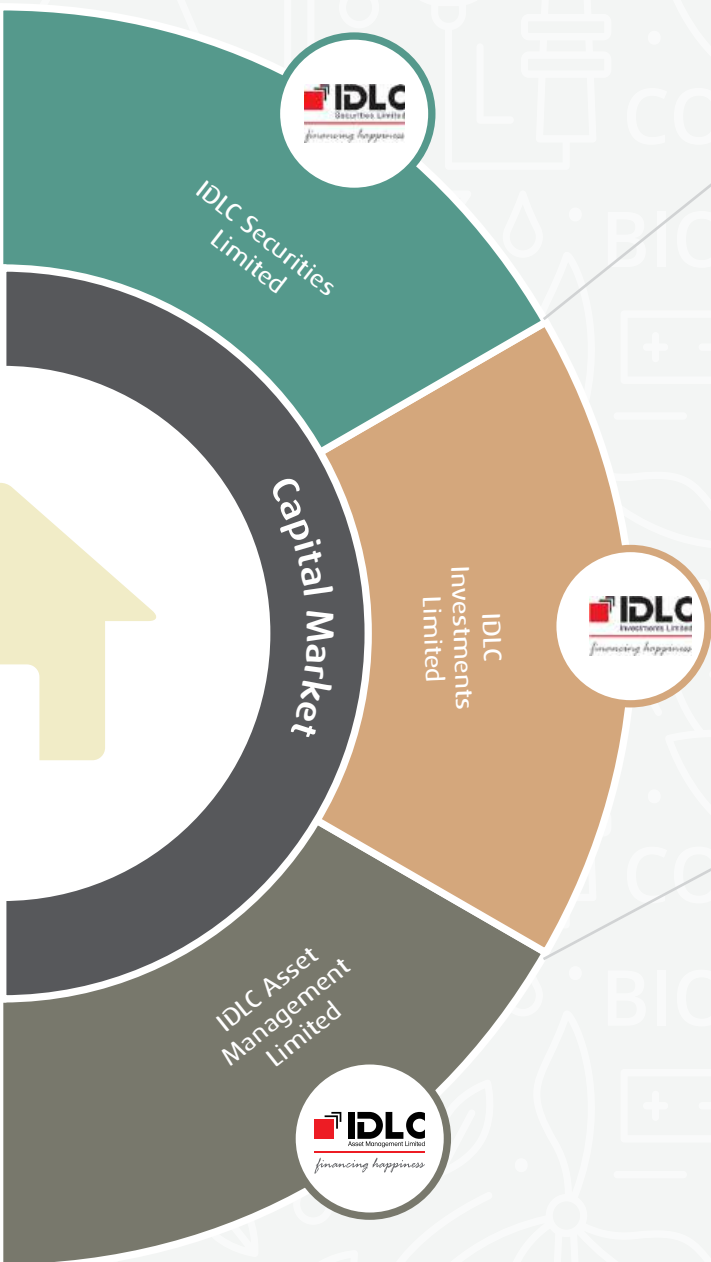
## Structured Finance

- ▶ Debt Syndication (Local & Foreign Currency)
- ▶ Working Capital Syndication
- ▶ Agency & Trusteeship
- ▶ Zero Coupon Bonds, Coupon Bearing Bonds & Convertible Bonds

## Green Finance

- ▶ Renewable Energy
- ▶ Energy & Resource Efficiency
- ▶ Alternative Energy
- ▶ Liquid Waste Management
- ▶ Solid Waste Management
- ▶ Circular Economy & Eco-Projects Financing
- ▶ Environment Friendly Brick Production
- ▶ Green/Environment Friendly Establishments
- ▶ Green Agriculture
- ▶ Green CMSME
- ▶ Green Socially Responsible Financing
- ▶ Information and Communication Technology
- ▶ Sustainable Agriculture
- ▶ Sustainable MSME
- ▶ Sustainable Linked Socially Responsible Financing
- ▶ Other Sustainable Linked Finance





#### IDLC Securities Limited

- ▶ Cash Account
- ▶ Margin Account
- ▶ Premium brokerage for High Net Worth Individuals, Institutions, and Foreign Investors
- ▶ Easy IPO

#### IDLC Investments Limited

##### Investment Banking Services

- ▶ Initial Public Offering (IPO)
- ▶ Rights Issue Management
- ▶ Repeat Public Offering (RPO)
- ▶ Mergers & Acquisitions
- ▶ Corporate advisory
- ▶ Underwriting
- ▶ Arranging pre-IPO placement/ capital raising of forthcoming IPOs
- ▶ Substantial share acquisition and take over
- ▶ Valuation services for repatriation of sale proceeds of non-resident owned equity in unlisted

##### Cap-Invest (Non-Discretionary Portfolio)

- ▶ Acting as trustee of bond issuances through private placement of debt securities companies
- ▶ Margin Loan Account
- ▶ Non-Margin Account

##### Discretionary Portfolio Management (DPM)

- ▶ MAXCAP
- ▶ Easy Invest
- ▶ Profit-Loss Sharing Scheme
- ▶ Capital Protected Scheme
- ▶ Portfolio Advisory Services

#### IDLC Asset Management Limited

##### Mutual Funds

- ▶ IDLC Balanced Fund
- ▶ IDLC Growth Fund
- ▶ IDLC AM Shariah Fund
- ▶ IDLC Income Fund

##### Alternate Investment Fund

- ▶ IDLC Venture Capital Fund I

##### Institutional Fund Management

- ▶ Corporate Advisory
- ▶ Institutional Portfolio Management



# SECTOR-WISE PORTFOLIO

IDLC has a well-diversified industrial portfolio in which the credit risk is spread across different sectors of the economy.  
Amount in Mn BDT



Real Estate (Individual)

**35,218**

31.07%



Agriculture, Fishing & Livestock

**885**

0.78%



Agro Based Industries  
other than Food

**2,478**

2.19%



Apparels & Accessories

**8,976**

7.92%



Building & Construction Materials

**5,348**

4.72%



Chemicals

**1,087**

0.96%



**Education**

**82**

0.07%



**Engineering**

**6**

0.01%



**Equipment**

**1,333**

1.18%



**Event Management**

**28**

0.03%



**Financial Services**

**1,151**

1.02%



**Food & Beverage**

**7,686**

6.78%



**Furniture & Related products**

**1,608**

1.42%



**Healthcare, Beauty care & Fitness**

**995**

0.88%



**House Hold Items & Lifestyle Products**

**7,517**

6.63%



**Housing & Construction**

**5,934**

5.24%



**Industries associated with Apparel & Textile**

**921**

0.81%



**Information Technology**

**1,999**

1.76%



**Iron, Steel & Engineering**

**3,789**

3.34%



**Jute Industry**

**190**

0.17%



**Leather & Leather Products**

**593**

0.52%



Other Industry

**635**

0.56%



Packaging

**1,595**

1.41%



Pharmaceutical &  
Healthcare products

**1,783**

1.57%



Power & Energy

**952**

0.84%



Professional Services

**213**

0.19%



Service Others

**976**

0.86%



Store & Trader

**6,751**

5.96%



Telecommunication

**671**

0.59%



Textile (Export)

**2,699**

2.38%



Textile (Local)

**2,254**

1.99%



Tourism & Recreation

**747**

0.66%



Travel & Transport

**5,398**

4.76%



Uncategorized Other Industries

**843**

0.74%



Grand Total

**113,339**

100.00%



## OUR SUSTAINABLE BUSINESS CULTURE

# ECONOMIC PERFORMANCE 2023

In this section, we discuss IDLC Finance PLC.'s economic performance in 2023, highlighting our commitment to creating long-term value for our stakeholders and fostering sustainable economic growth. We'll explore financial metrics, contributions to the national economy, and our approach to responsible financial practices.

Particulars	FY 2023 (Amount in Million)
<b>Economic Value Added</b>	<b>71</b>
Operating revenue	12,365
Cost of borrowing	(7,725)
Other income	698
Provision	(1006)
Operating expenses excluding staff cost and depreciation	(735)
<b>Value Added</b>	<b>3,597</b>
<b>Distribution of value addition</b>	
To Employees	1,602
To Government	708
<b>To Shareholders</b>	<b>624</b>
<b>Retained in the business</b>	<b>664</b>
As capital and revenue reserve	470
As depreciation	194
<b>Total</b>	<b>3,597</b>

## Contribution to the National Economy

IDLC Finance PLC. recognizes that its success is intrinsically linked to the economic well-being of Bangladesh. We strive to be a positive catalyst for growth by deploying our financial resources strategically to support key sectors and initiatives.

## Facilitating Growth through Lending

**Supporting Key Sectors:** A significant portion of IDLC's loan portfolio is directed towards financing essential sectors that drive the national economy. In 2023, this included:

- **Small and Medium Enterprises (SMEs):** SMEs are the backbone of Bangladesh's economy, generating employment and fostering innovation. IDLC offers a range of loan products tailored to their specific needs, facilitating business expansion and job creation.

- **Sustainable Financing:** Recognizing the growing importance of environmental responsibility, IDLC prioritizes financing initiatives that promote renewable energy, green buildings, and resource efficiency. In 2023, 30.30% of our total loan portfolio was dedicated to sustainable projects, contributing to a cleaner and more resilient Bangladesh.

IDLC remains committed to playing a vital role in Bangladesh's economic development. In the coming years, we aim to:

- **Increase Sustainable Financing:** We are dedicated to expanding our green financing portfolio, supporting the transition towards a low-carbon economy.
- **Empower Women Entrepreneurs:** We will continue to develop financial products and services that cater specifically to women-led businesses, fostering greater gender equality and economic empowerment.



- **Financial Technology (FinTech) for Growth:** IDLC is actively exploring FinTech solutions to make financial services more accessible and efficient, further propelling financial inclusion across the nation.

By focusing on these strategic initiatives, IDLC aspires to be a leading force in driving sustainable and inclusive economic growth for Bangladesh.

### INDIRECT ECONOMIC CONTRIBUTION

Our operations create a ripple effect that contributes to the broader economic well-being of Bangladesh. Here, we highlight some key aspects of our indirect economic contribution in 2023:

- **Investment in Government Securities:** IDLC actively invests in government securities, supporting government initiatives and infrastructure development. This fosters a stable economic environment and creates opportunities for various sectors.
- **Procurement Practices:** We prioritize responsible procurement, favoring local suppliers whenever possible. This strengthens domestic businesses and creates jobs within the Bangladeshi economy.
- **Tax Contribution:** IDLC is a committed taxpayer, contributing significantly to government revenue. These taxes fund public services, education, and infrastructure projects, ultimately benefiting all citizens.
- **Financial Inclusion:** By providing financial services to underserved communities, IDLC promotes financial inclusion. This empowers individuals and small businesses, allowing them to participate more actively in the economy.
- **Knowledge Sharing:** IDLC regularly conducts seminars and workshops, sharing financial literacy and best practices with entrepreneurs and businesses. This fosters a more informed and skilled workforce, boosting overall economic productivity.
- **Industry Advocacy:** IDLC actively participates in industry associations and forums. By advocating for sound financial regulations and promoting best practices, we contribute to a more stable and efficient financial system, benefiting the entire economy.

### METRICS FOR MEASUREMENT

In the coming years, IDLC will strive to quantify its indirect economic contribution. We will explore tracking metrics such as:

- The percentage of local procurement spending.
- The number of individuals and businesses receiving financial services for the first time through IDLC's initiatives.
- The estimated economic impact of IDLC's financial literacy programs.

By measuring our indirect contributions, we can continuously improve our practices and maximize our positive impact on the Bangladeshi economy.

### TAXES TO GOVERNMENT

Fulfilling our tax obligations is a cornerstone of our commitment to the economic development of Bangladesh.

#### Transparency in Tax Reporting

We are committed to transparency in our financial reporting, including taxes paid to the government.

#### 2023 Tax Highlights:

- In 2023, IDLC BDT 3,423 mn to the Government exchequer as taxes, VAT and Excise Duty through own income generation and collection:
- This amount comprised of:
  - Corporate income tax 1,926 mn
  - Value Added Tax (VAT) on fee income 106 mn
  - Withholding tax collected on behalf of the government 1,072 mn
  - Withholding VAT collected on behalf of the government 99 mn
  - Excise Duty of BDT 220mn

We are continuously reviewing and improving our tax management practices to ensure compliance with all applicable tax laws and regulations. We are also exploring opportunities to further optimize our tax contributions while adhering to the highest ethical standards.

#### Taxes paid to the Government (BDT mn, 2019-2023)

Particulars	2019	2020	2021	2022	2023
Tax, VAT and excise duty collected at source	1,154	1,176	1,021	1,129	1,391
Tax and VAT paid against IDLC's income	1,154	1,169	1,185	1,698	2,032

#### Composition of Contribution to National Exchequer in 2022

Particulars	Percent
Total Tax	87%
Total Excise Duty	7%
Total VAT	6%

#### Composition of Contribution to National Exchequer in 2023

Particulars	Percent
Total Tax	88%
Total Excise Duty	6%
Total VAT	6%

# INVESTMENT IN GOVERNMENT SECURITIES

IDLC invests in government securities to improve its asset-liability profile, making its balance sheet more sustainable. For the government, it contributes towards fulfilling its own funding requirement.

### Supporting National Development:

By investing in government bonds and treasury bills, IDLC contributes directly to financing government initiatives. These initiatives often focus on critical areas like infrastructure development, social welfare programs, and education. This, in turn, fosters economic growth, creates employment opportunities, and improves the overall quality of life for Bangladeshi citizens.

### Enhancing Portfolio Stability:

Government securities are generally considered low-risk

investments. They offer a steady stream of income and provide stability to our investment portfolio. This stability allows us to manage risk effectively and allocate resources efficiently towards financing other sustainable projects.

### Promoting a Responsible Investment Environment:

Our investment in government securities reflects our commitment to responsible investing practices. By supporting the government’s funding needs, we contribute to a transparent and accountable financial system within Bangladesh.

### Investment in Government Securities (amounts in BDT mn)

Year	Standalone	Group
2022	3,653.57	3,753.45
2023	3,199.74	4,796.43



## PROCUREMENT PRACTICES FOR SUSTAINABILITY: BUILDING A RESPONSIBLE SUPPLY CHAIN

IDLC Finance PLC. recognizes the importance of a sustainable supply chain in achieving its overall environmental, social, and governance (ESG) goals. Our procurement practices are guided by a robust framework that prioritizes ethical sourcing, transparency, and positive social impact.

### Transparency and Fairness:

- The procurement process adheres to a well-defined procurement manual, ensuring consistent and fair treatment of all vendors.
- Evaluations are based on objective criteria, focusing on a vendor’s strengths, competencies, and their commitment to sustainability best practices.

### Supporting Local Businesses:

IDLC prioritizes sourcing from local suppliers, contributing indirectly to the growth of the national economy.

### Building a Sustainable Supplier Network:

- Recognizing the interconnectedness of business practices and sustainability, we are actively seeking suppliers

committed to positive social and environmental impacts.

- We prioritize suppliers demonstrating a commitment to environmental responsibility through certifications, eco-friendly practices, and transparency in their environmental impact data.
- Our revamped vendor enlistment process integrates sustainability considerations, ensuring alignment with our ESG values.

### Empowering Women-Owned Businesses:

- IDLC has partnered with WeConnect International’s “Corporate Connect” project to promote gender-inclusive sourcing.
- This initiative has resulted in a significant increase in partnerships with women-owned businesses, fostering greater diversity and opportunity in our supply chain.

We aim to further strengthen our relationships with sustainable and socially responsible suppliers, building a supply chain that reflects our dedication to a more equitable and environmentally conscious future.



## COMBATING MONEY LAUNDERING & TERRORIST FINANCING: UPHOLDING TRUST THROUGH COMPLIANCE

At IDLC Finance PLC., we understand the significant threat that money laundering and terrorist financing (ML/TF) pose globally. We are firmly committed to safeguarding our institution and the financial system from these illegal activities. This commitment is embedded within our core values of transparency, ethical conduct, and good governance.

### Building a Robust AML/CFT Compliance Culture

Recognizing the vulnerability of financial institutions to ML/TF activities, IDLC has implemented a comprehensive Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) compliance program. This program is anchored in a risk-based approach, which allows us to effectively identify, assess, and mitigate ML/TF risks across all our operations.

Our AML/CFT program emphasizes the following key elements:

- **Compliance with Regulations:** We meticulously adhere to all prevailing AML/CFT acts, rules, and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU).
- **Employee Training:** We provide regular training to our

employees to enhance their awareness and ability to identify and report suspicious transactions and activities promptly.

- **Due Diligence:** We uphold the highest ethical standards and transparency by conducting thorough due diligence on our customers and transactions.

### Shared Responsibility for Upholding Integrity

IDLC acknowledges that combating ML/TF requires a collective effort. We emphasize to all our employees that they share the responsibility of ensuring compliance with AML/CFT regulations. By adhering to our internal policies and guidelines, employees play a vital role in safeguarding IDLC's reputation and the integrity of the financial system.

### A Commitment to Continuous Improvement

Our dedication to AML/CFT compliance is an ongoing process. We continuously review and update our programs to adapt to evolving risks and regulatory requirements. Through this commitment, IDLC strives to build and maintain trust with our stakeholders while promoting a more secure financial environment for all.

# AWARDS & ACCOLADES



**Global SME Finance Awards 2023**  
SME Financier of the Year – Asia:  
Honorable Mention

**ISO 27001:2013 certification Information Security Management System (ISMS)**  
Intertek Certification Limited, accredited by the United Kingdom Accreditation Service (UKAS).



**10<sup>th</sup> ICSB Best Presented Annual Report for Corporate Governance Excellence**  
Financial Sector - Gold

**Special Recognition by Large Tax Payers' Unit (LTU)**  
Non-Banking Financial Institutions Category



**SAFA BPA Award 2022**  
Integrated Reporting- Silver

**ICMAB Best Corporate Award 2022**  
NBFI Category- Gold



**23<sup>rd</sup> ICAB National Award -Best Presented Annual Reports (BPA)**  
Corporate Governance- Certificate of Merit

**23<sup>rd</sup> ICAB National Award -Best Presented Annual Reports (BPA)**  
Financial Services Sector- Certificate of Merit



**Sustainability Rating of Bangladesh Bank- 2022**  
for being one of the Top Four Financial Institutions

**ASIAMONEY BEST BANK AWARD 2023**  
Best SME Bank



**23<sup>rd</sup> ICAB National Award -Best Presented Annual Reports (BPA)**  
Integrated Reporting- Silver

**Tax Card FY 2021-2022- Highest Tax Payer**  
Non-Banking Financial Institutions- Second

# DIVERSITY AND EQUAL OPPORTUNITY

At IDLC, we are committed to fostering a diverse and inclusive workplace where everyone feels valued, respected, and empowered to reach their full potential. We believe that a workforce that reflects the diversity of our community is essential to our long-term success and sustainability.

### Gender Diversity:

We are actively working to improve gender diversity at all levels of the organization. While we have made some progress, as shown in the table below, we recognize the need for further advancement, particularly at senior management levels.

Particulars	IDLC Finance
Gender diversity among the Board of Directors	Number of male members: 9
	Number of female members: 1
Gender diversity among permanent employees	Male – 86.45%
	Female – 13.55%
Entry level	Male: 888
	Female: 151
Mid-level	Male: 300
	Female: 39
Senior Management	Male: 82
	Female: 9
Consolidated	Male: 1270
	Female: 199
<b>Total:</b>	<b>1,469</b>

### Age Diversity:

We value the contributions of employees from all age groups. The table below shows a breakdown of our permanent employees by age group.

Particulars	IDLC Finance	% of Total
< 30 years	Male: 186	Male - 76%
	Female: 59	Female - 24%
30-50 years	Male: 1045	Male – 88.6%
	Female: 134	Female – 11.4%
>50 years	Male: 39	Male – 86.7%
	Female: 6	Female – 13.3%

### Employee Turnover:

We are committed to creating a positive work environment that minimizes employee turnover. The table below shows the employee turnover rate by gender.

Gender	IDLC FL	%
Male	199	88.05%
Female	27	11.95%
<b>Total</b>	<b>226</b>	<b>100%</b>

### Preventing Sexual Harassment:

IDLC is committed to providing a safe and respectful workplace for all employees. We have a zero-tolerance policy for sexual harassment and have established the “IDLC Harassment Prevention/Awareness Policy” to ensure all employees are aware of their rights and responsibilities.

We are confident that by continuing to focus on diversity and equal opportunity, we can create a workplace where everyone thrives and contributes to IDLC’s success.



# POLICIES & GUIDELINES



## EMPLOYEE CODE OF CONDUCT

The code of conduct sets the principles for the stakeholders of IDLC (Members of the Board of Directors and its committees, employees of all levels and categories, business partners and service providers, and receivers to and from IDLC) to uphold and promote the interest of IDLC. The code of conduct is aligned with the code of conduct guidelines issued by Bangladesh Bank for banks and financial institutions. All IDLC employees are required to sign an annual declaration confirming that they have read and understood the code of conduct. The HR department circulates the required declaration and ensures that all employees have signed it.



## SEXUAL HARASSMENT POLICY

IDLC is committed to providing a safe environment for all its employees free from discrimination on any ground and from harassment at work including sexual harassment. IDLC operates a zero-tolerance policy for any form of sexual harassment in the workplace, treats all incidents seriously, and promptly investigates all allegations of sexual harassment. All complaint of sexual harassment is taken seriously and treated with respect and confidence according to the sexual harassment policy of the organization.



## WHISTLE BLOWER POLICY

The IDLC Whistleblower Policy was introduced in early 2019. The policy aims to facilitate the process of disclosing, or communicating, unethical or illegal activity occurring in the organization through encouraging and empowering IDLC employees to report any such instances of misconduct to the IDLC Whistleblower committee and by guaranteeing them protection against any form of retaliation (particularly, in instances where the whistleblower chooses to disclose his/her identity).

- The IDLC Whistleblower committee is comprised of the IDLC Group CEO & Managing Director and the Group Head of Internal Control & Compliance.
- In case of reporting complaints against any member of the IDLC Whistleblower Committee itself, employees have the option to report the same to the Chairman of the Audit Committee of IDLC Finance PLC.



## HR POLICY

IDLC HR Policy provides a basis for dealing with various administrative matters concerning the employee and the work environment. The HR policies are a guideline to the terms and conditions of employment, and practices of IDLC, which have been approved by the Board of Directors of the Company. HR Policies represent the broad principles, procedures, and practices for the employee. The purpose is to ensure that the employees of all categories are covered by a set of uniform policies



## PROCUREMENT POLICY

IDLC Finance PLC. has a procurement practice that is guided by the procurement manual. The practice which is followed in light of the procurement manual maintains the highest level of standard. Vendors are treated in an unbiased manner and are evaluated according to their strengths and competencies. It is paramount for IDLC Finance PLC. that all purchases must comply with procurement guidelines, policies, and principles.



### **IDLC CUSTOMER RIGHTS CHARTER**

IDLC Customer Rights Charter protects the basic rights of the customers of IDLC. It spells out the rights of the customer and also the responsibilities of the institution. The policy applies to all products and services offered by IDLC.



### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

IDLC CSR Policy outlines IDLC’s strategy CSR focus, the roles and responsibilities of the CSR department, budget distribution, and CSR reporting and communication standards - with an emphasis on both internal and external stakeholder groups. The policy was developed in accordance with the Bangladesh Bank’s CSR Guideline titled “Policy Guidelines on Corporate Social Responsibility for Banks and Financial Institutions’.



### **EHS GUIDELINE**

IDLC has incorporated a few guidelines to comply with appropriate EHS guidelines in the workplace. This ensures a holistic approach in guaranteeing that all the laws, rules, regulations, procedures, programs, roles, policies, and efforts are put in place to help protect the safety and health of the team, the public, and the environment from workplace-related hazards and dangers.



# FAIR DEALING

## Our approach

Our company is built on the principle of treating customers with respect. When we do business with our clients and interact with them, they put their faith in us to put their best interests ahead of our own. We are committed to fostering a strong culture of fair dealing throughout IDLC to ensure that our interactions with our clients are honest, ethical, and conducted in a manner that is financially viable.

We accomplish this by:

- Consistently delivering outcomes that are consistent with fair dealings
- Providing employees with the tools they need to provide a high-quality experience for customers
- Integrating core values of ethical behavior into our organizational structure

We make it a priority to ensure that our customers are always treated in the same manner that we would want to be treated. In this regard, we take a customer-centric approach to continually improve how we deliver our goods and services to satisfy the requirements of our clients.

## Consistent delivery of fair dealing outcomes

When it comes to assisting our customers in making important decisions regarding their finances, we play a significant role. Our customers put their trust in us to provide them with pertinent information, high-caliber advice, and appropriate recommendations. We are committed to responsibly conducting our business because we are focused on serving the needs of our clients and doing what is in their best interests. This is shown through the honest and open manner in which we interact with our clients:

- Providing an honest response to the needs and requests of our customers
- Tailoring appropriate financial outcomes for our customers
- Developing the skills of our financial advisors
- Communicating with our customers in a manner that is both clear and transparent

To provide superior service to our clientele, we have, over the past several years, significantly improved both our financial advisory procedures and our suitability controls. We also continually refine and improve the safeguards we have in place to protect our customers and ensure that they receive quality advice and relevant information so that they can make educated decisions regarding their finances.

## Valuing Customer Feedback

We are a company that places a strong emphasis on our clientele. We strive to improve the overall banking experience for our customers by placing a high value on the feedback

they provide and actively listening to what they have to say. In addition, we make it a point to handle customer feedback effectively and resolve any issues fairly and consistently.

Because we believe that our customers' complaints are useful indicators of potential issues that should be addressed, we make it possible for them to communicate those concerns to us through a variety of channels. Additionally, service standards have been established for the handling and resolution of customer complaints. These standards include independent investigations and reasonable response times when customers file complaints. We also make sure that we promptly address any concerns raised by our customers without compromising the quality of our services.

## Empowering our employees to deliver a quality customer experience

We believe in training our employees to develop enduring connections with our consumers through excellent service. In addition, we consistently provide financial solutions that meet the needs of our customers and enhance their lives.

As the pandemic altered the world and took a toll on livelihoods, our employees have been actively assisting customers in navigating these difficult times, including providing financial relief measures. Even as the need for these relief measures diminishes, our employees remain vigilant for vulnerable community members who may require assistance.

## Integrating principles of fair dealing into our governance structure

To instill a rigorous culture of fair dealing throughout IDLC from the top down, our board of directors and senior management team set the tone from the very beginning. This is to ensure that we behave ethically and responsibly toward one another. We believe that a robust governance framework that maintains a strong emphasis on fair dealing and conduct is essential to instill a strong sense of trust in the organization. This is because trust is essential to the success of the organization.

## Protect customers from misleading information

IDLC has maintained a high level of compliance throughout the reporting period, making it one of the most compliant financial institutions in the industry overall. This compliance has been maintained in dealing with both monetary and non-monetary issues. Within the realm of non-financial activities, there had been no instances of non-compliance involving marketing communications, which is a potent instrument for connecting with customers. During the process of communicating marketing information, the organization maintained not only its commitment to transparency but also its vigilance to avoid causing damage to any public or private property and to avoid violating ethical norms and values.

# TRANSPARENCY AND TRUST

At IDLC we believe that trust is the cornerstone of a strong and sustainable financial institution. We believe this trust can only be achieved through clear, transparent engagement and fair treatment of our customers. By prioritizing transparency, we empower our customers to make informed financial decisions while fostering long-term loyalty.

## Transparency in Action

Our commitment to transparency is reflected in several key practices:

- **Customer-centric product design:** We design our products and services with the specific needs of each customer group in mind. This ensures that our offerings are relevant and address the financial goals of our diverse clientele.
- **Professional financial advice:** Our team is dedicated to providing professional and objective financial advice tailored to each customer's unique circumstances. We believe that informed decision-making is essential for financial well-being.
- **Full information disclosure:** We make every effort to ensure that all relevant information is readily available to our customers. This includes clear explanations of product features and fees.

## Empowering Informed Decisions

By prioritizing transparency, we empower our customers to take control of their financial future. Through clear communication and readily available information, our customers can:

- Make informed choices about the financial products and services that best suit their needs.
- Understand the potential risks and benefits associated with different financial options.
- Build trust and confidence in their relationship with IDLC Finance PLC.

## Transparency: A Sustainable Approach

Transparency is not just a principle; it's a core element of our sustainability strategy. By fostering trust with our customers, we build long-term relationships that contribute to the financial well-being of our communities. We believe that transparency is essential for creating a sustainable and prosperous financial future for all.



# MEMBERSHIP OF ASSOCIATION

At IDLC Finance PLC., we believe that true sustainability is achieved not just through individual efforts but also through collaborative action. We actively seek out partnerships with external organizations that share our commitment to environmentally sound business practices and positive social impact. These memberships provide a valuable platform for knowledge exchange, benchmarking against global best practices, and fostering collective action that drives positive change.

## Benefits of Membership:

- **Shared Knowledge and Best Practices:** Our memberships connect us with a network of sustainability leaders. This allows us to learn from their experiences, adopt innovative approaches, and stay informed about the latest advancements in sustainable finance.
- **Globally Recognized Standards:** Through participation in these initiatives, we demonstrate our commitment to adhering to internationally recognized sustainability standards. This not only strengthens our reputation but also fosters trust with stakeholders who share our values.
- **Collective Impact:** Collaboration with other organizations allows us to amplify our efforts and create a broader positive impact on society and the environment. By working together, we can address complex challenges more effectively.
- **Alignment with SDGs:** Our memberships directly align with UN Sustainable Development Goal SDG 17: Partnerships for the Goals. This shared vision ensures our initiatives contribute to a larger, global effort towards a more sustainable future.

## IDLC'S MEMBERSHIPS



**United Nations**  
Global Compact

### United Nations Global Compact (UNGC)

Since joining the UNGC in 2007, we have integrated its ten principles – covering human rights, labor standards, environmental protection, and anti-corruption – into our core business practices.



**TOBACCO FREE**  
PORTFOLIOS

### Tobacco-Free Portfolios

Our commitment to responsible investment is reflected in our pledge to exclude the tobacco industry from our portfolios. This aligns with our focus on promoting public health and a sustainable future.



**SME FINANCE**  
FORUM

### SME Finance Forum

As a member of the SME Finance Forum, we actively support the growth and development of small and medium-sized enterprises (SMEs) in Bangladesh. SMEs are a vital engine of economic growth and job creation, contributing to a more inclusive and sustainable society.



### CSR Center

As a founding member of the CSR Center, a Bangladesh-based private sector initiative, we play a leading role in raising awareness about Corporate Social Responsibility (CSR) and contributing to achieving the SDGs through private sector-led economic growth.

By actively participating in these associations, IDLC goes beyond its individual efforts to drive positive change and contribute to a more sustainable future for Bangladesh and the world. We are committed to continuous improvement and collaboration, working alongside like-minded organizations to build a more just and equitable future for all.

# IDLC ANNUAL SUSTAINABILITY REPORT: GRI SUBMISSION WITH EXTERNAL ASSURANCE

IDLC is committed to transparency and accountability regarding its social and environmental impact. As part of this commitment, we submit the annual sustainability report to the Global Reporting Initiative (GRI). This report details IDLC's performance across economic, environmental, and social dimensions, aligned with GRI Standards.

Following a successful review by GRI, our sustainability report is published on the GRI website. This allows stakeholders, including investors, customers, and the public, to access and understand IDLC's sustainability performance.

**By participating in GRI reporting, IDLC demonstrates its commitment to:**



## Transparency

Openly communicating our sustainability efforts



## Accountability

Taking responsibility for our social and environmental impact



## Continuous Improvement

Identifying areas for improvement and setting sustainability goals

Submitting an annual sustainability report to GRI is a vital part of IDLC's sustainability strategy. This process allows us to benchmark our performance, engage with stakeholders, and continuously improve our social and environmental responsibility.



**OUR FOUNDATION OF  
TRUST AND INTEGRITY**

# OUR FOUNDATION OF TRUST AND INTEGRITY

## OPERATIONAL RISK MANAGEMENT

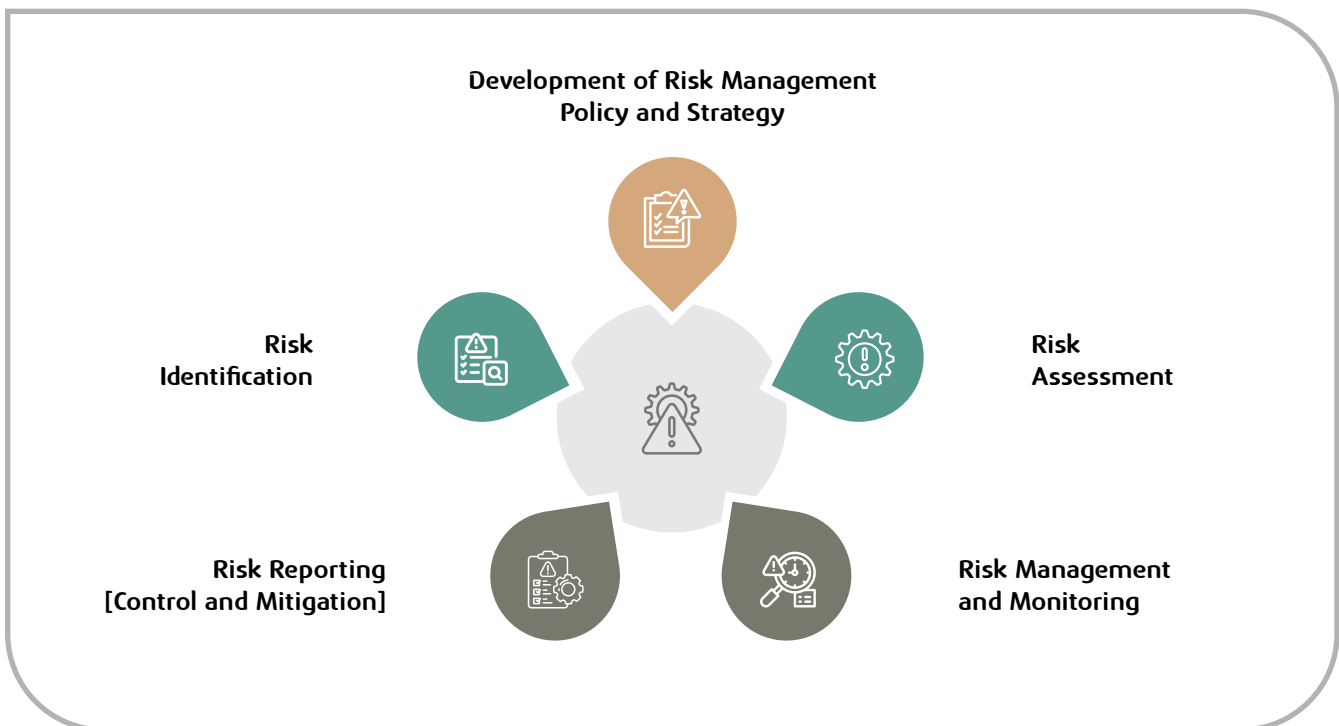
IDLC Finance PLC. has established an Enterprise Risk Management (ERM) Department which is comprised of two wings i.e. Operational Risk Management (ORM) and Financial Risk Management (FRM). ERM department is working to build a collaborative approach between sustainability and risk management to drive stronger and sustainable strategies to make businesses more resilient for the changes to come. Full integration of sustainability and risk management approach at the strategy level not only assists to minimize potential losses but also aids to exploit new opportunities arising from the sustainability agendas. IDLC Finance PLC.'s approach to managing operational risk refers to managing the risk of loss related to people, processes, systems, and external events. IDLC's financial risks are mainly managed through mitigating and monitoring credit, liquidity, and market risk.

The risk management process at IDLC is also emphasizing on Social, Environmental, and Ethical (SEE) impacts of its business process and practices by recognizing and managing

any social, environmental, or ethical issues that could have an adverse impact on the business line. In this regards IDLC is ensuring sustainability reporting and practices under the guidelines of The Global Reporting Initiative (GRI) standards in order to become a sustainable organization and drive the IDLC sustainability goals.

A strong risk culture with transparency regarding operational and financial risk issues throughout the organization has been developed as a basis for an effective enterprise risk management framework. Transparent risk management functions are emerging through embracing the value of risk escalation and welcoming independent challenges of risk mitigation decisions considering the risk appetite and risk tolerance levels.

The Risk issues at IDLC Finance PLC. are managed through a continuous cyclic process that comprises five (05) major steps of Development of Risk Management Policy and Strategy, Risk Identification, Risk Assessment, Risk Reporting [Control and Mitigation], and Risk Management and Monitoring.

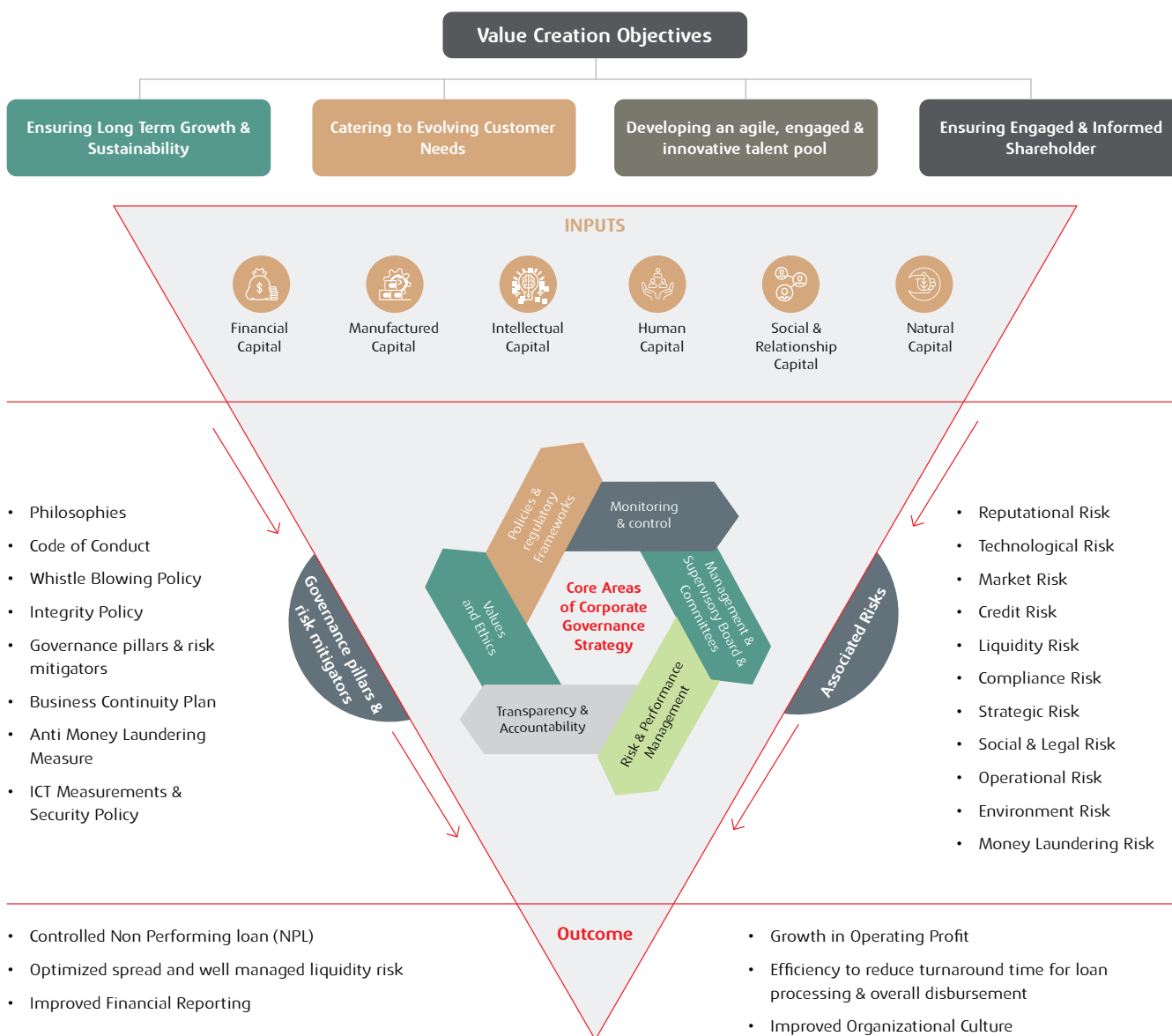


Effective management of Risks is ensured by Board approved policy, different Risk Committees adorned with the senior management team, coupled with the voluntary adoption of BASEL-III recommendations, regulatory guidelines, and global

best practices of international professional bodies including O.R.X (The largest operational risk association in the financial services sector) - Switzerland, The Institute of Operational Risk (IOR) - UK and The Business Continuity Institute (BCI) - UK.



# CORPORATE GOVERNANCE FRAMEWORK



## Integrands through which we generate value:

Value creation objectives upheld	References of Corporate Governance framework	Sections	Initiatives/Responses and Outcomes
Ensuring long-term growth and sustainable standing	IDLC's Vision, Mission and Strategies	2	<ul style="list-style-type: none"> <li>Green and sustainable portfolio size increased by 32.70% and 2.5 times respectively from 2022.</li> <li>Curtailed NPL to 4.46%, which is significantly lower than industry average</li> </ul>
	Board of Directors	1	
	Audit Committee	4	
	Internal Control and Risk Management	5	
	Environmental and Social Obligation	11	
Ensuring engaged and informed shareholders	Communication and relationship with Shareholders and Investors	9	Improved interaction with Shareholders and Investors (Annual Report page 209-214)
	Dividend distribution policy	10	Ensuring wealth maximization of shareholders
Developing an engaged, agile and innovative pool talent pool	Human Capital	8	Improved learning/training
	Remuneration policy of Directors and Executives	7	Enhancing employee excellence and nurturing their well-being (Annual Report page 208)
Catering to evolving customer needs	Ethics and Compliance	6	Active clients of 254,399 through digital deposit channel (Annual Report page 158)
	Complaint Management Process	9.7	



## IDLC BOARD OF DIRECTORS

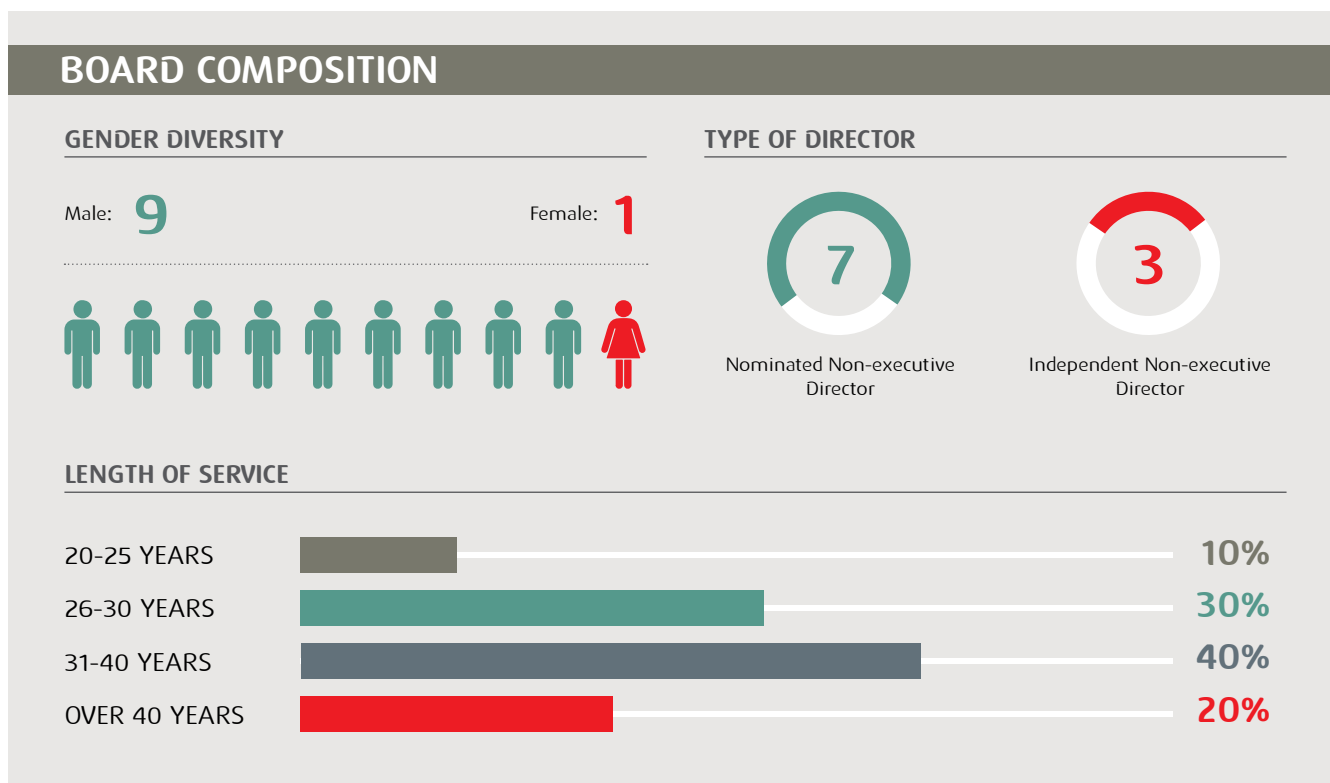
### Board Composition with Skills and Experiences

The Board of Directors is the highest governance body and is responsible for the implementation of sound corporate governance. Experts from a variety of discipline make up our board, giving the business a well-rounded perspective that aids in efficient strategic planning and execution.

All members of our Board are extensively accomplished in

their respective fields, and proffer their adept and seasoned knowledge on the back of over 20 years of experience. Majority of our directors falls within the experience bracket of 26 to 30 years and 31 to 40 years; assuring the stakeholders in their decision-making process and governing capabilities.

The Board, which held 12 meetings in 2023, is comprised of 10 members, 3 of whom are independent directors.



### Duties and Responsibilities of Existing Board of Directors

- Regularly review the size and composition of the Board and the mix of expertise, skills, experience and perspectives that may be desirable to permit the Board to execute its functions.
- The Directors are appointed by the shareholders in the Annual General Meetings (AGM). Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994, and the Articles of IDLC.
- Identify any competencies not adequately represented and agree to the process necessary to be assured that a candidate nominated by the shareholders with those competencies is selected.
- The CEO and Managing Director is appointed by the Board subject to the consent of the shareholders in the Annual General Meeting (AGM) and approval of Bangladesh Bank.

- Any change in the members of the Board requires intimation to the Bangladesh Bank, all scheduled banks and Financial Institutions (FIs), Bangladesh Securities and Exchange Commission (BSEC) and the stock exchanges.

### Roles and Responsibilities of Board

The Board sets the strategic direction and is committed to the Company to achieve superior financial performance and long-term prosperity, while meeting stakeholder expectations of sound corporate governance practices. The Board determines the corporate governance arrangements for the Company. As with all its business activities, the Board is proactive with regards to corporate governance and puts in place those arrangements that is considers in the best interest of the Company. In fulfilling its management tasks and responsibilities, the Board takes into consideration the interests of our stakeholders.

The Board duly complies with the guidelines issued by the Bangladesh Bank regarding the responsibility and



accountability of the Board, Its Chairman and CEO & MD. The tasks of the board, executives, and other employees are clearly defined in terms of accomplishing company objectives, raising shareholder value, and improving performance. It firmly believes that the success of the Company hinges on the credible corporate governance practices embraced by it. Taking this into consideration, the Board of Directors set out its strategic focus and supervises the business and the related affairs of the company.

### Training and Development of Directors

The Board understands how critical it is to make sure that Directors are always learning new things and improving the skills they need to do their jobs well. The Board would attend offsite strategy meetings with the Board members of IDLC's subsidiaries in order to gain a thorough grasp of and ongoing interaction with Management regarding the Group's strategic direction.

In addition, through discussion with the Senior Management team at Board meetings, the Directors are kept up to date on information regarding the groups and the industry's progress.

The plan will guarantee that members have access to a suitable continuing education course and are informed about the most recent advancements and trends in business, industry, law and regulation that will impact the Company's operations. Senior Management, the CEO & Managing Directors, and the heads of the business units lead the programme.

### Code of Conduct for Board Members

The Board of Directors of IDLC are committed to the highest standards of conduct in their relationship with IDLC employees, customers, members, stakeholders, regulators, and the public. This refers to conducting our business in accordance with all applicable laws and regulations and also represents our commitment to the spirit of the law. The Code provides a set of guiding principles to help us to make the right decisions.

In compliance with the corporate governance code issued by the BSEC, the Board shall lay down the Code of Conduct of all Board members and annual compliance with the Code has to be recorded.

## IDLC AUDIT COMMITTEE



### Major Responsibilities of the Audit Committee

#### Compliance with existing regulations

Reviewing whether the rules and regulations set by regulatory authorities (Bangladesh Bank and other regulatory bodies) as well as internal policies and guidelines approved by the Board of Directors are being compiled with compliance.

#### Financial Statement

- Reviewing whether financial statements were prepared in compliance with all directives and guidelines prescribed by the Bangladesh Bank and other applicable standards.

- Engaging in discussions with external auditors and the management prior to the finalization of the financial statements.
- Attending and answering questions related to accounts and audit at the AGM.

#### Internal Control

- Evaluating whether the management:
  - Has an appropriate internal control and compliance culture with regards to risk management, including approval of the Internal Audit and Compliance Plan.
  - Has clearly defined the duties and responsibilities of officials.
  - Has full control over the operations of the company.

- Reviewing the appropriateness of management information system (MIS) including information technology system and its use.
- Reviewing whether the management is complying with the recommendations made by internal and external auditors.
- Reviewing existing risk management procedures to ensure that processes are effectively run within the company.
- Reviewing all fraud, forgery and internal control, weaknesses discovered by internal, external or regulatory auditors.

#### Internal Audit

- Reviewing the activities and organizational structure of internal audit and ensuring that there is no barrier or limitation to the performance of an independent internal audit.
- Assessing the efficiency and effectiveness of internal audit.

- Assessing whether the management is appropriately considering compliance of recommendations made by the internal auditors with regards to the observations identified by them.

#### External Audit

- Hold meetings with the external or statutory auditors for review of the annual financial statements before submission to the Board;
- Review the management's discussion and analysis before disclosing in the Annual Report;
- Appraising the audit procedures and reviewing the management letter submitted by external auditors;
- Assessing whether the management has appropriately considered the observations and recommendations made by the external auditors;
- Oversee the determination of audit for effective audit and evaluate the performance of external auditors;
- Placing recommendations to the Board of Directors regarding the appointment of external auditor.



## NOMINATION AND REMUNERATION COMMITTEE

Nomination & Remuneration Committee (also identified as HR & Compensation Committee) is a subcommittee of the management which is comprised of Senior Executives only. The Board is not part of this committee as per Bangladesh Bank directive, and operates independently to ensure rights and value of the company's human resource.

### Philosophy and Principles of Remuneration

Our philosophy is intended to promote a high-performance culture that fulfils sustainable shareholder returns and long-term strategic goals while being in line with a suitable risk tolerance. This attitude of compensation is implemented fairly, responsibly, and openly to all staff levels. Using a comprehensive approach, which combines financial and non-financial reward components to provide a comprehensive employee value proposition, allows for the achievement of the remuneration objectives. Remuneration practices are closely linked to the achievement of performance objectives of the organization, subsidiary companies, teams and individuals. The composition of total remuneration is based on the employee's role and level in the Group and there is a strong and sustainable link between performance, contribution and potential on the one hand, and the rewards received by the employee on the other.

IDLC's reward policy is designed to achieve the following objectives:

- Internal equity, which ensures employees are rewarded appropriately in relation to peers as well as ensuring an adherence with the principle of 'equal pay for work of equal value'.
- External equity, to ensure employees are rewarded competitively in relation to the employment market.
- Fair and responsible reward management, which ensures that:
  - There is equal opportunity across IDLC for growth and development of high-performing individuals who are aligned with the organization's values and philosophies;
  - Performance measurement practices are regularly and consistently applied;
  - Remuneration and benefits at all levels are equitable and applied consistently
  - Employees across all levels of the Group are rewarded appropriately based on their performance and contribution; and
  - Reward practices promote an ethical culture and responsible corporate citizenship.
- A balanced and appropriate mix of short and long-term incentives to promote sustained high levels of performance and align employee and shareholder



interests within the IDLC's financial constraints as well as risk appetite. These incentives are regularly reviewed to ensure appropriateness for the current life cycle of the business, the retail industry, as well as the extent and size of IDLC.

- Alignment of risk and reward, with remuneration practices and schemes designed to encourage

superior medium to long-term performance relative to competitors, while operating within prudent risk parameters to ensure sustainability.

- At the committee meeting no individual is involved in the process of determining their own remuneration or is present when their remuneration is discussed.



## ETHICS AND INTEGRITY

At IDLC, maintaining high ethical standards and unwavering integrity are the key foundation upon which we operate. As a financial institution, we understand the gravity of public trust and the importance of safeguarding our clients' assets.

Transparency is paramount in our approach to ethical practices. We ensure all stakeholders, encompassing clients, shareholders, and employees, have access to clear and accurate information regarding our activities, policies, and financial performance. This extends to our client interactions, where we prioritize a complete understanding of the terms and conditions associated with our financial products and services.

Equipping our employees with the necessary knowledge is another cornerstone of our ethical framework. We

provide comprehensive training on our code of conduct and established ethical guidelines. This empowers our workforce to grasp their individual responsibilities and the repercussions of any unethical conduct.

Our commitment to ethical practices is further solidified by our zero-tolerance policy for any behavior that breaches ethical or legal boundaries. We have implemented a robust system for reporting misconduct or violations of our ethical guidelines, fostering a safe space for raising concerns.

IDLC's unwavering dedication to ethics and integrity is an essential pillar of our success as a financial institution. By prioritizing transparency, providing ethical training to our employees, and fostering a culture of integrity, IDLC sets a high bar for others within the industry to emulate.



## INVESTOR RELATIONS

IDLC Finance PLC. is committed to delivering superior financial performance for our investors alongside creating a positive social and environmental impact. Our 2023 Annual Sustainability Report outlines our approach to Environmental, Social, and Governance (ESG) factors, and how this strategy translates into long-term value creation for our stakeholders.

### Sustainable Financing: Driving Impactful Investments

We recognize the increasing importance of ESG considerations for investors. IDLC is at the forefront of sustainable finance in Bangladesh, offering products and services that support environmentally and socially responsible businesses. Our focus areas include renewable energy, green infrastructure, and financial inclusion for underserved communities. By aligning our financing activities with the UN Sustainable Development Goals (SDGs), we contribute to a more sustainable future while generating attractive returns for our investors.

### Commitment to Responsible Business Practices

IDLC is dedicated to conducting business with the highest ethical standards. We are committed to:

- **Environmental Responsibility:** Reducing our operational footprint and supporting initiatives that combat climate change.
- **Social Impact:** IDLC recognizes that its social impact extends beyond financial products. We are dedicated to creating a positive impact on our communities through a range of Corporate Social Responsibility (CSR) initiatives. IDLC actively supports community development initiatives in areas such as education, healthcare, and environmental protection. These initiatives contribute to a more just and equitable society, creating a positive externality for our business operations.
- **Good Governance:** Upholding strong corporate governance practices that ensure transparency, accountability, and investor protection.



## COMMUNICATIONS WITH THE STAKEHOLDERS

### CHANNELS OF COMMUNICATION WITH STAKEHOLDERS

IDLC strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives:

#### ANNUAL GENERAL MEETING

Average Shareholders' Representation in past 5 years 74.07%. 2023: 79.62% (AGM for the year 2022)

#### IDLC WEBSITE

Updates of recent financial information and latest investor information and analyst briefing material.

#### 2023 INVESTOR MEETINGS:



Over 15 investor meetings



Teleconference meeting with potential foreign investors

#### REPORTS AND ANNOUNCEMENTS:



Annual report and sustainability report



Quarterly financial statements

#### 2023 SHAREHOLDER VISITS:



89 visits by 118 shareholders



Price sensitive disclosure



Announcements and press releases

#### 2023 Analyst Briefing

Quarterly analyst briefings discussing each quarter including year-end financial performance.



## COMPLAINT MANAGEMENT PROCESS

IDLC strongly believes in equitable treatment to every shareholder. We resolve the complaints on a priority basis and have committed to serve the appropriate mechanism in order to address the shareholders' grievance within the time frame. To ensure effective stakeholder engagement as well

as uphold stakeholder rights and accountability, a complaint Management Policy is in place. The Directors are responsible for implementing and overseeing the compliance within the policy.



Receive complaints

Acknowledgement and Due diligence

Clarify source of Discontent

Resolution

Communication

Closure of Complaint



## OUR SUPPLY CHAIN

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The goods and services we procure have a ripple effect throughout the supply chain, influencing social and environmental practices across various industries. This is why we are committed to building a sustainable supply chain by partnering with vendors and suppliers who share our values.

### Building a Network of Responsible Partners

Our day-to-day operations rely on a diverse pool of suppliers. From land/property owners and consultation firms to furniture vendors and IT service providers, these partnerships are essential for our success. We view our suppliers not just as

vendors, but as collaborators in achieving our sustainability goals.

### Transparency and Collaboration: A Cornerstone of our Approach

We are transparent in our commitment to sustainability and expect the same from our partners. Our procurement policies clearly outline our expectations regarding environmental and social responsibility. We actively engage with our suppliers to ensure they understand our sustainability standards. This collaborative approach fosters a shared commitment to responsible practices throughout the supply chain.



## CUSTOMER SATISFACTION

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### Customer Data Storage and Protection

As part of the digital transformation roadmap, IDLC Finance PLC. has implemented several technology projects that enhanced its operational efficiency which significantly improved regulatory compliance and provided a better customer experience.

IDLC relentlessly focuses on continuous innovation and providing digital experiences to the customer. In this effort, IDLC Finance PLC. has introduced the country's first Online DPS product in partnership with bKash, the largest Mobile Financial Service provider in Bangladesh, in 2021.

IDLC is always concerned about data security and ensures the protection of all customers' data and information, as well as safeguarding them from any cyber security breaches, using cutting-edge technology infrastructure. IDLC has achieved the ISO 27001 certification which demonstrates our commitment to securing our customers' sensitive information and maintaining the highest standards of information security. Our dedication to information security reflects our commitment to building trust with our customers and stakeholders and contributing to a sustainable and secure digital future.



## OUR APPROACH TO A SUSTAINABLE FUTURE



# OUR APPROACH TO A SUSTAINABLE FUTURE

Sustainability for IDLC means commitment to long-term value creation that respects and enhances the well-being of people and the planet. We strive to integrate environmental, social and governance considerations into our operations and investment decisions, driving positive impact while delivering sustainable returns for our stakeholders.

## OUR SUSTAINABILITY PILLARS



Furthering Economic Prosperity



Driving Inclusive Growth



Sustainable Business Practices

## OUR COMMITMENT



Net Zero Carbon Emission by 2050



Tobacco Free Portfolio



Principled on Responsible Banking



Collective Commitment to Climate Action



Returns for our stakeholders

IDLC Finance PLC. has been recognized as one of the top five sustainable non-bank financial institutions in Bangladesh for the third consecutive year (2021, 2022, and 2023) by Bangladesh Bank. Bangladesh Bank’s Sustainable Finance Department meticulously evaluates financial institutions based on four key sustainability pillars: Sustainable Finance, Green Finance, Corporate Social Responsibility, and Core Banking Sustainability. Being consistently ranked among the top institutions across these diverse areas is a significant accomplishment for IDLC. This prestigious recognition reflects our unwavering commitment to integrating sustainable practices into the core of our operations.

## CLIMATE CHANGE: RISKS & OPPORTUNITIES FOR IDLC

Climate change presents a significant challenge to Bangladesh and the global financial sector. IDLC recognizes the importance of understanding and addressing climate-related risks and opportunities in our business strategy. This section explores both aspects to ensure our long-term sustainability and positive impact.

### Climate Risks

- **Increased frequency and intensity of extreme weather events:** Floods, cyclones, and droughts can disrupt operations, damage infrastructure, and impact loan repayments.
- **Sea level rise:** This can threaten coastal communities and assets, potentially impacting borrowers and collateral values.
- **Changes in agricultural productivity:** Droughts and floods can reduce agricultural output, affecting loan performance in agriculture-dependent sectors.

### Risk Mitigation Strategies

- **Environmental and Social Risk Management (ESMS):** As the best financial brand to promote sustainable business practices, IDLC has adopted the Environmental & Social Risk Management System (ESMS) as one of its integral parts of Credit Risk Assessment to compute environmental & social risks from its financial footprints.
- **Climate-resilient investment:** We prioritize financing projects and businesses that adopt climate-smart practices and technologies.

### Climate Opportunities

- **Green finance:** IDLC plays a vital role in financing renewable energy projects, energy efficiency initiatives, and climate-resilient infrastructure.
- **Sustainable development goals (SDGs):** Aligning our business with the SDGs, particularly those related to climate action, can attract responsible investors and create a positive environmental impact.
- **Innovation in financial products:** Developing innovative financial products can help clients manage climate risks.

### Our Commitment

IDLC is committed to integrating climate considerations into our core business activities. We will continue to:

- Enhance our climate risk assessment capabilities.
- Develop and offer climate-friendly financial products and services.
- Advocate for climate-resilient policies and practices.
- Report transparently on our climate-related actions and progress.

**IDLC’s COMMITMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS**

In September 2015, the United Nations established a roadmap for a more sustainable future with the adoption of the 2030 Agenda for Sustainable Development, outlining 17 ambitious goals (SDGs) to achieve by 2030. Recognizing the crucial role of the private sector in achieving these objectives, IDLC, a

leading non-banking financial institution in Bangladesh, is committed to being a driving force for positive change.

IDLC goes beyond simply generating profit. We strive to be a responsible financial institution, integrating the SDGs into our sustainability strategy and daily operations. This ensures alignment between our business activities, non-business initiatives (including Corporate Social Responsibility), and the specific targets laid out within the SDGs framework.

While our activities contribute to nearly all 17 SDGs, we prioritize 12 specific areas where IDLC can make the most significant impact. Details on how our approach and initiatives align with these focus SDGs are outlined on the next page. This targeted approach allows us to effectively contribute to building a better future for Bangladesh and the world



GOAL 1:  
**NO POVERTY**

**Our Contribution**

- Using digital innovation to advance financial inclusion by expanding financial services to the unbanked.
- Supporting innovation and entrepreneurship
- Supporting local NGOs to work on community development initiatives through our Corporate Social Responsibility activities
- Enabling the SME sector to grow and deliver economic and social value, lifting people out of poverty.



GOAL 3:  
**GOOD HEALTH AND WELL BEING**

**Our Contribution**

- Investing in the healthcare of underprivileged communities through our Corporate Social Responsibility activities
- Promoting the benefits of a healthy lifestyle among employees, enhancing their well-being, and ensuring a safe work environment.



GOAL 4:  
**QUALITY EDUCATION**

**Our Contribution**

- Educational infrastructure and access to quality education in remote areas through our Corporate Social Responsibility activities
- Scholarship programs at various reputed universities for the underprivileged meritorious students to pursue higher education through our Corporate Social Responsibility activities
- CSR program to promote financial literacy among the youth
- Provides educational support for the children of IDLC’s Office Assistant’s to ensure quality education for all.



GOAL 5:  
**GENDER EQUALITY**

**Our Contribution**

- Supporting gender equality and the empowerment of women by ensuring women’s full and effective participation within the company, and equal opportunities for leadership at all levels.
- Supporting equality and women empowerment through IDLC’s signature women- focused product ‘Purnota’.
- The financial inclusion of women through digital savings.



**GOAL 6:  
CLEAN WATER AND SANITATION**

**Our Contribution**

- Ensuring access to safe drinking water for marginalized communities in both urban and the coastal areas through our Corporate Social Responsibility activities



**GOAL 7:  
AFFORDABLE AND CLEAN ENERGY**

**Our Contribution**

- Investing in climate-resilient projects that help reduce GHG emissions emitted into the atmosphere.
- Internal energy efficiency initiatives
- Renewable energy procurement at branches and offices



**GOAL 8:  
DECENT WORK AND ECONOMIC GROWTH**

**Our Contribution**

- Using digital innovation to help advance financial inclusion by expanding financial services to the unbanked.
- Enabling the SME sector to grow and deliver its economic and social value that helps to grow the economy, and build a sustainable economy



**GOAL 9:  
INDUSTRY, INNOVATION,  
AND INFRASTRUCTURE**

**Our Contribution**

- Using digital innovation to help advance financial inclusion by expanding financial services to the unbanked
- Ensuring the company's infrastructure investments are environmentally sensitive and respond to social concerns



**GOAL 10:  
REDUCE INEQUALITIES**

**Our Contribution**

- Using digital transformation to develop innovative products and services for the unbanked to advance financial inclusion.
- Enhancing social inclusion and reducing inequalities among community members through our community investment and Corporate Social Responsibility (CSR) activities.
- Enabling SMEs to grow and deliver economic and social value helps reduce inequality within the community.



**GOAL 12:  
RESPONSIBLE CONSUMPTION  
AND PRODUCTION**

**Our Contribution**

- Green office practices
- Responsible financing practices.



**GOAL 13:  
CLIMATE ACTION**

**Our Contribution**

- Investing in climate-resilient projects that help reduce GHG emissions emitted into the atmosphere.
- Reducing the environmental impacts of our operations and associated climate impacts.



**GOAL 17:  
PARTNERSHIPS FOR THE GOALS**

**Our Contribution**

- Became a member of the United Nations Global Compact (UNGC) in 2007
- Became a member of the United Nations Environment Programme Finance Initiative (UNEP FI) in 2011.
- Founding Signatory to the Collective Commitment to Climate Action of UNEP FI.
- Founding signatory to the Principles of Responsible Banking of UNEP FI

**IDLC's COMMITMENT TO SUSTAINABILITY**

Recognizing the evolving role of businesses in society and the changing perspectives of investors and stakeholders on value creation, IDLC has proactively embraced sustainable financing and green banking practices. This commitment aligns with both regulatory requirements and stakeholder needs.

To drive this initiative, IDLC established a dedicated Sustainable Finance Unit. This unit ensures that sustainability principles are integrated into everyday business operations. Additionally, a high-level Sustainable Finance Committee, comprised of top management, oversees the Unit and champions the integration of environmental, social, and governance (ESG) considerations across all aspects of IDLC's activities.

**OUR ESG GOALS & ACTIONS**

**Affiliated Agreements**

IDLC is also one of the founding signatories of the global initiatives - Principles for Responsible Banking (6 principles), the Collective Commitment to Climate Action (CCCA) and the Net Zero Banking Alliance (NZBA), introduced by United Nations Environment Programme Finance Initiatives (UNEP FI), and voluntarily signed the pledge of Tobacco Free Portfolios as well. Involvement with these initiatives guides IDLC to align its ESMS practices with global standards and adopt the best practices. A dedicated E&S team is working collaboratively to ensure Environmental & Social Risk Management (ESRM) across IDLC, and capacity building of business units, as well as credit risk management officials, to seize the opportunities of an evolving economy and society towards sustainability. IDLC envisions in 21st century to create value for both society and stakeholders, and remaining trustworthy as always among investors, customers, employees and society.

Furthermore, the execution of the green banking policy & sustainable finance policy, which is in line with IFC Performance Standard, ADB Safeguard Policy and Bangladesh Bank guidelines is considered to be another milestone towards sustainability.

**Policies**

**Sustainable Finance Policy**

In line with the Sustainable Finance Policy of Bangladesh Bank, IDLC Finance PLC. has established its first Sustainable Finance Policy in 2022 and updated the same in 2023. The policy encompasses the taxonomy of Green and Sustainable Finance including Climate Finance (Climate Change Adaptation, Climate Change Mitigation and Climate Change Loss and Damage). The objective of this policy is to incorporate sustainability in the financing decisions and overall internal operations of IDLC in line with the global initiatives like Paris Agreement, Sustainable Development Goals (SDGs) and national frameworks like Mujib Climate Perspective Plans (2021-2041), recent 8th Five Year Plan, Vision 2041, Intended Nationally Determined Contributions (INDCs), Mujib Climate Prosperity Plan 2021-2041 & Bangladesh Delta Plan 2100.

**Green Banking Policy**

IDLC has adopted its Green Banking Policy first in 2012. The Policy was prepared by following the guidelines of Bangladesh Bank for handling affairs related to Green Banking combined with sustainability focus on IDLC and its membership in international sustainability initiatives (UNGC). In June 2014, IDLC's Board of Directors approved an updated version of Green Banking Policy that was prepared with the assistance of FMO and FI Konsult in light of the "Policy Guidelines for Green Banking" issued by the GB&CSR Department of Bangladesh Bank (GBCSR Circular No 4) on August 11, 2013.



Green Banking Policy helps IDLC to support environmentally sustainable development, ensure adequate environmental, health and safety, and labor conditions of its customers, manage its reputational risk by avoiding supporting enterprises which cause significant environmental and social damage, reduce the risk of exposure to environmental and social risks and liabilities, and promote good environmental and human resource management among its customers.

#### Green Office Guideline

Green Office Guideline (GOG) for IDLC consists of a set of general instructions to be followed across the organization, aimed at better in-house environmental management across the organization. It was developed on June 24, 2014 as per the Bangladesh Bank circular on “Policy Guidelines for Green Banking” (GBCSRD Circular No. 04) dated August 11, 2013 and was later updated in 2022.

IDLC’s Green Office Guideline has been developed in order to harvest sustainable behavior through saving water, paper and electricity. Through this guideline IDLC aspires to reduce, reuse and recycle the resources for increasing efficiency and sustainability in its operations.

The scope of the guideline encompasses -

- Green Code of Conduct for IDLC staff
- Green Office Premises
- Green Technologies
- Staff Training

#### Sustainable Finance Unit (SFU) & Sustainable Finance Committee (SFC)

As the role of companies in society is changing, and investors and other stakeholders think about value creation differently, IDLC too adopted and updated sustainable financing and green banking policy as per regulations and stakeholder needs. To do so, a separate division named Sustainable Finance Unit (SFU) has been created who reports to the Sustainable Finance Committee (SFC) to ensure sustainability in both day-to-day operating business.

Sustainable Finance Committee, formed by top management levels of IDLC is tasked with managing the Division as well as ensuring sustainability creation in all of Environment, Social and Governance aspect.

The SFC has the following Responsibilities:

- Strategic Planning, implementation and evaluation of relevant activities under Sustainable finance unit.
- Guiding SFU on deciding its annual budget and ensuring its progress as per BB circular
- Sustainable Finance Unit shall also ensure necessary communication with regulators and stakeholders across the organization.

#### SETTING SMART TARGET TO REACH NET ZERO EMISSION BY 2050

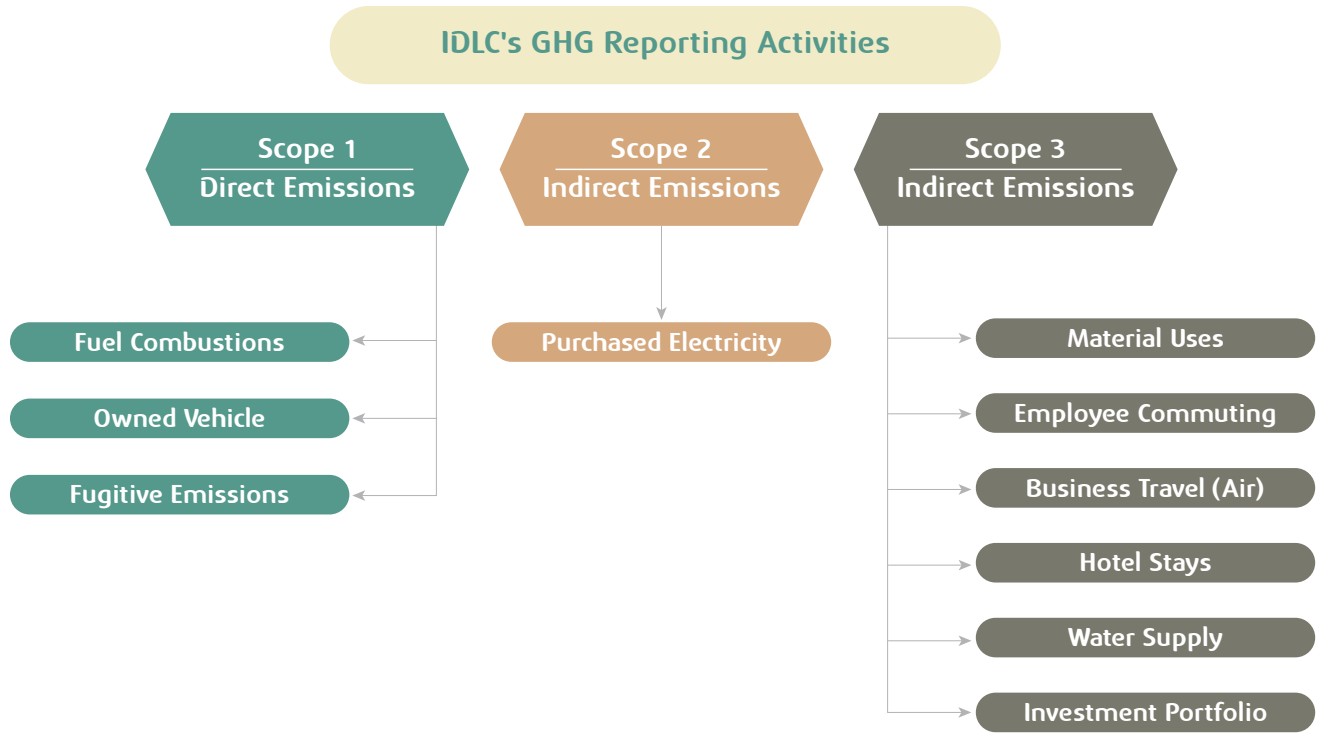
There is a clear scientific consensus on climate change: the world must achieve net-zero GHG emissions soon to keep the global temperature rising to below 1.5°C and minimize irreversible environmental damage. To stay within the 2°C goal outlined in the Paris Agreement, the world will need to move towards net-zero emissions as quickly as possible and protect tropical forests that are essential to maintaining the climate. Despite the imperative to prepare for a low-carbon economy, banks and other financial institutions have continued to lend to invest in and underwrite the industries fueling climate change.

Being a responsible banking unit, IDLC has been affiliated with United Nations Environment Programme Finance Initiative (UNEP FI) since 2010, and from 2019, it has signed up for multiple initiatives - Principles for Responsible Banking (PRB), Collective Commitment to Climate Action (CCCA), Tobacco-Free Portfolio and Net-Zero Banking Alliance (NZBA) with an ambition of aligning itself with the global targets of reducing carbon emission and ensuring sustainability in the economy.

Under Net Zero Banking Alliance (NZBA) initiative, IDLC has calculated its GHG emission for both its internal operations and loan portfolio in 2023. Moreover, we have been successful in setting targets to reach Net Zero Emission by 2050.

#### Overview of IDLC’s Scope

IDLC Finance PLC. has measured the GHG emissions from the internal operational activities (fuel consumption, owned or controlled vehicles, refrigerants uses, purchased electricity, material uses, employee commuting, business travel, hotel stays, and water supply), and the portfolios investment activities {debt investment (corporate), debt investment (SME), debt investment (CSF), motor vehicle (corporate), motor vehicle (consumer), motor vehicle (SME), motor vehicle (CSF), commercial real-estate, mortgage}.



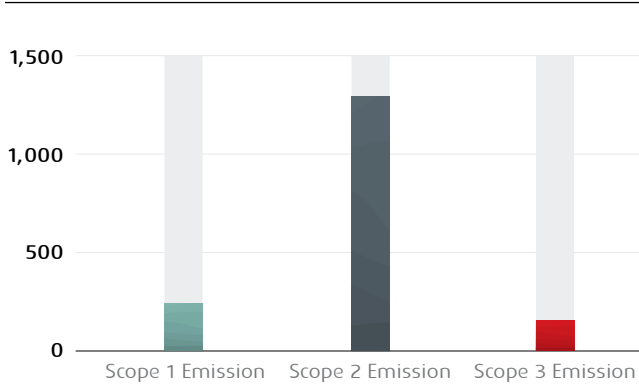
### GHG Emission of IDLC Finance PLC.

IDLC has measured GHG emission from its internal operations as well as its loan portfolio. Results from both parts are described here.

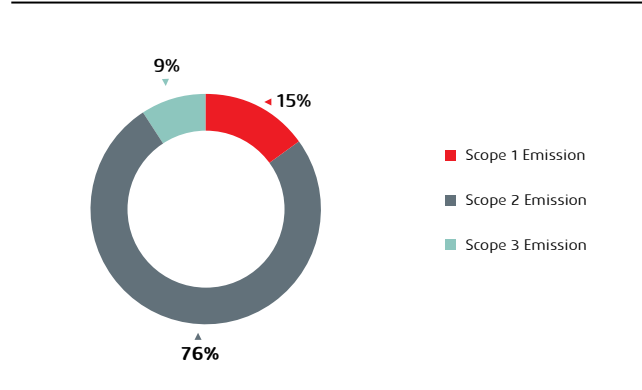
#### Internal Operations

The total GHG emissions from IDLC's internal operation is 1,672.16 tCO<sub>2</sub>e, where Scope 1 is 242.56 tCO<sub>2</sub>e representing 14.51% of the total internal operation's GHG emissions, Scope 2 is 1,279.26 tCO<sub>2</sub>e representing 76.50% of the total internal operation's GHG emissions and the Scope 3 is 150.35 tCO<sub>2</sub>e representing 8.99% of the total internal operation's GHG emissions.

**Internal GHG Emission (tCO<sub>2</sub>e)**



**Share of GHG Emission of IDLC's Internal Operations**



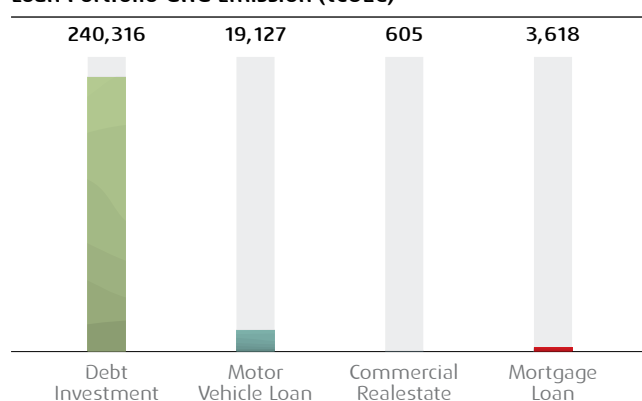
#### Loan Portfolio

In this report the GHG emission has been calculated from a total of four categories of investment (Debt Investment, Motor Vehicle Loan, Commercial Real-estate, and Mortgage Loan) of IDLC's loan portfolio. The total GHG Emissions from the Loan Portfolio Investment is 263,665.38 tCO<sub>2</sub>e and the emission intensity is 2.81 tCO<sub>2</sub>e/Million BDT. From the total GHG emissions of IDLC's Loan Portfolio, the maximum 91.14% comes from the Debt Investment.

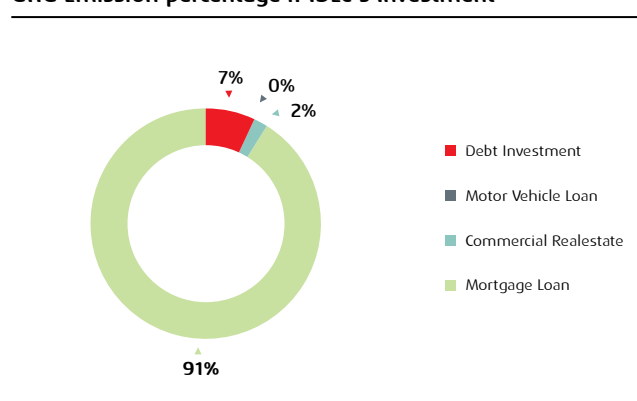


Sl. No.	Investment Categories	GHG Emission (tCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/Million BDT)	Share of Emissions (%)
1	Debt Investment	240,315.64	4.03	91.14
2	Motor Vehicle Loan	19,127.22	3.08	7.25
3	Commercial Real-estate	604.76	0.36	0.23
4	Mortgage Loan	3,617.76	0.14	1.37
	<b>Total</b>	<b>263,665.38</b>	<b>2.81</b>	<b>100</b>

Loan Portfolio GHG Emission (tCO<sub>2</sub>e)



GHG Emission percentage if IDLC's Investment



### TARGETS TO REDUCE NET ZERO EMISSION BY 2050

IDLC has considered five major GHG contributing sectors to set interim emission reduction targets by 2030 and long-term emissions reduction targets by 2050. All targets have been aligned with the IEA Net Zero Emission Scenarios. In the long run, the emissions from the business as usual (BaU) scenario of IDLC will increase. The reduction targets have been set based on the projected BaU scenarios of 2030 and 2050.

Sl. No.	Sectors	Baseline Year (2022) Emission (tCO <sub>2</sub> e)	Estimated Emission Reduction Target (%) for 2030	Estimated Emission Reduction Target (%) for 2050	Scenario Used
1	Food	36,841.21	45%	100%	IEA NZE Scenarios 2050
2	Textile & RMG	25,004.88	54%	100%	
3	Agriculture	24,215.23	55%	100%	
4	Motor Vehicle	19,127.22	47%	100%	
5	Power	14,454.41	49%	100%	

### Strategies to Reduce Emissions from Food Sector towards Achieving Net Zero

Strategies for 2030	Strategies for 2050
Implement Environmental Criteria for Loans: IDLC will establish environmental criteria that food manufacturing companies must meet to be eligible for loans.	Reward Sustainable Practices: IDLC will consider offering financial incentives or rewards to food manufacturers that demonstrate a commitment to reducing the carbon footprint
Offer Green Financing Options: IDLC will offer specialized financing options or incentives for food manufacturers that adopt environmentally friendly practices.	Collaborate with Sustainable Suppliers: IDLC will encourage food manufacturers to source ingredients and materials from suppliers committed to sustainability.
Encourage Sustainability Reporting: IDLC will encourage food manufacturing companies to provide regular sustainability reports detailing their environmental impact.	
Provide Expertise and Support: IDLC will offer expertise and advisory services to help food manufacturing companies implement sustainable practices.	

### IDLC's Action Plan towards Achieving Net Zero Emission in Textile Sector

The textile industry should shift towards more environmentally friendly and sustainable practices because it massively contributes to climate change due to GHG emissions. In the larger framework of addressing climate change, achieving a net-zero carbon footprint in the textile sector is critical. To assist the lending clients in this industry on the path to sustainability, IDLC has developed a thorough strategic roadmap that is given below:

Strategies for 2030	Strategies for 2050
Encourage Investment in Sustainable Technologies: Provide loans with favorable terms to textile manufacturers for adopting sustainable and energy efficient technologies. This might include financing for machinery and equipment that reduces energy consumption, water usage, and waste generation in the manufacturing process.	IDLC will no longer provide loans to the companies who will be associated with using coal fired broilers and encourage those who will shift towards renewable energy.
Promote Recycling and Circular Economy: Provide financing for initiatives that promote a circular economy within the textile industry. This could involve supporting textile recycling facilities, encouraging manufacturers to use recycled materials in their production processes, or investing in technologies that enable the recycling of textile waste.	Provide loans or financial incentives for textile companies that set and achieve specific greenhouse gas emission reduction targets. Rewarding and supporting companies that actively work to reduce their carbon footprint can be an effective strategy.
Reduce investing in companies who use coal fired broilers for their operations.	Provide guidance and financial support for textile manufacturers to conduct energy audits and implement energy efficient practices in their facilities.
Provide Expertise and Support: IDLC will offer expertise and advisory services to help food manufacturing companies implement sustainable practices.	



## Strategies to Reduce Emissions from Agriculture Sector towards Achieving Net Zero

Strategies for 2030	Strategies for 2050
Sustainable Finance Policies: Encourage clients to adopt sustainable agricultural practices and provide financial incentives for initiatives that reduce GHG emissions.	Financial Incentives for Sustainable Practices: Offer reduced interest rates or financial incentives for clients adopting sustainable farming and animal production practices that contribute to lower GHG emissions.
Loan Criteria and Screening: Integrate environmental criteria into the loan approval process, ensuring that potential borrowers adhere to sustainable agricultural practices that minimize GHG emissions.	Advanced Crop Breeding: Develop and promote crops that are more resistant to pests, diseases, and extreme weather condition, reducing the need for chemical input.
Improve agricultural practices: Implement precision agriculture techniques, including the use of sensors, GPS technology, and data analytics to optimize resource use, reduce waste, and enhance efficiency.	
Provide Expertise and Support: IDLC will offer expertise and advisory services to help food manufacturing companies implement sustainable practices.	

## Strategies to Reduce Emissions from Transport Sector towards Achieving Net Zero

This plan involves collaboration with motor vehicle clients, adoption of sustainable financing practices, and a commitment to monitoring and reporting progress. Here's a strategic action plan:

Strategies for 2030	Strategies for 2050
Encourage the clients to improve the fuel efficiency for the transport sub sector.	Offer financial incentives to clients who have strong commitment to sustainability
Increasing finance in less emission-based transport system.	Assess the financial risks and opportunities associated with the scenarios.
Develop and support for improving the Inland Transport System	Regularly review and update the action plan based on various sustainability standards.
Investing in such clients who are working on developing advanced vehicle technologies such as hybrid vehicles and electric vehicles that can store energy from braking and use it for power later.	Engaged with international sustainability initiatives to align the bank's efforts with global goals.
Financing on vehicles that are fueled by compressed natural gas rather than gasoline or diesel.	
Collaborate with clients to use energy efficient products.	
Encourage the adoption of low carbon transportation systems.	

By implementing this strategic action plan, IDLC can actively support its transport sector clients in achieving net-zero emissions, contributing to the global effort to combat climate change and promote sustainability in the transport sector.

### **IDLC's Action Plan towards Achieving Net Zero Emission in the Power Sector**

To achieve net-zero emissions in the power sector by 2050, a comprehensive action plan has been devised for IDLC with clear milestones as follows-

- Promote Green Bonds in Portfolios.
- Increase the investments in sustainable business areas.
- Increase the investment in renewable energy sectors, solar PV and wind energy.
- Decrease the investments in oil fired power plants in the 2030s.
- Stop new funding for fossil fuel-based power companies.
- Provide financial incentives, tax credits, and subsidies to encourage the adoption of low-carbon technologies and renewable energy sources.
- Support research and development efforts aimed at advancing cleaner energy technologies, energy storage solutions, and innovative methods to reduce emissions in electricity and HVAC systems

### **INTERNAL INITIATIVES TO REDUCE CLIMATE CHANGE AND ESG RISKS**

At IDLC Finance PLC., sustainability isn't just a buzzword; it's a core principle driving our business practices. We recognize the significant impact financial institutions have on the environment and society. This year, we've taken significant strides in implementing internal initiatives to reduce our climate change footprint and mitigate ESG (Environmental, Social, and Governance) risks. These initiatives are designed to not only minimize our environmental footprint but also to uphold responsible business practices and promote sustainable development. By detailing the specific actions taken within our company, we demonstrate our commitment to proactively managing ESG risks and contributing to a more sustainable future.

#### **Reducing Our Environmental Impact**

With a workforce of more than 1,600 individuals situated across 44 sites throughout Bangladesh, IDLC is dedicated to diminishing the ecological footprint of its operations. Our aim is to preserve natural resources for upcoming generations and address the challenges of global warming. To achieve this goal, we have prioritized the assessment and control of our operational impact on the environment, encompassing energy consumption, greenhouse gas emissions, water usage, and material consumption.

#### **Reducing Carbon Emission**

- We optimize vehicle usage and promote fuel efficiency.
- We maintain a comfortable yet energy-saving air conditioning temperature (25°C) in all offices.
- Sensor-based lighting systems are being progressively installed across our offices.
- We have transitioned a majority of our lighting to energy-efficient LEDs.

#### **Paper Consumption**

Due to the nature of our business, the paper continues to be heavily utilized in our operations, contracts, correspondence, services offered to clients, and promotional materials. We are focused on reducing paper use for our customers, optimizing our internal operations, and recycling unavoidable paper waste. Our approach to reducing paper consumption is twofold, optimizing our internal operations by reducing our paper usage and introducing digital products and services that reduce and eliminate paper consumption by our customers.

##### **Optimizing Internal Operations:**

We've implemented administrative controls to significantly reduce paper use. Core departmental functions, including procurement, tender requests, submissions, requisitions, and payment processing, are increasingly digitalized. This not only enhances transparency and efficiency but also saves valuable resources. Approximately, a total of 8,058 reams of paper has been used throughout IDLC during the year 2023. The number of paper reams used throughout IDLC in 2023 serves as a baseline for future measurement. Continued digitalization efforts will result in a steady decline in paper consumption, demonstrating IDLC's commitment to sustainable business practices.

##### **Digital Products and Services for Clients:**

We're actively developing digital alternatives to traditional paper-based services offered to our clients. This reduces paper consumption, contributing to a collective environmental benefit.

#### **Energy Consumption**

At IDLC, we are committed to being a responsible corporate citizen and minimizing our environmental impact. Energy conservation is a continuous focus area for us, and we actively seek ways to reduce our regular energy consumption.

#### **Employee Engagement:**

We believe that an informed workforce is an empowered workforce. We regularly take employee awareness initiatives to promote energy-efficient practices within our offices. These initiatives provide employees with specific guidelines for reducing energy use, such as turning off lights and electronics when not in use.



### Sustainable Transportation:

Recognizing the environmental impact of traditional fuel sources, IDLC has transitioned its entire pool of company vehicles to CNG (Compressed Natural Gas). CNG burns cleaner than gasoline, resulting in reduced greenhouse gas emissions and contributing to cleaner air.

### Water Consumption

Although our water consumption is minimal, we are aware of the importance of responsible water consumption in Bangladesh. Our activities in terms of water use are related mainly to employee usage and use for cleaning purposes. We have continued to work on reducing our water consumption by raising awareness among our employees.

### Video Conferencing

All employees of IDLC are encouraged to conduct meetings via video conferencing if and when possible, rather than conducting physical meetings.

### WASTE MANAGEMENT

Even though the service sector is less material-intensive compared to the manufacturing sector, resource conservation, and waste management have been key components of IDLC's environmental strategy. Our efforts in this area focus on the use of electronics and paper. IDLC has adopted strategies to mitigate the negative environmental impact through efficient use of technology and waste management.

### MAJOR IN-HOUSE GREEN INITIATIVES

IDLC upholds a vision to encourage and catalyze transformation toward sustainable business practices. In line with this vision, one of IDLC's branches located in the World Trade Centre at Chattogram, achieved the prestigious LEED (Leadership in Energy and Environmental Design), Gold Certification from USGBC (United States Green Building Council) under the category of 'commercial interiors'.

The branch is the first of its kind to achieve such an endorsement under the aforementioned category among the financial institutions of Bangladesh. The facility is spread over 7,867 sq. feet and is designed by using environmentally-benign material, and has an efficient water management system equipped with water-efficiency fixtures. The facility's lighting power is designed to save approximately 20% of electricity through efficient lighting and solar installation. IDLC plans to continue this trend for its future-owned premises and become a pioneer in related areas.

IDLC also practices its Green Office Guidelines across the organization, aimed at improving in-house environmental management by saving electricity, minimizing the usage of water and paper, and keeping the office clean and hygienic. Additionally, IDLC offices are gradually being fitted with sensor-based faucets to control the usage of water and reduce the negative impact on the environment.

The server virtualization, implemented in 2010, has not only increased the capacity and efficiency of the data centers but also significantly cut down on capital expenditure on physical servers and reduced electricity consumption and CO2 emissions. Every server virtualized can save 7,000 kWh of electricity and 4 tons of CO2 emissions.

The IDLC Green Banking Unit periodically organizes in-house training and awareness programs for the employees and provides necessary technical assistance towards strengthening the organizational portfolio through Sustainable Financing.

Even though Green Banking is yet to take off fully in this country, Bangladesh Bank's active participation in environmentally sustainable financing and its progress only mean that it will continue to move ahead. As IDLC aligns its business strategy to be consistent with individual and social needs, we intend to play a significant role in advancing this environmentally sustainable mode of financing.

## OUR INTERNAL INITIATIVES TO REDUCE OUR CLIMATE CHANGE AND ESG RISKS



Green building



Managing our carbon emission



Use of renewable energy

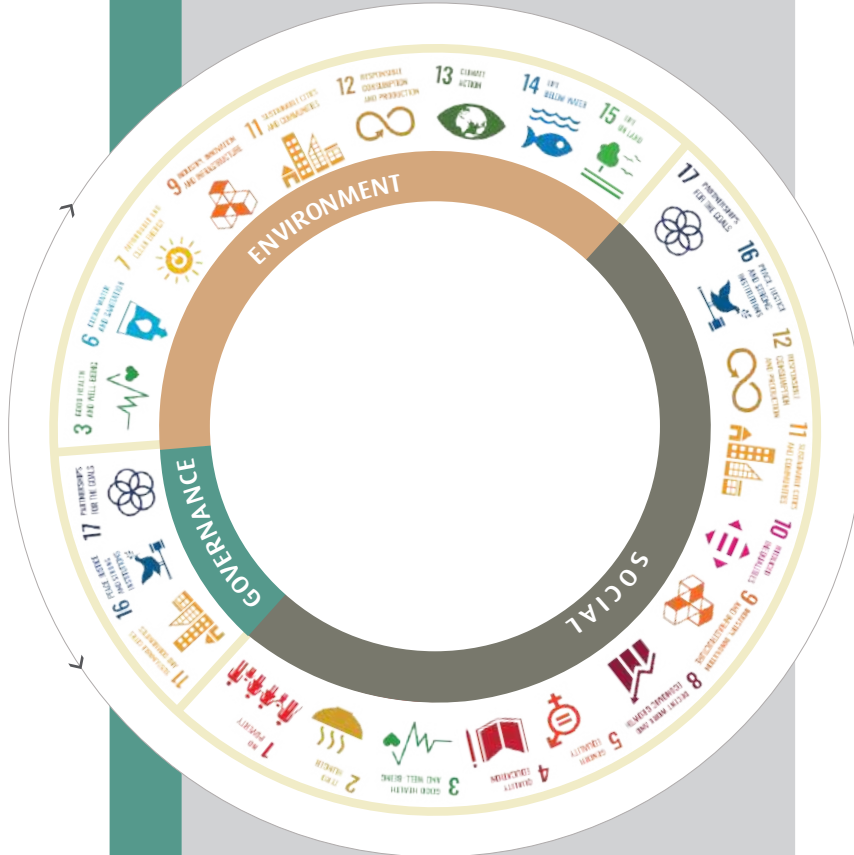


Energy reduction initiatives



Carbon Footprint Calculation

# Sustainability Value Creation Model



- Sustainability Strategy Pillars**
- Pillar 1: Solidifying Financial Stability
  - Pillar 2: Reducing Environmental Impact
  - Pillar 3: Driving Inclusive Growth
  - Pillar 4: Building a Great Workplace

- Commitments**
- Principles for Responsible Banking
  - Collective Commitment to Climate Action
  - Tobacco Free Portfolio
  - Net Zero Banking Alliance
  - Climate Related Risk Management & Financial Disclosure



Aligned with Global Standards and Best Practices



## CULTIVATING A GREENER FUTURE: IDLC'S SUSTAINABLE FINANCE PORTFOLIO

At IDLC Finance, we recognize the financial sector's crucial role in driving positive environmental and social change. That's why we've established a dedicated Sustainable Finance Portfolio, channeling investments towards a more sustainable tomorrow.

### Financing a Greener Bangladesh:

In 2023, IDLC's commitment to sustainability was reflected in the allocation of significant resources to eco-friendly initiatives. Here are some key highlights:

- **Energy Efficiency:** We provided BDT 1,218.35 million in refinance secured from Bangladesh Bank specifically for energy-efficient technologies. This empowers businesses to adopt cleaner practices, reducing their environmental footprint.
- **Renewable Energy Projects:** In 2023, we have seen a tremendous movement towards renewable energy projects across our clients both due to fuel price hike and also an ambition of reducing the GHG emission at their end. To better facilitate their demand were successful in securing refinance worth of BDT 110.23 Million from Bangladesh Bank.

### Looking Ahead: Expanding Our Impact

Our commitment to sustainable finance extends beyond individual projects. We're actively working to:

- **Develop a comprehensive framework for sustainable finance:** This framework will establish clear criteria for identifying and evaluating potential investments based on their environmental and social impact.
- **Expand our green product offerings:** We're continuously exploring new financial products specifically tailored towards supporting renewable energy, climate-smart agriculture, and other sustainable sectors.
- **Raise awareness and capacity building:** We believe in knowledge sharing. We'll work with our clients to educate them on the benefits of sustainable practices and equip them with the tools necessary to achieve their environmental goals.

### The Road to a Sustainable Future

IDLC's Sustainable Finance Portfolio represents a significant step towards a more sustainable financial system in Bangladesh. By strategically allocating resources and fostering collaborative partnerships, we aim to:

- **Contribute to achieving the UN Sustainable Development Goals (SDGs):** IDLC's sustainability efforts are firmly aligned with the SDGs, focusing on areas like clean energy, responsible consumption, and climate action.
- **Drive positive environmental change:** By promoting eco-friendly practices within our portfolio companies, we contribute to reducing greenhouse gas emissions and mitigating climate risks.
- **Unlock new economic opportunities:** The transition to a sustainable economy presents exciting new business

possibilities. IDLC is committed to supporting the growth of innovative green businesses in Bangladesh.

Sustainable finance is not just about profit; it's about progress. At IDLC, we're determined to leverage our financial expertise to create a lasting positive impact for generations to come.

## SUSTAINABLE FINANCE DISBURSEMENT

We are committed to integrating environmental, social, and governance (ESG) considerations into our core business activities. A key pillar of this commitment is our focus on sustainable finance disbursement.

### Financing a Greener Future

In 2023, IDLC disbursed a significant amount of financing towards projects that promote environmental sustainability. This includes:

- Green Building/industry – BDT 1,150.78 Million
- Renewable Energy Projects – BDT 377.29 Million
- Biological/Bio-chemical Effluent Treatment Plant – BDT 120.03 Million
- Energy & Resource Efficient Technology – BDT 2,136.55 Million

These figures, while substantial, represent only a portion of IDLC's commitment. We continuously develop new financial products and services tailored towards sustainable projects.

## BEYOND THE NUMBERS: IMPACT AND COLLABORATION

The impact of our sustainable finance goes beyond the financial figures. By supporting renewable energy and waste management initiatives, IDLC contributes to:

- Reduced greenhouse gas emissions and climate change mitigation.
- Improved air and water quality.
- Resource conservation and a more circular economy.

We actively collaborate with various stakeholders, including government agencies, development finance institutions, and industry experts, to identify and support impactful sustainable projects. This collaborative approach allows us to leverage expertise, navigate regulatory landscapes, and maximize the positive environmental and social outcomes of our investments.

## CLIENT- ORIENTED APPROACH

IDLC began its journey as a single-product lease finance company but has since evolved into the largest multi-product, multi-segment Non-Banking Financial Institution in the country, with a strong and diversified footing in Corporate, SME, Retail, and Capital Market segments. Central to our product design philosophy is a dedication to prioritizing the needs of our customers. Our team approaches the development of products from the perspective of our customers, aiming to tailor product offerings to meet their specific needs and preferences, ensuring optimal alignment with market demands.

This approach has led to the creation of several innovative products, such as seasonal loans, SME Term Loan, Abashan (Commercial Housing Loan), financial inclusion products like Purnota (Women Entrepreneur Loan), IDLC Udbhabon, SME Shombhabona, Udbhabon Startup Loan, and affordable home loans. Our evolution from a solitary lease finance entity to a multifaceted financial institution highlights our steadfast dedication to prioritizing customer needs and fostering innovation. This has culminated in a diverse array of customized products that cater to the unique requirements of our clientele across different sectors.

**SUSTAINABLE FINANCIAL PRODUCTS AND SERVICES**

Bangladesh Bank has developed its first Sustainable Finance Policy for banks & FIs in 2020 and updated the same in 2023 for widening the scope of the policy. Accordingly IDLC Finance PLC. has developed its Board Approved Sustainable Finance Policy in 2022 in line with the guidelines of BB and subsequently updated the same in 2023.

Sustainable finance is the process of taking into account environmental, social, and governance (ESG) issues when making investment decisions in the financial sector to introduce sustainability in the economy. As per the definition of Bangladesh Bank, Sustainable Finance in a broader sense includes green finance and sustainable linked finance (includes sustainable CMSME, sustainable agriculture, working capital for green products/projects/initiatives, environmentally low risk rated financing, and socially responsible financing).

**Green Financing**

Even though industrialization has been the biggest blessing for us, the drawback of overusing resources, pollution, and deforestation has led the universe to a point where our very existence has become perilous. As global warming and the adverse impacts of climate change is on the rise, the existence of our accommodation and habitat has come to a point where every individual must focus their attention on saving the planet. In this milieu, green finance has been defined as finance focused on increasing the positive impacts of the environment (or decreasing the negative impacts) and conserving natural resources.

Only Term Loan in extensive 14 (fourteen) broad categories; where 94 (ninety four) green products are included, has been defined as green finance by Bangladesh Bank in its Sustainable Finance Policy of 2023. IDLC Finance PLC. has been successful in disbursing an amount of BDT 6,681 Million under Green Finance in 2023 where the major products were Biological ETP (Effluent Treatment Plant), Green Building/ Industry, Energy Efficient Technology, Renewable Energy Projects, and as such. In the coming days, IDLC aspires to increase its portfolio in green and sustainable projects and thus align itself with global initiatives like net zero emission and the Paris Agreement for ensuring the sustainability of the economy, environment, and society.

**Cumulative Green Portfolio in Segments in 2023 (in Mn BDT & %)**



**RENEWABLE ENERGY**

**505**  
5.35%



**CIRCULAR ECONOMY & ECO-PROJECTS FINANCING**

**433**  
4.58%



**GREEN SOCIALLY RESPONSIBLE FINANCING**

**968**  
10.25%



**Cumulative Sustainable Linked Portfolio in Segments in 2023 (in Mn BDT & %)**



**SUSTAINABLE AGRICULTURE**

**548.74**  
1.66%



ENERGY & RESOURCE EFFICIENCY

2,794

29.58%



ALTERNATIVE ENERGY

95

1.00%



LIQUID WASTE MANAGEMENT

774

8.19%



SOLID WASTE MANAGEMENT

-

0.00%



ENVIRONMENT FRIENDLY BRICK PRODUCTION

27

0.29%



GREEN/ENVIRONMENT FRIENDLY ESTABLISHMENTS

1,966

20.81%



GREEN AGRICULTURE

339

3.59%



GREEN CMSME

126

1.33%



BLUE ECONOMY FINANCING

263

2.78%



INFORMATION AND COMMUNICATION TECHNOLOGY

1,157

12.25%



MISCELLANEOUS

-

0.00%



TOTAL GREEN FINANCE

9,447

100.00%



SUSTAINABLE MSME

8,952.34

27.14%



SUSTAINABLE LINKED SOCIALLY RESPONSIBLE FINANCING

1,082.43

3.28%



OTHER SUSTAINABLE LINKED FINANCE

22,398.56

67.91%



TOTAL SUSTAINABLE LINKED FINANCE

32,982.08

100.00%

## OVERVIEW OF SUSTAINABLE FINANCE PORTFOLIO

### Portfolio



Green Financing

**BDT 9,447 Million**



Sustainable Financing

**BDT 42,429 Million**

### Disbursement



Green Financing

**BDT 6,681 Million**



Sustainable Financing

**BDT 19,243 Million**

### Portfolio Mix

Green Financing



SME:

**18.79%**



Corporate:

**81.21%**

Sustainable Financing



SME:

**27.30%**



Corporate:

**72.70%**



## Achievement Target



TARGET:

**20%**

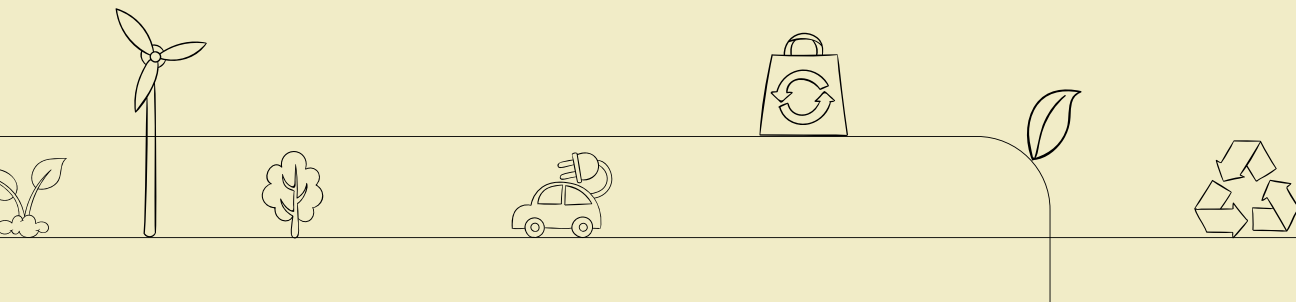
**(Total Annual Disbursement)**



ACHIEVEMENT:

**30.30%**

**(Disbursement Amount  
(excluding staff loan))**





## ACHIEVEMENT AGAINST BANGLADESH BANK TARGET

Year 2023	Sustainable Finance	Green Finance
Bangladesh Bank Target	20% (Total Annual Disbursement)	5% (Total Annual Term Loan Disbursement)
Our Achievement	30.30 %	12.85%

## ENVIRONMENTAL & SOCIAL MANAGEMENT SYSTEM (ESMS) IN BUSINESS ACTIVITY

As the best financial brand in promoting sustainable business practices, IDLC have adopted Environmental & Social Risk Management System (ESMS) as one of its integral parts of Credit Risk Assessment to compute environmental & social risks from its financial footprints. IDLC is one of the front runners to practice ESMS within its framework, a global standard to minimize environmental & social risks from the organizational activities. Even before the regulatory requirement, IDLC has been vigilant in forming commendable framework for incorporating environmental and social factors in financing decisions. Till 2021, IDLC had its own ESMS system based on the Environmental & Social Risk Management Guideline (2017) by Bangladesh Bank, the Environment Conservation Rules 1997, IFC Performance Standards, and ADB Safeguard Policy for financing. This mentionable efficient ESMS tool, blending the local & international standards, was developed with the co-operation of FMO (Netherlands Development Finance Company). From the year 2022, with the support and guidance of Bangladesh Bank, IDLC is strictly following an Excel based Environmental and Social Risk Due Diligence (ESDD) process. The current ESDD process covers three sections – i) General Risks, ii) Environmental & Health Risks and iii) Social Risks. Moreover, it contains specific notes on ten (10) different

vulnerable sectors of Bangladesh. In addition to all these, with the help of an exclusion list, IDLC is contributing to protect the Mother Nature by prohibiting any illegal/high E&S risk associated project financing. IDLC adopted ten(10) UNGC (United Nations Global Compact) principles within its organizational framework as the only member of UNEP FI (United Nations Environment Programme Finance Initiative) from Bangladesh. IDLC is also one of the founding signatories to the Principles for Responsible Banking (6 principles), the Collective Commitment to Climate Action (CCCA) and the Net Zero Banking Alliance (NZBA), global initiatives introduced by UNEP FI, and signed the pledge of Tobacco Free Portfolios as well. Involvement with these initiatives guides IDLC to align its ESMS practices considering Global standards and adopt the best practices through peer learning. A dedicated E&S team is working collaboratively to ensure Environmental & Social Risk Management (ESRM) effectively across IDLC, and capacity building of business units as well as credit risk management officials to seize the opportunities of evolving economy and society towards sustainability. IDLC envisions in 21st century to create value for both society and stakeholders, and remain trustworthy as always amongst investors, customers, employees and society.

	2021	2022	2023
Green Finance (of Total Annual Term Loan Disbursement excluding Staff Loan)	7.30%	7.58%	12.85%
Sustainable Finance (of Total Annual Disbursement excluding Staff Loan)	20.99%	16.30%	30.30%
<b>Percentage of Total Portfolio</b>			
Green Finance	6.43%	6.86%	8.34%
Sustainable Finance	12.70%	11.77%	37.44%

## Portfolio Trend

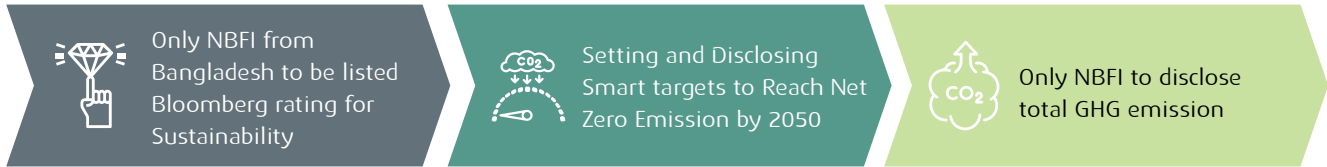
Portfolio Trend (in Mn BDT)	2017	2018	2019	2020	2021	2022	2023
Green Portfolio	720	618	1408	1584	5740	7,118	9,447
Refinancing across Green Products	20	214	233	221	318	338	1,338
Green Disbursement	99	80	1041	306	2303	3,657	6,681

## Financial Empowerment

At IDLC Finance PLC., we recognize that financial empowerment is a cornerstone of building a sustainable future. It equips individuals and communities with the knowledge, skills, and resources to manage their finances effectively, achieve their goals, and contribute to the economic well-being of the nation.

# OUR APPROACH TO NET ZERO CARBON EMISSION

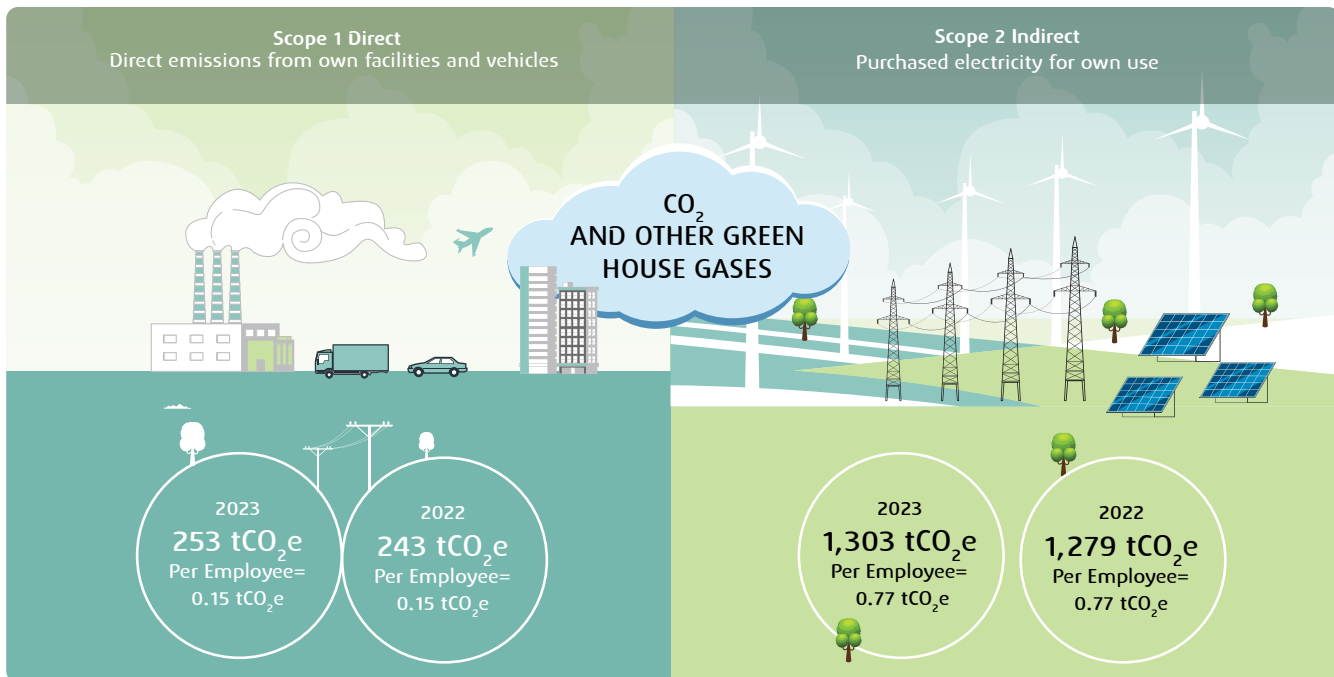
## Carbon Footprint Journey



At IDLC, we are guided by responsible growth. Driven by this tenet we became a member of the United Nations Environment Programme Finance Initiative (UNEP FI) in 2010 and since we then have been publishing our commitments and actions in the form of a separate Sustainability Report.

In extension to this and our commitment to improved disclosure, we undertook carbon footprint analysis in 2023 (considering 2022 as the base year) in partnership with an external consultant as part of obtaining third party assurance. IDLC became the first NBFIs to publish total GHG Emission, and have published the first in the NBFIs sector, our total GHG Emission, including all 3 scopes. Our detailed plan “Setting Smart Target to Reach Net Zero Emission by 2050” is available at our website and has been submitted to UNEPFI as part of our pledge. The GHG emission calculation has been done complying with GHG Protocol and Partnership for Carbon Accounting Finance (PCAF). We believe it is a crucial step to move towards a better, sustainable future.

Now, considering this baseline (2022), we have been successful in calculating and reporting the Scope 1 and Scope 2 GHG emissions of 2023, in limited scope- focusing only on GHG from our own consumption.



\* Scope 1: Emission from fuel consumption, biofuel consumption, air conditioning, refrigerator, and owned vehicles

\* Scope 2: Electricity consumption

\* It is a limited scope disclosure focusing on Greenhouse Gas (GHG) Emission from own consumption.

Despite increase in number of branches, and numbers of employees from 2022 to 2023, our GHG emission per employee has reduced. Increase in GHG in a growing economy and business is inevitable. However, curtailing the increment per capita is necessary. In this regard, our commitment and rigorous monitoring has allowed maintain our level, despite increase in activity and employees.



# OUR APPROACH TO FINANCIAL EMPOWERMENT

## Our Approach to Financial Empowerment:



### Financial Literacy Programs:

We offer educational programs on budgeting, saving, responsible borrowing, and financial planning. These programs cater to diverse audiences, including students, young entrepreneurs, and women-led businesses.



### Accessible Financial Products:

We design financial products that are transparent, affordable, and cater to underbanked or underserved segments of the population. This includes our flagship product, the Purnota (Women Entrepreneur) Loan, which empowers women entrepreneurs to grow their businesses.



### Digital Financial Inclusion:

We leverage technology to promote financial inclusion. Our digital platforms offer convenient access to financial services, particularly in remote areas.

## Impact of our Initiatives:



### Increased financial literacy:

Our programs have reached a significant number of individuals, enhancing their financial knowledge and decision-making capabilities.



### Improved financial well-being:

By providing access to financial products and services, we enable individuals and businesses to save for the future, invest in growth opportunities, and weather financial setbacks.



### Increased economic participation:

Financial empowerment fosters entrepreneurship and enables individuals to contribute more effectively to the formal economy.

## FINANCIAL INCLUSION OF WOMEN-OWNED MSMEs IN BANGLADESH

Playing a dynamic role of a house-maker, entrepreneur, and businesswoman, women bring balance to society. Identifying the difficulties women go through while balancing their responsibilities as house-maker and the passion they nurture in themselves for being an entrepreneur, IDLC came up with the signature product “Purnota” which not only offers loans but also provides a comprehensive solution for women with an entrepreneurial mind. In 2014, IDLC signed an agreement in association with IFC to expand IDLC’s presence in the women’s market of Bangladesh. Resultantly, “IDLC Purnota” was launched in 2015 to support MSME women entrepreneurs. Purnota aims to provide access to finance and business facilitation services to women entrepreneurs. We believe that financial freedom is key to a successful entrepreneurship journey, and we’re here to help our clients achieve that milestone.

Loans offered under Purnota are designed to provide the financial support women entrepreneurs need to grow their businesses and achieve their goals. In addition, IDLC Purnota organizes capacity-building training, networking sessions, and market linkage activities to help women entrepreneurs take their businesses to new heights.

For women entrepreneurs, IDLC regularly arranges trade fairs titled “Purnota Fair”. The fair is a connecting hub for women entrepreneurs to showcase their products, and build networks across the country. IDLC also encourages and assists women to participate in trade fairs by nominating and selecting clients (namely women entrepreneur clients) to showcase their products that are organized outside IDLC. Each year, a significant number of women participate in the Bangladesh Bank and SME Foundation trade fairs for SMEs.

IDLC voluntarily fights against the challenges women face in their entrepreneurial journey. Primarily, women face a lack of experience and information in business planning which is eradicated by IDLC Purnota Loan and Training on how to become bankable. With IDLC’s flexible repayment options and low-interest rates, women entrepreneurs expand their business operations in an optimum way by utilizing this low-cost fund to the fullest. IDLC also diminishes the inability of women to reach the financier and finance the start-ups by expanding service reach to marginal pockets through development partners working with SMEs. This year, IDLC arranged training in Rajshahi for women entrepreneurs on Marketing Management for Women Entrepreneurs in collaboration with SME Foundation.

Since its formal launch in 2015, IDLC Purnota has been one of the highest distributors of Bangladesh Bank’s Refinance Scheme and other low-cost financings for women entrepreneurs in Bangladesh and has served 5,997 clients until December 2023.

## FINANCIAL INCLUSION OF THE UNBANKED POPULATION

IDLC Finance, the leading non-bank financial institution (NBFi) of Bangladesh has launched the ‘Digital Savings Scheme’ with bKash-the largest MFS in Bangladesh, on 1st September 2021. The scheme is a first-of-its-kind service in Bangladesh as it has allowed the unbanked population of our country to get access to the savings services of financial institutions. The pandemic situation has also made it easier for people to save money from the comfort of their homes.

bKash users can open monthly savings with IDLC from their accounts with a few simple steps in their mobile app. The scheme allows users to deposit from the bKash app on scheduled dates and will receive their money upon maturity directly on their bKash accounts.

Through this initiative, IDLC wishes to tap into new customer segments comprising students, the unbanked population, and young professionals. As an outcome of the initiative, IDLC expects to rapidly increase its customer base in the next few years. Additionally, this model will contribute to the reduction of operational costs and allow scope for cross-selling throughout the customer’s journey with IDLC. The people who have been deprived of traditional banking services, now are able to avail of that service through this innovative initiative.

## OUR APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

IDLC stands out for its unique approach to Corporate Social Responsibility (CSR) initiatives. Here are some key aspects of our strategy:

- **Long-term Focus:** Unlike short-term contributions, we prioritize initiatives with lasting impact. The initiatives aim to address root causes of problems for sustainable solutions.
- **Hands-on Involvement:** Our CSR team directly collaborates with partners to ensure smooth execution and maximize results.
- **Effective Giving:** we emphasize on strategic giving, carefully choosing initiatives that deliver the most good with our resources.
- **Alignment with UN Standards:** We adhere to international guidelines and is a signatory to UN Global Compact and UNEP Finance Initiative.



## CSR EXPENDITURE 2023

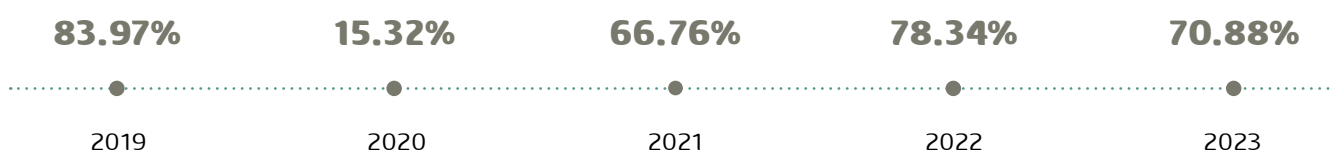
### CSR Expense Actual (Mn BDT)



### CSR Expense Budget (Mn BDT)



### Achievement



## KEY ESG ACHIEVEMENTS 2023

### Environmental

- Recognized as one of Bangladesh's top 7 Sustainable Companies and only NBFI by Bloomberg
- Setting and Disclosing Smart Targets to Reach Net Zero Emissions by 2050

### Social

- 10 Female co-workers in senior managerial positions.
- Funds of BDT 2mn was reimbursed for employees who claimed hospitalization scheme.
- 14 (Fourteen) percent of the total workforce is represented by female employees, indicating a significant presence of women in the organizational structure.

- Total of 115 training programs were conducted for IDLC employees. In 2023, the cumulative training hours totaled 23,213.
- BDT 17.8Mn spent on CSR initiatives in 2023.
- 168 Students getting monthly scholarships.

### Governance

- BDT 3,423 mn contribution to national economy
- No major non compliances in Environmental & Quality Management System and Occupational Health & Safety.
- Recognized by ICSB for Exemplary Corporate Governance Practices



**FOSTERING A DIVERSE  
EQUITABLE AND  
INCLUSIVE CULTURE**



# FOSTERING A DIVERSE, EQUITABLE AND INCLUSIVE CULTURE

We recognize that a diverse, equitable, and inclusive (DE&I) workplace is not just a social responsibility, but a strategic imperative. A workforce that reflects the richness of the communities we serve fosters innovation, strengthens decision-making, and allows us to better understand and meet the evolving needs of our customers.

This chapter delves into IDLC’s ongoing commitment to building

a DE&I culture and explores our initiatives aimed at promoting diversity throughout our organization, fostering an equitable work environment, and ensuring inclusivity for all employees.

By fostering a workplace where everyone feels valued, respected, and empowered to contribute their unique talents, IDLC is well-positioned for sustainable growth and continued positive impact.

## Our People

At IDLC, we believe our greatest asset isn’t found on a balance sheet – it’s the talented and dedicated individuals who make up our workforce. With over 1,685 permanent employees spread across 44 locations in Bangladesh, our people are the driving force behind our success. We understand that empowered and supported employees are the foundation for a thriving organization. We are committed to fostering a work environment that cultivates individual and team growth and are focused on:



### Empowering Talent:

We believe in providing our people with the autonomy and resources they need to excel. This fosters a culture of ownership and initiative, where employees feel valued for their unique contributions.



### Investing in Training & Support:

We offer comprehensive training programs to equip our employees with the necessary skills and knowledge to stay ahead of the curve in the ever-evolving financial landscape.



### Creating the Right Environment:

We cultivate a collaborative and supportive work environment where teamwork and open communication are encouraged. This fosters a sense of belonging and allows individuals to learn from each other.

## Our Workforce Data



1,444

Total male employees



241

Total female employees



1,685

Total number of employees

### New Hires

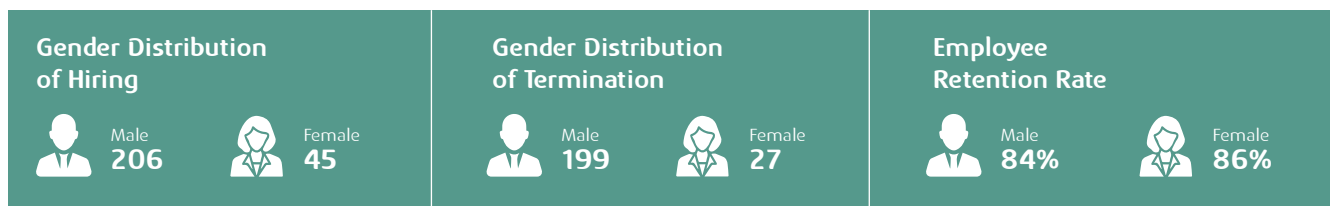
Age distribution of hiring

Age distribution	Number
20-30 Y/O	103
31-35 Y/O	78
36-40 Y/O	50
41-45 Y/O	15
Above 45	5

### Termination

Age Distribution of Termination

Age Distribution	Number
30 or below Y/O	51
31-35 Y/O	101
36-40 Y/O	49
41-45 Y/O	21
Above 45	4



### Attracting Diverse Talent

At IDLC, we understand that a diverse and inclusive workplace is not just the right thing to do, it’s essential for our continued success. A variety of perspectives and backgrounds fuels creativity, innovation, and allows us to better understand the needs of our customers. This year, we’ve made significant strides in attracting a talented and diverse workforce.

#### Focusing on Diverse Hiring:

We’ve implemented several initiatives to ensure our recruitment process identifies and attracts a wider pool of qualified candidates. This includes:

- **Diverse Interview Panels:** We strive for interview panels that reflect the diversity we aim for in our workforce.
- **Community Outreach:** We partner with universities to connect with talented individuals.

#### Initiatives for Young Graduates: Cultivating the Future

Investing in the future means investing in young talent. Our Early Careers Program offers a robust platform for graduates and young professionals to launch their careers at IDLC. The program includes:

- **Internship Opportunities:** Our internship program titled ‘Jumpstart’ provides real-world experience across various departments, allowing interns to gain valuable skills and contribute to ongoing projects.
- **Youth Leadership Program:** IDLC Youth Leadership Program, a Management Trainee program is designed to identify and nurture high-potential graduates. This program provides a fast-track career path for talented young individuals who are eager to make a significant impact. Through a rigorous and immersive experience, participants gain exposure to various departments, develop leadership skills, and are positioned for success within IDLC

- **Mentorship Programs:** We pair interns and new hires with experienced mentors who provide guidance and support throughout their development.
- **Training and Development:** We offer comprehensive training programs to equip our early career professionals with the knowledge and skills they need to excel.

#### Looking Ahead:

We are committed to continuous improvement in attracting and retaining a diverse workforce. In the coming year, we will focus on:

- **Expanding our outreach efforts:** Building stronger relationships with universities and organizations serving diverse communities.
- **Creating a more inclusive work environment:** Enhancing programs and initiatives that foster a sense of belonging for all employees.
- **Tracking and measuring progress:** Regularly monitoring our diversity metrics to ensure we are achieving our goals.

#### Promoting Equality: Fair Salary and Remuneration at IDLC

At IDLC Finance PLC., we are committed to fostering a diverse and inclusive workplace where equal opportunity thrives. This commitment extends to our compensation practices, ensuring fair and competitive salary and remuneration structures for all employees, regardless of gender.

We firmly believe that talent and contribution should be the sole determinants of an employee’s compensation. We have implemented a standardized salary structure based on position, experience, and qualifications.

Transparency is another cornerstone of our compensation philosophy. We maintain clear communication channels regarding salary ranges and benefits for all positions. This



allows both female and male employees to understand their earning potential and career progression within IDLC.

Furthermore, our performance-based bonus system rewards individual contributions and achievements. This approach ensures that all employees, men and women alike, have the opportunity to earn additional compensation based on their

performance, fostering a culture of motivation and excellence.

Our commitment to equal pay for equal work extends beyond base salary and bonuses. We offer a comprehensive benefits package that includes health insurance, parental leave policies, and professional development opportunities, all available to all employees on an equal basis.

## Remuneration Policy and Framework



### PAY EQUITY

IDLC's remuneration policy is based on the performance of individual employees and is unaffected by gender, race, religion, etc.



### SALARY

Salaries are confidential between the employee concerned and Human Resource Function. The management from time to time shall decide the salary scales of the employees belonging to the different grades.



### ALLOWANCE

The company will pay the allowances consisting of House Rent Allowance, House Maintenance Allowance, Conveyance Allowance, Transport Allowance, Medical Allowance, Utilities, Communication Allowance, and Leave Fare Assistance, etc. to the employees.



### SALARY REVIEW

Salary is reviewed once a year unless otherwise decided by the management. This is linked with each individual employee's performance in the given year.

## Diversity and Equality

Fostering a diverse and equitable workplace is fundamental to our commitment to building a more inclusive financial landscape. We believe in harnessing the power of a workforce that reflects the communities we serve, and in creating a culture where everyone feels valued, respected, and empowered to reach their full potential.

### Board Composition by Gender and Age:

We are committed to increasing diversity within our leadership structure. While we acknowledge there is room for improvement, we are actively working towards a more balanced Board composition in terms of gender and age.

Gender	Number of Members
Male	9
Female	1

### Maternity Leave:

We offer a comprehensive maternity leave policy. All female employees who conceive shall enjoy maternity leave for 6

(six) months, during the pre or post-natal period. In 2023, 16 (sixteen) female employees took maternity leave. The return to work and retention rates of female employees that took maternity leave also reached 100%

### Paternity Leave:

Understanding the importance of fathers being actively involved in childcare, IDLC offers paternity leave to support our male employees during this crucial time. This policy fosters a culture of work-life balance and promotes equal parenting responsibilities within our workforce. All male employees shall enjoy Paternity Leave of 5 (five) working days during the pre or post-natal period.

In the year 2023, 47 (forty-seven) male employees took paternity leave.

### Competitive Benefits

We are committed to offering a comprehensive and competitive benefits package that attracts, retains, and motivates top talent. Our focus extends beyond just financial rewards, aiming to create a work environment that promotes well-being and long-term career growth.

### Fixed Pay

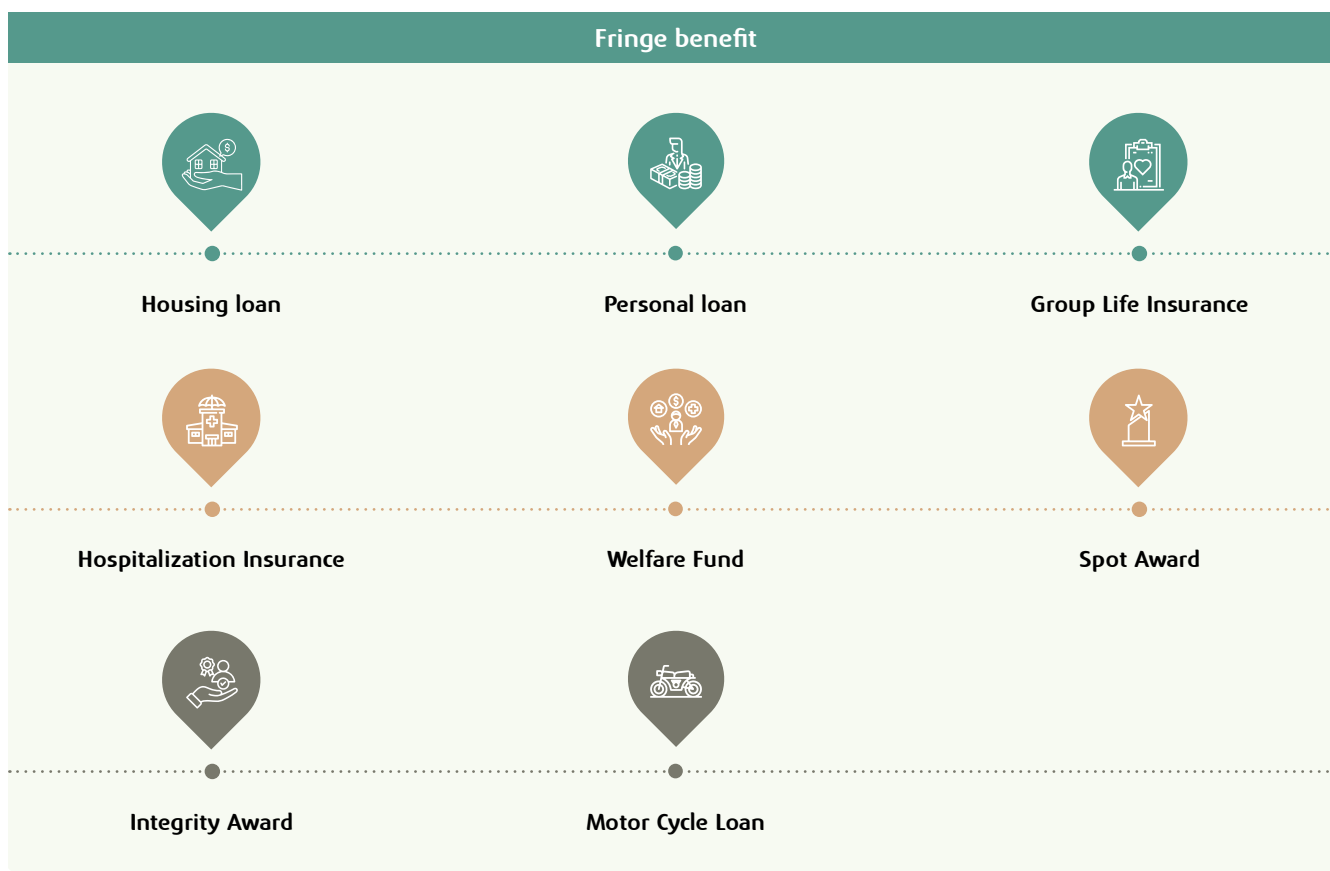
- **Gross Salary:** Our competitive gross salary structure includes basic salary, house rent allowance, medical allowance, and conveyance allowance, and ensuring employees receive a fair and attractive base pay.
- **Festival Bonus:** All permanent employee is entitled to 2 (two) festival bonuses each year

### Variable Pays

- **Incentives:** We believe in rewarding performance. Our incentive programs provide employees with the opportunity to earn additional income based on individual and departmental achievements.
- **Annual Performance Bonus:** All permanent employees are eligible to receive a performance bonus, which is determined based on both the individual’s performance and the company’s financial results.

### End Service Benefits

- **Provident Fund:** The company offers a Provident Fund scheme where 10% of an employee’s monthly salary is deducted and contributed to the fund, with an additional 10% of the same amount contributed by the company. Employees are eligible to the Provident Fund after completing a minimum of two years of service.
- **Gratuity:** Employees who complete a minimum service period are eligible for a gratuity payment upon retirement or resignation. This benefit recognizes their loyalty and dedication to IDLC.
- **Encashment of Annual Leave Balance:** Annual leave encashment up to a maximum of 60 days is allowed to the employees only at the time of separation from the company. This offers employees additional financial security during the transition period.



### Empowering and Developing Our Workforce

We recognize that our employees are our most valuable asset. Their talent, dedication, and expertise are fundamental to achieving our sustainability goals and ensuring long-term success. We are committed to fostering a work environment that empowers and develops our workforce, enabling them to reach their full potential and contribute meaningfully to the company’s sustainable growth.

### Our Approach

Our approach to empowering and developing our workforce focuses on three key pillars:

- **Learning and Development:** We offer a comprehensive range of training and development programs that cater to diverse learning styles and career aspirations. These programs equip employees with the knowledge, skills, and competencies needed to excel in their current roles and prepare them for future opportunities.



- **Career Development:** We provide clear career development pathways that allow employees to identify their goals and create a roadmap for achieving them. This includes regular performance reviews, mentorship programs, and opportunities for internal transfer.
- **Diversity and Inclusion:** We actively promote a diverse and inclusive workplace where everyone feels valued,

respected, and empowered to contribute their unique perspectives. We strive to create a work environment free from discrimination and harassment, where every employee has the opportunity to thrive.

In 2023, 115 training programs have been organized for IDLC Group and the number of training participants was 5,084. The total training hour spent in 2023, amounted to 23,213.

Type of Training Programs	No. of Training	No. of Participants	Training Man Hours
Foreign	-	-	-
Public/Local	51	107	2,302
Customized	15	2,101	8,050
In-House	49	2,876	12,861
E-Learning	-	-	-
<b>Total</b>	<b>115</b>	<b>5,084</b>	<b>23,213</b>

### Looking Ahead

We are committed to continuously improving our efforts to empower and develop our workforce. In the coming year, we will focus on:

- Expanding our training and development programs to address emerging trends and technologies.
- Creating more opportunities for cross-functional collaboration and knowledge sharing.
- Strengthening our diversity and inclusion initiatives to build a truly representative workforce.

### Employee Engagement and Wellbeing

We recognize that our employees engagement, well-being, and satisfaction are paramount to our continued success. In 2023, we took significant steps to prioritize employee health and wellness, including:

#### Employee Engagement Activities:

- **We believe in creating a culture of engagement** that extends beyond everyday work. In 2023, we organized a variety of activities to celebrate special days and promote team building. These activities fostered a sense of community and belonging amongst our employees.
- **Offering health insurance plans** that cover a wide range of medical needs.
- **Organizing wellness workshops and seminars** on topics such as stress management, healthy eating, and physical activity.

- **Providing on-site fitness facilities or gym memberships** to encourage physical fitness.
- **Promoting work-life balance** through flexible work hour policy. The core working hours are set between 8:30 AM (earliest check-in) and 4:30 PM (earliest check-out), allowing for some flexibility in start and end times. This policy fosters trust and empowers employees to manage their work hours efficiently.

### Fostering a Sustainable and Diversified Workplace

We are committed to fostering a workplace that not only values individual contributions but also celebrates the richness that comes from a variety of backgrounds and perspectives.

#### Promoting Diversity and Inclusion:

- **Equal Opportunity Recruitment:** We actively recruit talents based solely on merit and qualifications, ensuring a fair and inclusive hiring process regardless of gender, age, religion, ethnicity, or background.
- **Diversity Targets:** We have set clear goals to increase diversity within our workforce, focusing on promoting gender balance and representation from various backgrounds.
- **Inclusive Work Culture:** We cultivate a work environment that celebrates differences and empowers all employees to feel valued and respected. This includes training for leadership and fostering open communication channels.

### Ensuring a Harassment-free Workplace

At IDLC, we recognize that a sustainable organization thrives on a foundation of respect, inclusion, and well-being for all employees. This includes fostering a work environment free from harassment, discrimination, and intimidation. We are committed to providing a safe space where every individual can reach their full potential and contribute to our collective success.

#### Our Approach to a Harassment-Free Workplace

- **Policy & Prevention:** We have a zero-tolerance policy against harassment in any form. This policy clearly defines unacceptable behavior and outlines the complaint process.
- **Proactive Measures:** We foster a culture of open communication and encourage employees to report any incidents of harassment. We have established multiple reporting channels, to ensure accessibility and comfort for those who wish to report.
- **Fair & Impartial Investigation:** All reported incidents are investigated promptly, fairly, and impartially. We have a well-defined investigation process that protects the rights of both the complainant and the respondent.
- **Disciplinary Action:** Depending on the severity of the harassment, appropriate disciplinary action will be taken, up to and including termination of employment.

### Building Skills for the Future

The financial services industry is undergoing a significant transformation driven by technological advancements, evolving customer needs, and growing environmental, social, and governance (ESG) considerations. To navigate this changing landscape and maintain our competitive edge, we require a future-ready workforce equipped with the necessary skills and knowledge.

#### Our Approach to Building Skills for the Future

We are committed to providing our employees with a comprehensive learning and development program that focuses on:

- **Technical Skills:** We offer training programs to enhance a wide range of expertise, including Deep understanding of financial concepts and analysis, Knowledge of the financial services industry, market trends, and strategic decision-making, In-depth understanding of IDLC's product and service offerings, Skills in constructing, optimizing, and managing financial portfolios for clients or the company & Ability to collect, analyze, and interpret financial data to inform business decisions.
- **Soft Skills:** We recognize the importance of soft skills in fostering a collaborative and innovative work environment. Our programs focus on developing critical thinking, communication, problem-solving, and leadership skills.
- **Sustainability Skills:** Integrating sustainability principles into our operations requires a workforce with a strong understanding of ESG issues. We offer training programs on green finance, social impact assessment, and responsible investment practices.



## SUPPORTING OUR COMMUNITIES

# SUPPORTING OUR COMMUNITIES



## Offering Scholarships to Economically Disadvantaged Female Students

Despite progress in various sectors, women still face significant barriers in accessing quality education in our country. Gender disparities persist, particularly in rural areas and among marginalized communities, perpetuating educational inequality. At IDLC, we believe that addressing women's education inequality is crucial for achieving gender equality and sustainable development. Back in 2018, IDLC, in collaboration with Prothom Alo Trust and Asian University for Women (AUW), launched a scholarship program to assist underprivileged female students who are the first in their families to pursue higher education at the university level. As part of this program, 10 students are awarded a four-year scholarship annually to pursue a bachelor's degree at Asian University for Women.

As of now, 66 students are benefiting from this scholarship program. So far 16 students of the Oditiya scholarship have graduated from AUW.

Beneficiaries

66



## Financial Aid for Disadvantaged Female Students to Pursue BSc in Nursing

Nursing, a profoundly noble profession, embodies the essence of compassion, human connection, and unwavering support for individuals facing their most vulnerable moments. Despite its significance, nursing has long been marginalized in our society, often relegated as an option primarily for those from less fortunate backgrounds. This perception persists despite the evident disparity in the doctor-to-nurse ratio in our nation. Consequently, women who are already grappling with financial hardships, face formidable obstacles in pursuing nursing as a profession.

At IDLC, we are proud to champion initiatives like the nursing scholarship program to create opportunities for women empowerment and drive positive change that resonates far beyond the borders of our organization. As part of this program, 25 students are being granted monthly scholarships while enrolled in a 4-year BSc program. Our support goes beyond financial assistance; it represents our dedication to fostering sustainable change and empowering women to overcome barriers to education and self-reliance.

Beneficiaries

25



### Scholarship Scheme for the Dependents of IDLC's Permanent Support Staff

IDLC takes pride in its commitment to nurturing talent and promoting education among its workforce and their families. As part of our Corporate Social Responsibility (CSR) initiatives, IDLC has established a Scholarship Scheme for the dependants of IDLC's Permanent Support Staff. The scholarship amount will be disbursed on a monthly basis and will vary regarding the level of education. Each primary level student will receive BDT 2,000 a month, secondary level students will get BDT 3,000 per month and for higher secondary level students the amount is BDT 5,000.

This program aims to provide financial assistance to the deserving children of our permanent support staff members, enabling them to pursue their educational aspirations without financial constraints. Currently, 75 children are receiving monthly scholarship under this project. Through this initiative, we seek to empower these students by granting them access to quality education, which is essential for their personal and professional development.

By offering scholarships to the dependants of our support staff, we are not only investing in the future of these bright young individuals but also fostering a culture of inclusivity and support within our organization. We believe that education is a fundamental right, and through initiatives like this scholarship scheme, we are taking tangible steps to ensure that every member of the IDLC family has the opportunity to thrive and succeed.

Beneficiaries

**75**



### Latarchar School Expansion

IDLC Finance PLC. embarked on the construction of a primary school in the remote village of Latarchar to provide access to quality education for children in the area. Since its inauguration in 2019, the primary school has become a beacon of hope for more than 200 children in Latarchar. Recognizing the growing demand for education and the positive impact of the primary school, 2 additional classrooms were constructed, further expanding its capacity to accommodate more students and facilitate enhanced learning experiences. A boundary wall was also erected to enhance security measures within the school premises.

IDLC Finance PLC.'s initiative to construct and extend the primary school in Latarchar exemplifies its unwavering dedication to promoting education as a catalyst for sustainable development. Through this endeavor, IDLC continues to make a tangible difference in the lives of individuals and communities, paving the way for brighter futures and empowering the next generation in Latarchar and beyond.

Beneficiaries

**200+**



### Bangladesh Economics Olympiad 2023

In line with our dedication to fostering education and youth empowerment, IDLC Finance PLC. proudly sponsored the prestigious fifth national Economics Olympiad, an academic event organized by the Strategic and Research Outreach (SRO) Foundation. This initiative aimed to enhance economic literacy, critical thinking, and academic excellence among students throughout Bangladesh.

Over 250 skilled students from all corners of the country gathered at the venue to showcase their economic expertise and interacted with distinguished guests from diverse sectors during the event. Furthermore, it also served as a platform for participants to broaden their knowledge, skills, and confidence in economics.

IDLC's sponsorship of the fifth national Economics Olympiad highlights our broader commitment to corporate social responsibility (CSR) initiatives aimed at fostering socio-economic development in our communities. By investing in education and backing initiatives that nurture talent and intellectual growth, IDLC continues to contribute positively to Bangladesh's future, empowering young individuals to emerge as leaders and catalysts for change in the field of economics and beyond.

Beneficiaries

**4,956**



### Education Support for Students with Special Needs

In a dedicated effort to empower and uplift students with special needs, IDLC has initiated a comprehensive education support program. Through this program, IDLC is committed to ensuring that every student, regardless of their abilities or disabilities, has access to quality education and the opportunity to thrive academically. IDLC supported 5 financially disadvantaged students with special needs on the inaugural year of the program back in 2022. This year IDLC continued its support to 3 new students with special needs for a year whose families are unable to afford the tuition fees of Proyash.

Founded in 2005 within the Dhaka Cantonment, Proyash Institute of Special Education initially catered to the needs of children within the military community, boasting a humble start with just 17 students and three devoted teachers. Over the years, as its reach expanded and the number of students grew, Proyash Institute opened its doors to children from all walks of life, striving to reintegrate them into mainstream society.

Beneficiaries

**3**



### Educational Sponsorship for Underprivileged Students of University Of Dhaka

With a view to alleviating financial burdens, IDLC initiated a monthly scholarship program for five financially challenged students of the Department of Banking and Insurance of the University of Dhaka. This initiative was introduced in 2022. It project aims to provide much-needed support to five financially disadvantaged students, enabling them to pursue their dreams of higher education without the burden of tuition fees.

To qualify for the scholarship, candidates must come from families with a monthly income of Taka 5,000 or below. Recipients will receive four years of financial support to complete their BBA program. Through this initiative, IDLC not only provides financial assistance but also offers a lifeline to these students, enabling them to unlock their full potential and realize their aspirations.

Beneficiaries

5



### Installation of Safe Drinking Water System in 3 Government Primary Schools in Dhaka

In a commendable effort to promote health and well-being in the community, IDLC took the initiative to install safe drinking water systems in three government primary schools located in Dhaka. IDLC, in partnership with Footsteps, has set the stage for change, providing clean drinking water to schools and safeguarding young minds from waterborne threats. Footsteps Foundation, a social enterprise located in Dhaka, Bangladesh, is dedicated to tackling community development challenges through innovative ventures. Currently, Footsteps Foundation is engaged in projects focused on enhancing safe water accessibility, promoting environmental sustainability, mitigating disaster risks, and advancing gender equality.

This project aimed to address a fundamental need for clean and safe drinking water for more than 1800 students across three schools in Dhaka, Bangladesh through Project Trishna.

Beneficiaries

5,000+



### Installation of Water Purifiers at Chief Judicial Magistrate Court

As a demonstration of its dedication to community welfare and goodwill, IDLC took the initiative to support the Court of Chief Judicial Magistrate in Dhaka by providing four units of water purifiers. This generous gesture was aimed at addressing a crucial need for clean and safe drinking water, not only for the court personnel but also for visitors and stakeholders who frequent the premises.

Through the installation of these water purifiers, IDLC not only fulfilled a basic necessity for clean drinking water but also showcased its unwavering commitment to bolstering vital community institutions. This initiative exemplifies IDLC's steadfast adherence to social responsibility and underscores its pledge to cultivate a healthier and more sustainable environment for all individuals.



### Cervical Cancer Awareness Session

In July, 2023 IDLC organized an insightful awareness session on cervical cancer for its female employees. The session, held with great care and attention to detail, aimed to educate and empower our valued female workforce about the importance of cervical health and regular screenings. Dr Ashfi Laila Elora, a renowned Consultant (Gyne & Obst) from Dhaka Medical College Hospital, shed light on the causes, risk factors, and preventive measures of this preventable disease.

The attendees were equipped with valuable knowledge on early detection methods, including regular screenings and vaccinations, ensuring proactive steps towards their own health and well-being. Through open dialogue and shared experiences, the session not only raised awareness but also instilled a sense of solidarity and support among the female workforce. By providing valuable knowledge and resources, we empower our female workforce to take charge of their health journey and lead healthier, more fulfilling lives both personally and professionally.

Beneficiaries

200+



### Donating to the Prime Minister's Education Fund

IDLC allocated 5% of its overall Corporate Social Responsibility (CSR) budget for the year 2023 towards supporting the Prime Minister's Education Assistance Trust. This trust, overseen by an advisory council led by the Prime Minister, operates under the Ministry of Education in Bangladesh.

This education fund aims to offer scholarships to deserving students from disadvantaged backgrounds based on their academic merit. By donating to this fund, IDLC exemplifies its dedication to investing in the academic success of deserving individuals, thereby enabling them to unlock their full potential and contribute meaningfully to society. Through this contribution, IDLC reaffirms its role as a responsible corporate citizen dedicated to driving social impact and uplifting communities across Bangladesh.



### Introduction of Chemotherapy Services at Chattogram Maa-O-Shishu Hospital

In a poignant display of compassion and commitment to combating cancer, IDLC embarked on a groundbreaking endeavor by establishing the first-ever dedicated Chemotherapy Unit at Chattogram Ma-O-Shishu Hospital. This heartfelt initiative stands as a beacon of hope for countless individuals battling this devastating disease, offering them access to essential treatment and care closer to home at an affordable cost. A Memorandum of Understanding (MoU) with Chattogram Maa-O-Shishu Hospital was signed back in 2022 to donate BDT 1 Crore in support of establishing the first- ever dedicated chemotherapy facility in Chattogram.

The newly established 20-bed Chemotherapy unit is outfitted with an array of advanced medical equipment and supplies, including chemotherapy mixtures, infusion pumps, beds, air conditioning, humidifiers, suction devices, defibrillators, monitors, and syringe pumps, among other essential resources. This mere 20-bed unit has the ability to serve and provide treatment to nearly 14,000 cancer patients a year. By fostering this dedicated chemotherapy unit, IDLC has exemplified its unwavering dedication to making a tangible difference in the lives of those affected by cancer.

Beneficiaries

**14,000+**



### 5,000 Trees Planted at Baher Char, Rangabali

IDLC Finance PLC. is committed to environmental sustainability and actively contributes to the preservation and restoration of natural ecosystems. As part of our Corporate Social Responsibility (CSR) initiatives, IDLC organized a tree plantation program at Baher Char, Rangabali aiming to kickstart afforestation in areas lacking biodiversity and species richness, particularly in the Char regions. Under this initiative, IDLC planted 5000 hardwood timber trees on both sides of a 10km road. The trees will be nurtured by 'Tree Guardians' who will take care of the trees till maturity. The tree plantation program at Baher Char was conducted in collaboration with local communities and Green Savers.

Green Savers, an environmental organization, is actively engaged in encouraging and engaging students and senior citizens in promoting urban agriculture and community plantation through research, training, and innovative approaches in environmental conservation, forestry, and urban agriculture. Combining creative concepts with modern scientific techniques such as hydroponics, landscaping, and garden maintenance services, Green Savers operates throughout Bangladesh.

Through this initiative, IDLC aims to create a lasting impact on the local ecosystem, promote community engagement in environmental conservation efforts, and inspire others to join us in safeguarding our planet for generations to come.



### Financial Support for Facilitating Treatment of Childhood Cancer

IDLC has extended financial assistance to facilitate the treatment of early childhood cancer. This initiative underscores our commitment to supporting children's health and well-being, ensuring they receive the necessary medical care to overcome this challenging illness. Through this endeavor, we aim to make a meaningful impact on the lives of these young patients and their families, providing them with hope and relief during difficult times.

Early childhood cancer is a critical public health challenge in our country. To combat this issue, IDLC extended financial support to ASHIC Oncology and Palliative Care Center to bear the expenses of 10 patients of childhood cancer for a year. Through this initiative, IDLC aims to make a meaningful impact on the lives of these young patients and their families, providing them with financial support and relief during difficult times.

ASHIC is a non-profit organization in Bangladesh dedicated to supporting children affected by cancer. Over the past three decades, ASHIC has emerged as a leading institution for pediatric oncology in South Asia, delivering high-quality treatment services and significantly enhancing survival rates for young cancer patients.

Beneficiaries

**10**



### Distributed 4,000 Blankets among Poor and Cold-Stricken People

Every year, the onset of winter brings cold waves that pose a significant threat to the needy and impoverished population in Bangladesh. At least 32 people died of cold-related diseases and at least 233,322 people were admitted to hospitals due to complications caused by rotavirus and other diseases since November 15, 2023, according to the official statistics. In an earnest effort to alleviate the suffering of those affected by the harsh winter conditions, IDLC demonstrated its commitment to corporate social responsibility by distributing 4000 blankets to impoverished individuals severely impacted by the cold.

As temperatures dropped and vulnerable communities faced the brunt of the cold weather, IDLC stepped in to provide warmth and comfort to those in need. These blankets were provided to individuals severely affected by the cold who lack the financial means to procure adequate clothing to shield themselves from the harsh winter conditions. Through this initiative, IDLC aimed to extend a helping hand to the most vulnerable members of society, ensuring that they are equipped to withstand the challenges posed by the unforgiving winter climate.

Beneficiaries

**4,000**

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**The greatest threat  
to our planet is the  
belief that someone  
else will save it.**

Robert Swan, OBE





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