

TOWARDS A GREENER FUTURE



SUSTAINABILITY
REPORT 2024

 **IDLC**
Finance PLC
financing happiness

ANNUAL SUSTAINABILITY REPORT 2024

The IDLC Sustainability Report 2024 highlights our unwavering commitment to aligning our operations and initiatives with the 13 identified Sustainable Development Goals (SDGs). Through sustainable practices and strategic partnerships, we are committed to continue to drive positive change, fostering a more inclusive and sustainable future for all.



Welcome to IDLC Finance PLC's 2024 Annual Sustainability Report.

This report offers a comprehensive look at our journey in environmental, social, and governance (ESG) performance over the past year — from January 1 to December 31, 2024.

At IDLC, sustainability isn't just a goal — it's a part of who we are. We believe that doing business responsibly helps us grow stronger as a company while also supporting the well-being of our communities and the health of our planet. This year's report, titled "**Towards a Greener Future,**" reflects our continued commitment to creating long-term, positive change and also highlights our dedication to:

- **Promote green finance** by expanding investments in environmentally sustainable projects.
- **Support underserved communities** through impactful CSR initiatives in healthcare, education, environment, and disaster response.
- **Strengthen our governance practices** by enhancing transparency, accountability, and stakeholder engagement.
- **Reduce our environmental footprint** by embracing energy-efficient practices and promoting a green office culture.
- **Foster a responsible work environment** with training on ethics, harassment prevention, and inclusive workplace policies.

We've prepared this report in alignment with the Global Reporting Initiative (GRI) Standards — a globally recognized framework that brings consistency and credibility to sustainability reporting. Through our materiality assessment, we've identified and focused on the ESG issues that matter most to our stakeholders and business operations.

We invite you to explore the report and see how we're working together to build a more sustainable tomorrow. We welcome your feedback, as it helps us continuously improve our sustainability efforts.



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MESSAGE FROM CHAIRMAN



Sustainability is not a separate initiative at IDLC; It is the essence of our operations. In 2024, we continued to integrate Environmental, Social, and Governance (ESG) principles into every facet of our business. Our approach was holistic-balancing financial performance with our responsibilities to the environment and society.



Aziz Al Mahmood
Chairman

Dear Stakeholders,

As we reflect on 2024, a year marked by economic complexities and global uncertainties, I am proud to share how IDLC Finance PLC not only navigated these challenges but also reinforced our unwavering commitment to sustainable and inclusive growth.

Embedding Sustainability into Our Core

Sustainability is not a separate initiative at IDLC; it is the essence of our operations. In 2024, we continued to integrate Environmental, Social, and Governance (ESG) principles into every facet of our business. Our approach was holistic—balancing financial performance with our responsibilities to the environment and society.

Environmental Stewardship

In 2024, we strengthened our commitment to environmental sustainability by expanding our green financing portfolio—channeling more capital toward projects that advance renewable energy, energy efficiency, and environmentally responsible practices. These investments not only support the transition to a low-carbon economy but also reflect our strategic focus on climate resilience. Guided by our long-term vision, we remain steadfast in our ambition to achieve net-zero emissions across our operations and value chain by 2050.

Social Responsibility and Community Engagement

At IDLC, we believe that progress must be inclusive and sustainable. In 2024, our social responsibility efforts remained deeply rooted in the well-being of the communities we serve, with a strong focus on equity, empowerment, and resilience.

One of our key priorities was advancing women's empowerment through education. We continued our scholarship program for marginalized women pursuing higher education, particularly in the field of nursing—enabling them to break cycles of poverty, contribute to healthcare, and lead change in their communities.

In line with our commitment to basic human rights and dignity, we also expanded our efforts to ensure access to safe drinking water in underserved and flood-affected regions. Through strategic partnerships, we established centralized community water points that provided clean and arsenic-free drinking water to thousands of families suffering from inadequate access.

Furthermore, our role in disaster response and recovery remained critical. In the wake of severe flooding and cyclones in 2024, IDLC provided emergency relief—delivering essential supplies, supporting rescue efforts, and organizing health camps for affected populations. These initiatives reflect our belief that responsible finance extends beyond balance sheets—it stands with people when they need it most.

Governance and Ethical Practices

Strong governance is the backbone of our sustainability journey. In 2024, we reinforced our governance frameworks to ensure transparency, accountability, and ethical conduct. We conducted regular training sessions on compliance and ethical practices for our employees, fostering a culture of integrity and responsibility.

Recognition and Accolades


Our dedication to sustainability has not gone unnoticed. In 2024, IDLC was recognized by Bloomberg as the most sustainable company in Bangladesh, earning the highest ESG score in the country. Additionally, Bangladesh Bank acknowledged us as one of the top sustainable financial institutions for the fourth consecutive year. These accolades affirm our strategic direction and motivate us to continue our efforts.

Looking Ahead

As we move forward, our focus remains on deepening our sustainability practices. We aim to further embed ESG considerations into our decision-making processes, expand our green financing initiatives, and enhance our community engagement programs. Our commitment is to create long-term value for all stakeholders while contributing positively to the environment and society.

I extend my heartfelt gratitude to our employees, customers, shareholders, and partners for their unwavering support and trust. Together, we will continue to build a resilient, inclusive, and sustainable future.

Warm regards,



Aziz Al Mahmood

Chairman
IDLC Finance PLC





MESSAGE FROM THE CEO AND MANAGING DIRECTOR



We stayed committed to long-term value creation by integrating sustainability into our core operations - advancing clean energy projects, promoting climate resilience, and strengthening our roadmap to achieve net-zero emissions by 2050. It is through this dual focus - on immediate stability and long-term sustainability - that we've been able to navigate a demanding environment while staying aligned with our broader mission.



M Jamal Uddin
CEO & Managing Director

Dear Stakeholders,

I'm pleased to share with you IDLC's Annual Sustainability Report for 2024 - a reflection of our ongoing journey to build a more inclusive, responsible, and sustainable future.

This past year was not without its challenges. We navigated through a tough economic landscape - rising inflation, foreign exchange volatility, and sector-wide liquidity pressures tested the resilience of financial institutions across the country. Yet, in the face of these difficulties, we remained focused on our goals. I'm proud to report that IDLC recorded a consolidated net profit of BDT 2,003 million-registering a year-on-year growth of 32%-alongside ROA and ROE of 1.35% and 10.33%, respectively reflecting both the strength of our strategy and the dedication of our team.

Keeping Sustainability at the Core

At IDLC, sustainability is more than a responsibility - it's at the heart of how we do business. Throughout 2024, we continued to invest in projects that promote clean energy, resource efficiency, and climate resilience. We also strengthened our commitment to achieving net-zero emissions by 2050 - a journey that requires consistent action, and one we are fully committed to.

Investing in Communities

True impact happens when we go beyond numbers and reach people. This year, our CSR efforts touched the lives of over 484,000 individuals. From scholarships for children of our employees and underprivileged female students, to healthcare support, disaster relief, and safe water initiatives - we focused on areas where we could make a real difference. Our branch teams also actively led financial literacy sessions in local communities, reinforcing our mission to build financial awareness and inclusion.

Empowering Our People

At the heart of IDLC's progress is our people. We've invested in their learning and development, supported their well-being, and built an inclusive culture that values collaboration and integrity. Initiatives like leadership development program, policy training, and our commitment to diversity have helped us foster a workplace where people grow with purpose.

Staying Strong on Governance and Risk

We know that good governance and strong risk management are the foundation of trust. In 2024, we strengthened our internal systems, maintained high standards of compliance, and continued to invest in cybersecurity and data protection.

Looking Ahead

As we move into 2025, we do so with cautious optimism. While the broader economic outlook is beginning to stabilize, uncertainties remain. Our focus will stay on building lasting customer relationships, growing responsibly, investing in digital innovation, and continuing to embed sustainability into every part of our operations.

To our customers, shareholders, regulators, and partners - thank you for your continued trust. And to the IDLC team - thank you for your dedication, resilience, and hard work. Together, we will continue to move forward with purpose, and with impact.

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 2024 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 "Towards a Greener Future" 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 2023, and the report is published annually.



PERIOD

January 1st 2024 to
December 31st 2024





REPORTING CYCLE
Annual



GRI GUIDELINE FOLLOWED
GRI G4 Guideline Standards



MOST RECENT PREVIOUS REPORT
Annual Sustainability Report 2023



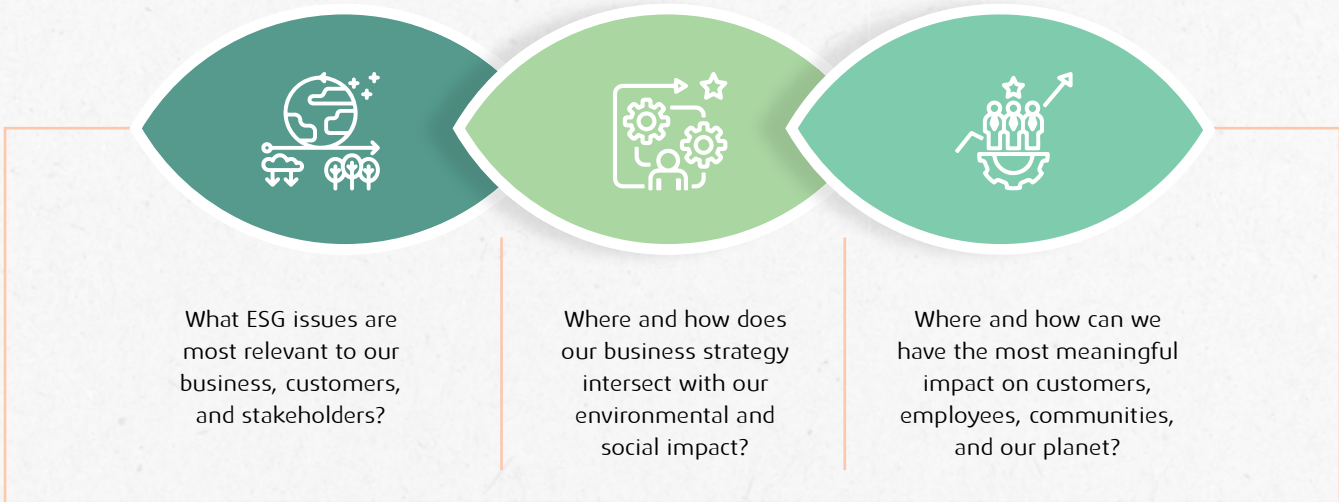
IN ACCORDANCE OPTION CHOSEN
In Accordance 'CORE'

Reporting Parameters



OUR APPROACH

Our approach to sustainability begins by asking key questions



By concentrating its 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.



STEP 1: IDENTIFICATION

At IDLC, we evaluate factors that impact our ability to generate value by assessing their implications for our strategy, governance, performance, and future prospects. This analysis involves examining our business context, operating environment, resources, and feedback to identify matters with potential financial, reputational, and operational importance.

Additionally, relevant evaluations of sustainability concerns pertinent to the financial services industry were reviewed. Subsequently, we curated a list of potential topics, assessed their suitability, and categorized them into our three primary sustainability focus areas.



STEP 2: PRIORITIZATION

We evaluate the importance of relevant issues by considering their potential impact on value creation. To be included in the sustainability report, an issue must also be significant enough in terms of its known or potential influence on value creation. This assessment involves two criteria: its relevance to IDLC's economic, social, and environmental business decisions, and its importance to our stakeholders.



STEP 3: VALIDATION

The outcome of step 2 underwent review and approval by IDLC Management. The prioritized issues and their corresponding metrics are detailed in the GRI Content Index, available on Pages 103. Prioritization assists us in concentrating on the most crucial issues when deciding how to report them.



STEP 4: REVIEW

We recognize that the sustainability landscape is continuously changing, leading to shifts in material issues for our business and stakeholders. We remain attentive to feedback from our stakeholders and will incorporate it into our materiality process for upcoming reports.

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 consistently delivered strong economic performance, reflecting resilience and sustained growth across key financial indicators. 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. PROCUREMENT PRACTICES:

IDLC is committed to fostering responsible procurement by prioritizing local suppliers, ethical sourcing, and sustainable supply chain management. By implementing stringent procurement policies, ensuring compliance with fair trade practices, and promoting supplier accountability, IDLC strengthens economic growth while upholding transparency and integrity in its procurement processes.

Ambition

To build a responsible, transparent, and sustainable procurement ecosystem that supports local suppliers, ensures ethical sourcing, and drives long-term value for all stakeholders.



4. 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.



5. 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 1,666 permanent employees distributed across 47 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.

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

To foster a safe, healthy, and compliant work environment by continuously enhancing our EHS policies, procedures, and practices in alignment with national regulations and global best standards.

3. 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.





SOCIAL



4. DIVERSITY & EQUAL OPPORTUNITY

At IDLC, we are committed to building a sustainable and future-ready organization that reflects the diverse communities we serve. We recognize that fostering an inclusive and diverse workplace is essential to achieving this goal. We are dedicated to ensuring the success of all employees by providing equal opportunities, competitive benefits, and a safe, supportive work environment that nurtures personal and professional growth.

Ambition

Promoting the advancement of female employees remains a key priority. We are steadfast in our efforts to ensure that women at IDLC have equitable access to opportunities where they can effectively demonstrate their skills and talents. Our commitment is rooted in fairness, meritocracy, and the continuous development of an inclusive culture that supports their progression across all levels of the organization.



5. 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.



6. HUMAN RIGHTS ASSESSMENT

IDLC is firmly committed to upholding human rights across all aspects of its operations. We continuously undertake initiatives to raise awareness and strengthen the capacity of our employees on human rights-related issues. Our internal governance framework—particularly the IDLC Code of Conduct—clearly outlines expectations regarding the respect, protection, and promotion of human rights.

Ambition

We are dedicated to integrating human rights considerations into our business practices. As part of this commitment, we aim to conduct thorough human rights screenings prior to entering into any business relationship, ensuring alignment with our ethical standards and values.



7. 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.

Ambition

IDLC is dedicated to aligning its CSR initiatives with core community development priorities, particularly in the areas of education, healthcare, and environmental sustainability.



8. SUPPLIER SOCIAL ASSESSMENT

IDLC's supply chain includes a diverse group of partners, primarily comprising vendors of IT-related products and services, as well as providers of office and kitchen supplies. While many of these suppliers are small-scale businesses, IDLC values their contribution and is committed to encouraging responsible business practices throughout its supply network.

Ambition

IDLC aims to promote social sustainability by introducing a supplier screening process that considers human rights, labor standards, and workplace safety.



9. PUBLIC POLICY

IDLC does not make any direct or indirect financial contributions to political parties, entities, or activities. The organization remains firmly committed to maintaining this stance.

Ambition

IDLC is dedicated to remaining entirely non-partisan and will not engage in or support any political parties or activities in any form.



SOCIAL



10. CUSTOMER HEALTH AND SAFETY

As a provider of financial products and services, IDLC's operations do not pose any direct risks to the physical health of its customers.

Ambition

While such risks are minimal, IDLC remains committed to taking appropriate and proactive measures to address any potential health and safety concerns of its clients, should such situations arise .



11. 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.



12. 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.



13. SOCIO ECONOMIC COMPLIANCE

IDLC remains fully compliant with all applicable social and economic laws and regulations relevant to its areas of operation. In the event of any breach, the company is committed to transparent disclosure through appropriate reporting channels.

Ambition

IDLC will continue to promote awareness among employees by regularly circulating communications on the importance of adhering to relevant laws and regulations. The company maintains a zero-tolerance approach to non-compliance and is committed to taking strict disciplinary action when necessary.





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

1. 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

In alignment with our sustainability goals, IDLC embraces the principles of Reduce, Reuse, and Recycle (3R) to manage materials and equipment efficiently. By fostering these practices, we aim to reduce environmental impact and promote resource conservation across all branch operations.

2. ENERGY

At IDLC, we are committed to conducting our daily operations in an increasingly sustainable manner. To this end, we actively implement energy-efficient measures and adopt best practices aimed at reducing overall power consumption.

Ambition

IDLC is dedicated to the continuous adoption of innovative and sustainable energy solutions, striving to establish itself as an energy-efficient and environmentally responsible organization.

3. EMISSION

IDLC is committed to reducing its carbon footprint through sustainable practices and renewable energy adoption, with a goal to achieve Net-Zero emissions by 2050. The company also promotes sustainable operations among its clients and supply chain partners to further reduce environmental impact.

Ambition

Aligned with UNEP FI's global targets, IDLC aims to continuously enhance its sustainability efforts, lower GHG emissions across investments, and become a leading energy-efficient and eco-friendly financial institution.

4. WATER & EFFLUENTS

Recognizing water as a vital and scarce resource, IDLC exercises careful management to prevent its misuse. Automated systems have been implemented to monitor and control water consumption, ensuring responsible usage.

Ambition

IDLC is dedicated to promoting the efficient use of natural resources within the workplace to support environmental sustainability.

5. ENVIRONMENTAL COMPLIANCE

IDLC is committed to strict adherence to environmental laws, regulations, and industry best practices to ensure responsible and sustainable business operations. Through comprehensive compliance measures, proactive risk management, and continuous monitoring, the company strives to minimize its environmental impact while fostering a culture of accountability. Environmental considerations are embedded in our decision-making processes to uphold sustainability standards and contribute to a greener future.

Ambition

IDLC aims to achieve full compliance with environmental regulations by integrating sustainable practices, meeting all legal requirements, and proactively addressing environmental risks, thereby promoting a greener and more responsible financial ecosystem.

6. SUPPLIER ENVIRONMENTAL ASSESSMENT

IDLC is dedicated to promoting environmental sustainability across its supply chain by evaluating and encouraging eco-friendly practices among its suppliers. Through responsible sourcing, comprehensive environmental risk assessments, and active collaboration on sustainability initiatives, IDLC seeks to reduce the environmental impact of its procurement activities. The company prioritizes partnerships with vendors who comply with established environmental standards, fostering a greener and more responsible supply chain aligned with its sustainability goals.

Ambition

IDLC Finance strives to ensure sustainable procurement by systematically assessing suppliers against environmental criteria, fostering eco-friendly practices, and mitigating environmental risks throughout its supply chain.



ABOUT IDLC



ABOUT IDLC: DISCOVER THE ESSENCE OF THE COMPANY

Our Journey towards Sustainability

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



Became a member of the 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 Collective Commitment to Climate Action (CCCA) in 2019

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



Became a signatory of Net Zero Banking Alliance in 2021

Developed a 5-year Sustainability Roadmap in 2021



One of the top ten sustainable Financial Institutions for 4 consecutive years (2021, 2022, 2023, 2024)

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



IDLC Finance PLC has been recognized by Bloomberg for achieving the highest ESG (Environmental, Social, and Governance) score among all Bangladeshi companies in 2024

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 OF 2024

1666

Total Employee,
IDLC Group

148,897

Total Asset, IDLC
Group
BDT in Million

12,593

No. of
Shareholders

192,248+

Total Customer Base

47

Number of
Touchpoints



WHAT DRIVES US



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.



VISION

We will be the best financial brand in the country.



LOCATION OF HEADQUARTER AND OPERATIONS



LOCATION OF HEADQUARTERS AND OPERATIONS

IDLC Finance PLC
Corporate Head Office
 Bay's Galleria (1st Floor),
 57 Gulshan Avenue,
 Dhaka 1212, Bangladesh

SUBSIDIARIES

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

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

IDLC Asset Management Limited
 Head Office
 Symphony Tower (4th Floor)
 Plot # SE (F): 9, Road # 142
 Gulshan 1, Dhaka

KEY FINANCIAL METRICS

Share capital	2023	2024
Authorized capital	10000,000,000	10000,000,000
Paid-up capital	4,156,984,840	4,156,984,840

Share capital	DSE	CSE
Listing information	20 March 1993	25 November 1996

AAA Credit Score Rating for 13 Consecutive Years

Number of subsidiaries	3
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	2023	2024	% change
Cash dividend (%)	15%	15%	0%
Stock Dividend (%)	0%	5%	5%

Total Number of Employees (Group)	1666
Total Number of Employees (Solo)	1455

	2020	2021	2022	2023	2024
Total assets (BDT Million)	126,874	142,913	148,185	147,379	148,897
Loans and Advance (BDT Million)	93,074	91,756	106,438	115,656	113,969
Deposits (BDT Million)	78,764	75,609	80,246	83,625	87,197
Net Profit (BDT Million)	2,541	2,116	1,915	1,514	2,003
CRAR (Capital to Risk Assets Ratio) %	17.45	18.27	19.29	19.56	21.09
Return on Equity (%)	17.37%	13.21%	10.97%	8.16%	10.33%
Return on Assets (%)	2.08%	1.57%	1.32%	1.02%	1.35%
Non- performing loan	1.79%	3.05%	3.81%	4.46%	4.45%
Cost-to-income ratio	38.23%	36.16%	43.77%	46.53%	42.00%

SHAREHOLDING STRUCTURE

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

Sl. No.	Name of Shareholders	2023	2024
	Sponsors	56.66%	56.66%
	Institutions	27.91%	28.12%
	Individuals	14.27%	14.69%
	Foreign	1.16%	0.52%
		100.00	100.00

IDLC Shareholding Composition

As on December 31, 2024

Sl. No.	Name of Shareholders	% of holding	Number of shares
1	SPONSORS		
	City Bank PLC	9.00	37,413,699
	City Bank Capital Resources Limited	9.90	41,154,150
	City Brokerage Limited	4.31	17,912,556
	Eskayef Pharmaceuticals Limited	8.00	33,255,878
	Transcraft Limited	4.01	16,683,065
	Bangladesh Lamps Limited	1.32	5,487,218
	Sadharan Bima Corporation	7.62	31,672,060
	Reliance Insurance Limited	7.00	29,098,891
	Mercantile Bank PLC	3.50	14,549,444
	Mercantile Bank Securities Limited	2.00	8,313,969
	Sub-Total	56.66	235,540,930
2	GENERAL		
	Institutions		
	Investment Corporation of Bangladesh (ICB)	8.22	34,190,944
	Bangladesh Fund	1.34	5,590,000
	Delta Life Insurance Co. Ltd.	1.29	5,372,595
	Marina Apparels Limited	1.00	4,156,982
	Other Institutions	16.26	67,592,840
	Sub-Total	28.12	116,903,361
	Individuals:		
	General Public (Individuals)	14.69	61,080,161
	Sub-Total	14.69	61,080,161
	Foreign:		
	Institutions & Individuals	0.52	2,174,032
	Sub-Total	0.52	2,174,032
	Total Holdings	100.00	415,698,484



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

- Annual General Meetings (AGM)
- Investor relations website
- Quarterly Financial Results

Outcomes

- Transparency on Financial and social impact
- Increased investor confidence



CUSTOMERS

Engagement Method

- Service centers
- Complaint management
- Customer satisfaction surveys
- Social media interactions

Outcomes

- Improved customer experience
- Development of innovative and sustainable financial products



EMPLOYEES

Engagement Method

- Regular town hall meetings
- Robust training and development programs
- Social intranet platform and human resource (HR) portal
- Community engagement and volunteering
- Newsletter
- Rewards and recognition programs
- Flexible office hours

Outcomes

- Increased employee engagement
- Promotion of a sustainable work culture



REGULATORS

Engagement Method

- Regular reporting
- Meeting with regulatory bodies

Outcomes

- Maintaining regulatory compliance
- Alignment with evolving sustainability expectations



LOCAL COMMUNITIES

Engagement Method

- CSR project participation
- Environmental initiatives

Outcomes

- Building trust and positive relationships with communities
- Addressing local needs through sustainable practices



CIVIL SOCIETY

Engagement Method

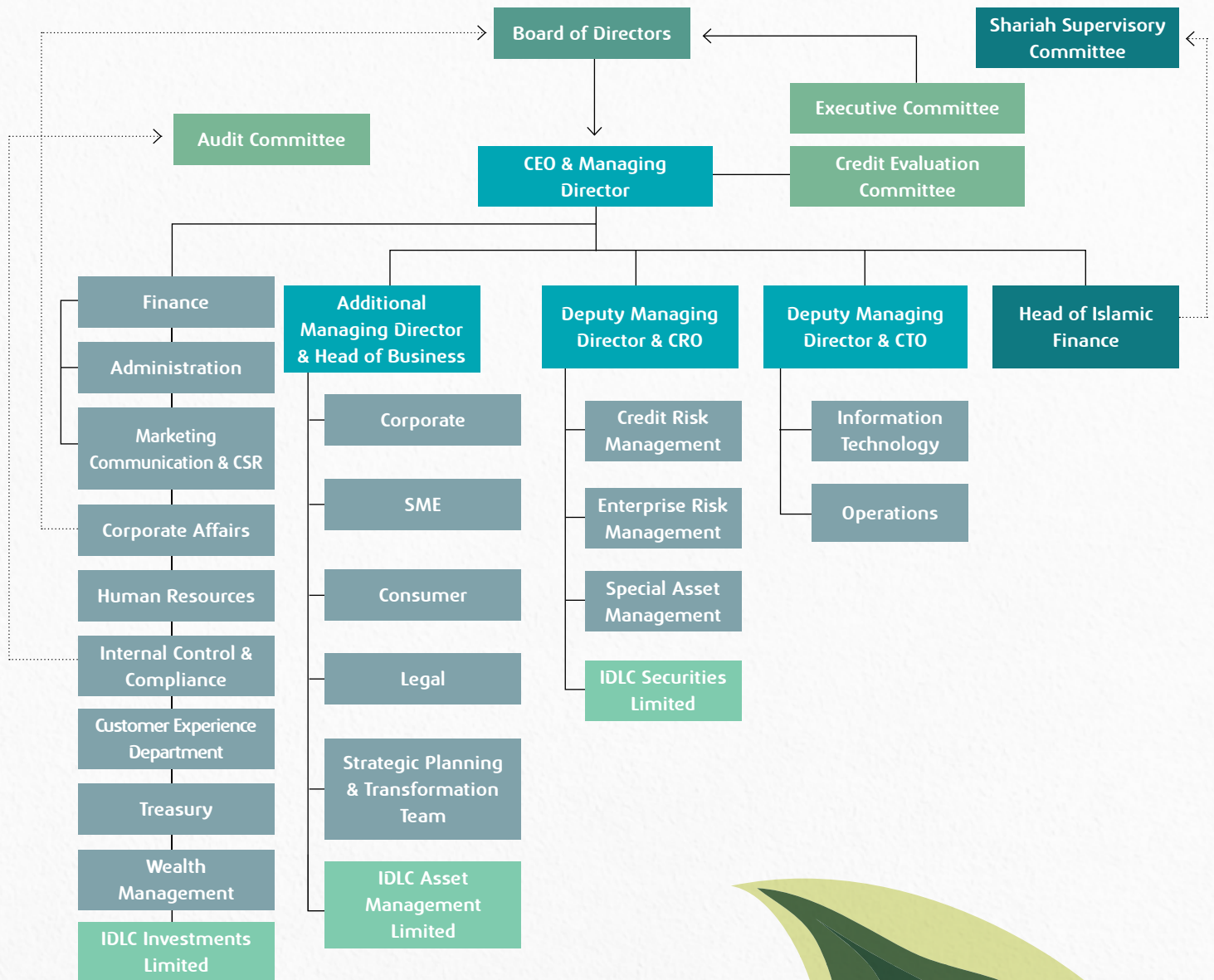
- Participation in community events
- Grants, non-profit sponsorships, and donations

Outcomes

- Joint efforts for sustainability

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

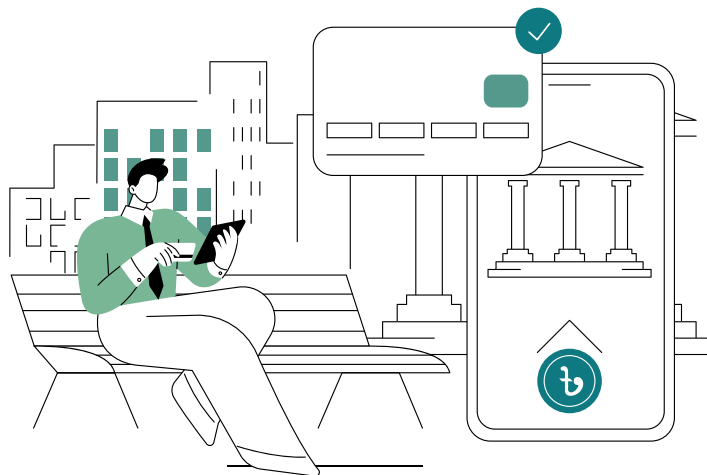
After being launched in 1997, the Consumer Division of IDLC has been contributing to the overall growth of the company by providing customer-centric solutions through providing core loan services: Home Loan, Car Loan & Personal Loan. Currently, the Consumer Division is offering affordable housing financing, 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

As IDLC's pioneering business division, the Corporate Division now integrates Corporate, Supply Chain Finance, and Green Banking operations to deliver comprehensive financial solutions tailored to both local and international businesses operating in Bangladesh. The division maintains a strong focus on portfolio quality through rigorous credit risk assessment, aligned with macroeconomic trends. As a market innovator, IDLC introduced Supply Chain Finance in 1999, offering end-to-end value chain financing that enhances clients' working capital efficiency and competitiveness. In alignment with our sustainability goals, the division actively incorporates ESG principles into all financing decisions, championing green and sustainable projects through strategic collaboration with our Green Bank.

BUSINESS OVERVIEW

IDLC CAPITAL MARKET



IDLC Asset Management Limited

IDLC Asset Management Limited, a fully owned subsidiary of IDLC Finance PLC, was incorporated in Bangladesh on November 19, 2015. The Company was awarded with asset management license on June 7, 2016 with an initial paid-up capital of BDT 100,000,000 (BDT one hundred million only) and obtained alternative investment license on July 16, 2018. As of December 31, 2024, the paid-up capital of IDLC Asset Management Limited stands at BDT 250,000,000 (BDT two hundred fifty million) only.

Since its inception, the company has launched four mutual funds catering to different investment needs of general people. It has also launched IDLC SIP along with insurance coverage, encouraging investment discipline among retail investors for accumulating wealth. The company is also managing a venture capital fund.

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. Additionally, the company won the FinanceAsia Country Award for 2021 and 2022, securing the title of "Best Investment Bank in Bangladesh."

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 Loan

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 Loan

Corporate

- ▶ Term Loan
- ▶ Lease Financing
- ▶ Term Loan for Vehicles/ Commercial Vehicles
- ▶ Working Capital Loan
- ▶ Commercial Space Loan
- ▶ Bridge Loan
- ▶ Refinance Scheme for Green Product/ Initiative/Project
- ▶ Japan International Cooperation Agency (JICA) Refinance/Pre-finance Fund
- ▶ Program to Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-Made Garments (RMG) Sector Project (SREUP)
- ▶ Green/Environment Friendly Establishments
- ▶ Green Agriculture
- ▶ Green CMSME
- ▶ Green Socially Responsible Financing
- ▶ Blue Economy Financing
- ▶ Information and Communication Technology

Supply Chain Finance

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

Schemes Availed Through Bangladesh Bank

- ▶ Technology Development/ Up-gradation Fund (TDF)

Green Products

- ▶ Renewable Energy
- ▶ Energy & Resource Efficiency
- ▶ Alternative Energy
- ▶ Liquid Waste Management
- ▶ Solid Waste Management
- ▶ Circular Economy & Eco-Projects Financing
- ▶ Environment Friendly Brick Production

Sustainable Linked Products

- ▶ Sustainable Agriculture
- ▶ Sustainable MSME
- ▶ Sustainable Linked Socially Responsible Financing
- ▶ Other Sustainable Linked Finance

Lending Business



Islamic Finance Window

Financing Product

- ▶ Ijarah Muntahiah Bittamleek
- ▶ Murabahah
- ▶ Sale & Lease Back

Savings Product

- ▶ Mudarabah Term Deposit, DPS, various earners schemes



Capital Market

IDLC Securities Limited



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

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

- ▶ Acting as trustee of bond issuances through private placement of debt securities companies

Cap-Invest (Non-Discretionary Portfolio)

- ▶ Margin Loan Account
- ▶ Non-Margin Account

Discretionary Portfolio Management (DPM)

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

Structured Finance:

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

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





Agriculture

527

0.5%



Agro-based industry

1,075

1.0%



Cement and Allied Industry

1,124

1.0%



Electronics and Electrical Products

2,369

2.1%



Food Production and Processing Industry

5,724

5.1%



Garments and Knitwear

9,214

8.2%

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 BDT Mn



Glass, Glassware and Ceramic Industry

981

0.9%



Housing

33,515

29.7%



Iron, Steel, and Engineering

1,777

1.6%



Jute and Jute Products

0

0.0%



Leather and Leather Goods

535

0.5%



Paper, Printing, and Packaging

457

0.4%



OUR SUSTAINABLE BUSINESS CULTURE

ECONOMIC PERFORMANCE 2024

In this section, we discuss IDLC Finance PLC's economic performance in 2024, 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 2024 (Amount in Million)
Economic Value Added	(112)
Operating revenue	15,727
Cost of borrowing	(10,103)
Other income	601
Provisions	(688)
Operating expenses excluding staff cost and depreciation	(735)
Value Added	4,802
Distribution of value addition	
To Employees, as remuneration	1,650
To Government, as taxes	1,269
To Shareholders, as stock dividend (cash and stock)	831
Retained in the business	
As capital and revenue reserve	842
As depreciation	210
Total	4,802
Number of employees	1,455
Value added per employee	3.30

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 2024, 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 2024, 35.33% 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 2024:

- 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 Literacy Program:** IDLC's financial literacy programs promote inclusive economic development in Bangladesh by equipping individuals with the knowledge to make informed financial decisions and avoid potential losses. These initiatives target key groups—retailers, farmers, students, women, and start-up entrepreneurs—to foster responsible financial behavior and long-term resilience. Retailers and entrepreneurs benefit from improved cash flow management and strategic borrowing, while farmers gain tools for better planning and access to credit. Students learn personal finance basics early, and women-focused programs support financial independence and entrepreneurship. Start-up entrepreneurs receive guidance on funding, investment, and risk management. Collectively, these efforts enhance financial inclusion, reduce loan defaults, and support national savings and investment growth.
- 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.

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.

2024 Tax Highlights:

- In 2024, IDLC deposited BDT 2,957 M to the Government exchequer as taxes.
- This amount comprised of:
 - Corporate income tax 1,187 M
 - Value Added Tax (VAT) on fee income 83 M
 - Withholding tax collected on behalf of the government 1,360 M
 - Withholding VAT collected on behalf of the government 98 M
 - Withholding excise duty collected on behalf of the government 229 M

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, 2020-2024)

Particulars	2020	2021	2022	2023	2024
Tax, VAT and excise duty collected at source	1,176	1,021	1,129	1,391	1688
Tax and VAT paid against IDLC's income	1,169	1,185	1,698	2,032	1269

Composition of Contribution to National Exchequer in 2023

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

Composition of Contribution to National Exchequer in 2024

Particulars	Percent
Total Tax	86.13%
Total Excise Duty	7.76%
Total VAT	6.12%

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
2023	3,199.74	4,796.43
2024	9,133.47	13,378.44



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:** 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

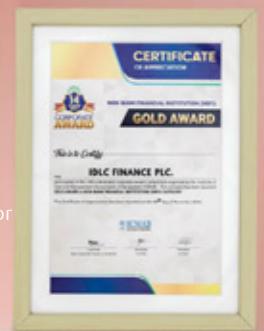
Our dedication to AML/CFT compliance is an ongoing process. We continuously review and update our programs to adapt to evolving risks and regulatory requirements. Through this commitment, IDLC strives to build and maintain trust with our stakeholders while promoting a more secure financial environment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

OUR AWARDS & ACCOLADES



Gold

14th ICMAB Best Corporate Award Certificate - NBFI



Gold

SAFA BPA Awards-
Financial Service
Sector



Gold

14th ICMAB Best
Corporate Award-
NBFI



Gold

ICSB Best Presented
Annual Report –
Corporate Governance



Silver

ICAB Best Presented
Annual Report-
Integrated Reporting



Bronze

ICAB Best Presented
Annual Report-
Financial Services Sector



Gold

SAFA BPA Awards
Certificate -
Financial Service Sector

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.

In Terms of Board

Gender diversity among the Board of Directors



In Terms of Employees

Gender diversity among permanent employees

Entry level



Mid-level



Senior Management



Consolidated



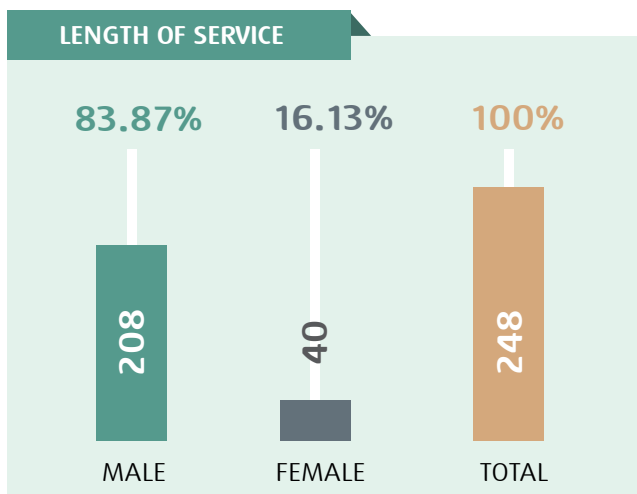
Age Diversity

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: 208	Male – 76.19%
	Female: 65	Female – 23.81%
30-50 years	Male: 1010	Male – 96.47%
	Female: 137	Female – 3.53%
>50 years	Male: 30	Male – 85.71%
	Female: 5	Female – 14.29%

Employee Turnover

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



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.



HARASSMENT PREVENTION 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

- **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:** 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:** 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.

IDLC'S MEMBERSHIPS



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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-



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

Enterprise Risk Management

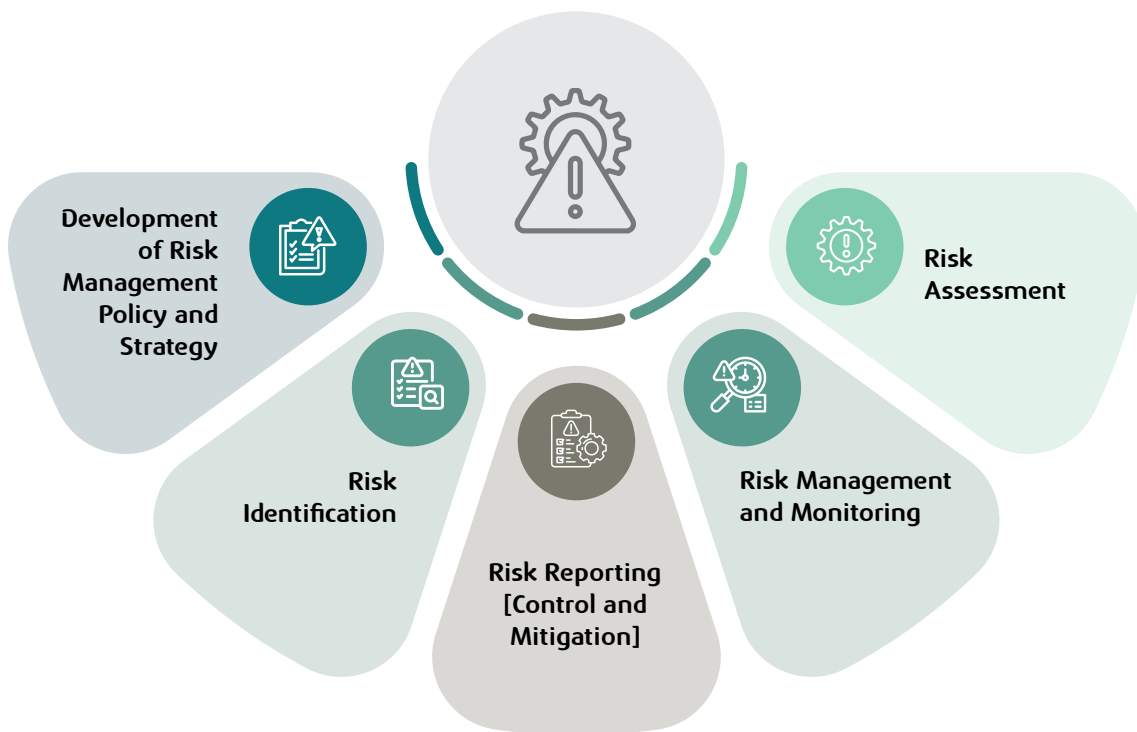
IDLC Finance PLC has established an Enterprise Risk Management (ERM) Department which is comprised of two wings i.e. Operational Risk Management (ORM) and Financial Risk Management (FRM). ERM department is working to build a collaborative approach between sustainability and risk management to drive stronger and sustainable strategies to make businesses more resilient for the changes to come. Full integration of sustainability and risk management approach at the m 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 monitoring and mitigating 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.



IDLC'S EXCLUSION LIST

IDLC's Environmental and Social Exclusion List

As part of its commitment to responsible and sustainable financing, IDLC does not support or engage in financing activities, businesses, or sectors that involve unethical, illegal, or environmentally harmful practices. The following exclusion list outlines activities that are strictly prohibited from receiving financing from IDLC:

1. Forced Labour or Child Labour in Hazardous Working Conditions

- ▶ Forced Labour refers to any work or service not undertaken voluntarily and extracted under the threat of force or penalty, as defined by International Labour Organization (ILO) conventions and/or local legislation.
- ▶ Regarding Child Labour, employment is permitted only for individuals aged 14 and above, in accordance with ILO Minimum Age Convention (C138, Article 2), unless local laws specify a higher age due to compulsory education requirements. In such cases, the higher age will prevail.

2. Activities or Products Deemed Illegal or Banned under Local or International Law

IDLC prohibits financing of any activities involving:

- ▶ Products banned under international conventions, such as ozone-depleting substances, polychlorinated biphenyls (PCBs), hazardous pharmaceuticals, and unauthorized production of pesticides, herbicides, or chemicals.
- ▶ Wildlife or related products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- ▶ Unsustainable fishing practices, such as blast fishing or drift net fishing using nets longer than 2.5 km in marine environments.

3. Cross-Border Trade in Waste and Waste Products

- ▶ Financing is prohibited for cross-border waste trade

that is not compliant with the Basel Convention and applicable national regulations.

4. Destruction of High Conservation Value Areas (HCVAs)

- ▶ IDLC will not finance any activity that leads to the destruction of HCVAs. "Destruction" is defined as:
 - a. The elimination or severe degradation of an area due to significant long-term land or water use changes.
 - b. Habitat alteration that compromises the ecological integrity or functioning of the area.

5. Radioactive Materials and Unbounded Asbestos Fibers

- ▶ Exceptions are made only for medical equipment, quality control instruments, or other equipment where the radioactive source is minimal and properly shielded.

6. Pornography or Prostitution

- ▶ Financing is strictly prohibited for businesses involved in pornography or prostitution.

7. Racist or Anti-Democratic Media

- ▶ IDLC does not finance any media or organizations promoting racism or undermining democratic values.

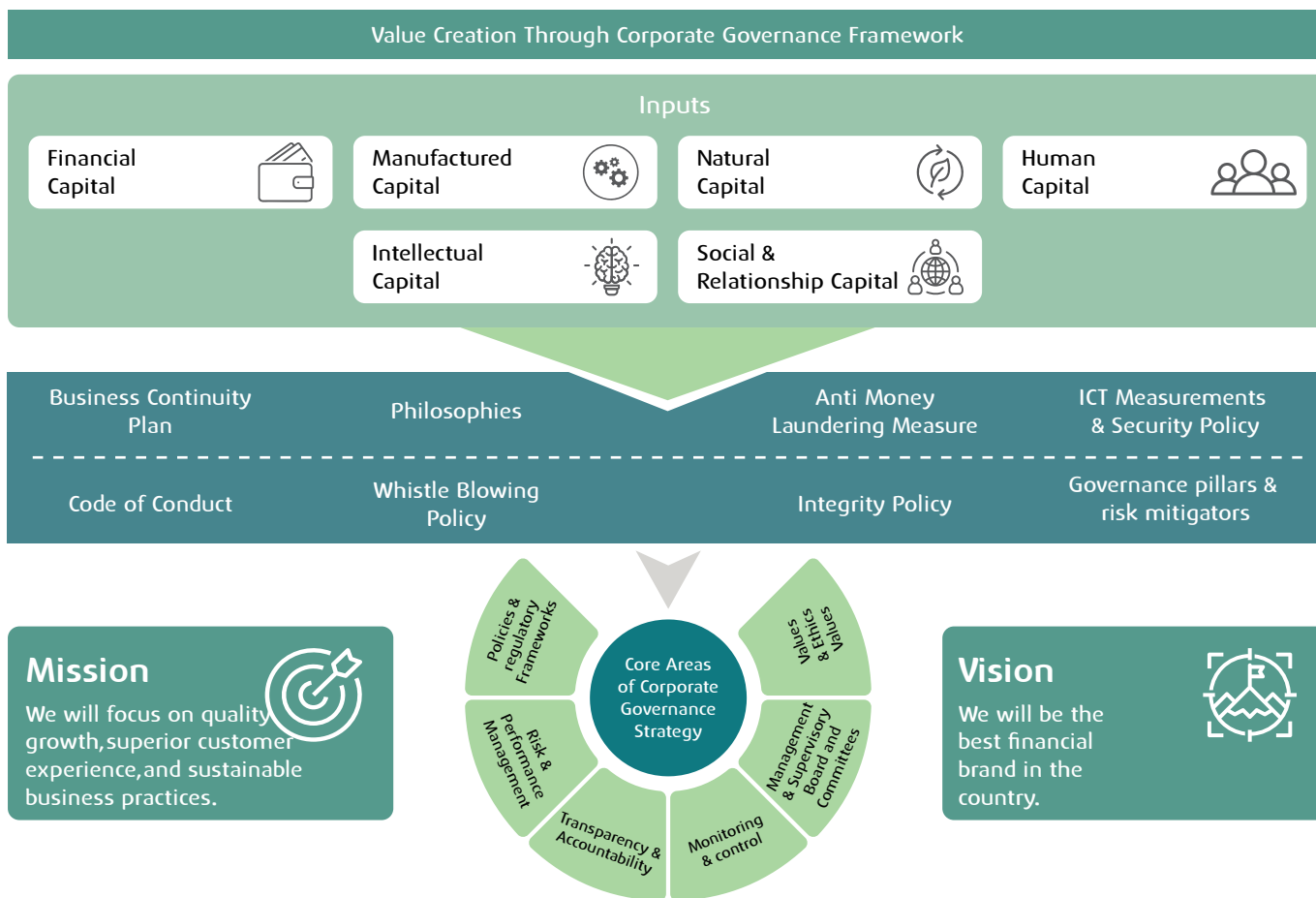
8. Products Constituting a Substantial Part of a Company's Core Operations

IDLC will not finance businesses where the following products constitute a substantial portion (defined as more than 10%) of the company's consolidated balance sheet, earnings, or IDLC's portfolio exposure:

- ▶ Alcoholic beverages (excluding beer and wine)
- ▶ Tobacco products
- ▶ Weapons and munitions
- ▶ Gambling operations, including casinos and similar enterprises



Value Creation through Corporate Governance Framework



Outcomes	
<ul style="list-style-type: none"> Controlled Non Performing loan (NPL) Optimized spread and well managed liquidity risk Improved Financial Reporting Growth in Operating Profit 	<ul style="list-style-type: none"> Efficiency to reduce turnaround time for loan processing & overall disbursement Improved Organizational Culture

Values Unlocked	Outcomes
<ul style="list-style-type: none"> Delivering Market Leading Products and Services Continuing to create value based market activities Increase productivity, employee morale and overall operational efficiency 	<ul style="list-style-type: none"> Deepening shared values and commitments with customers and stakeholders Improving economies of scale and driving efficient execution Maintaining strong brand image

Integrands through Which We Generate Value:

References of Corporate Governance framework	Sections	Values Unlocked	Initiatives/Responses and Outcomes
IDLC's Vision, Mission and Strategies	2	<ul style="list-style-type: none"> Delivering market leading products and services Improving economies of scale and driving efficient execution 	<ul style="list-style-type: none"> ROA and ROE in 2024 reported at 1.35% and 10.33% respectively Curtailed NPL to 4.45%, which is significantly lower than industry average IDLC was successful in ensuring 13.47% & 37.82% of Green & Sustainable Finance against the regulatory requirement of 5.00% & 20.00% of Annual Term Loan Disbursement & Annual Disbursement respectively
Board of Directors	1		
Audit Committee	4		
Internal Control and Risk Management	5	Reducing carbon footprints and ensuring sustainable operational efficiency	
Communication and relationship with Shareholders and Investors	9	Maintaining strong brand name	Improved interaction with Shareholders and Investors
Dividend distribution policy	10	Deepening shared values and commitment with customers and stakeholders	Ensuring wealth maximization of shareholders
Human Capital	8	Increase productivity, employee morale and overall efficiency	Improved learning/training
Remuneration policy of Directors and Executives	7		Enhancing employee excellence and nurturing their well-being
Ethics and Compliance	6	Continuing to create value based activities	Zero non-compliance report Whistle-blowing cases reported and solved: 5
Complaint Management Process	9.7	Deepening shared values and commitment with customer and stakeholders	



IDLC BOARD OF DIRECTORS

The Board of Directors serves as the highest governance authority at IDLC and is entrusted with ensuring the implementation of robust corporate governance practices. Comprising experts from diverse disciplines, the Board brings a well-rounded and strategic perspective that supports effective planning and execution across the organization.

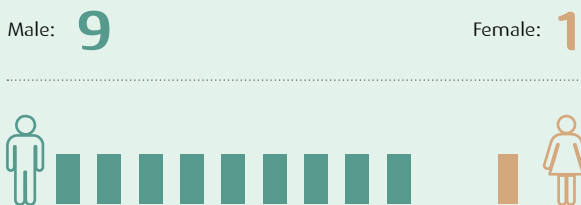
Each member of the Board is highly accomplished in their respective fields, with extensive professional experience spanning over two decades. Notably, the majority of directors

fall within the 26–30 years and 31–40 years of experience brackets—reflecting their depth of expertise and reinforcing stakeholder confidence in their strategic oversight and governance capabilities.

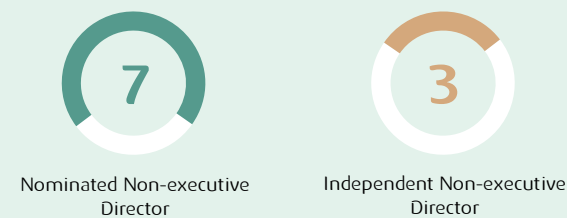
In 2024, the Board convened 13 meetings and was composed of 10 members, including 3 Independent Directors, in accordance with regulatory requirements and best practices for independent oversight.

BOARD COMPOSITION

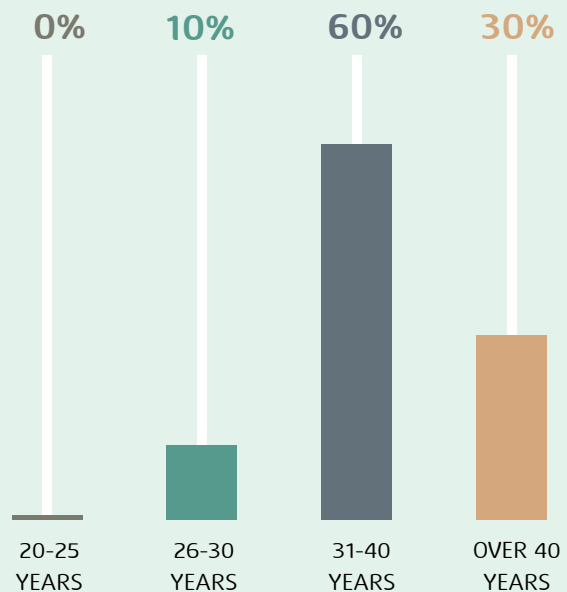
GENDER DIVERSITY



TYPE OF DIRECTOR



LENGTH OF SERVICE



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.

Board Excellence through Continuous Learning and Engagement

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.

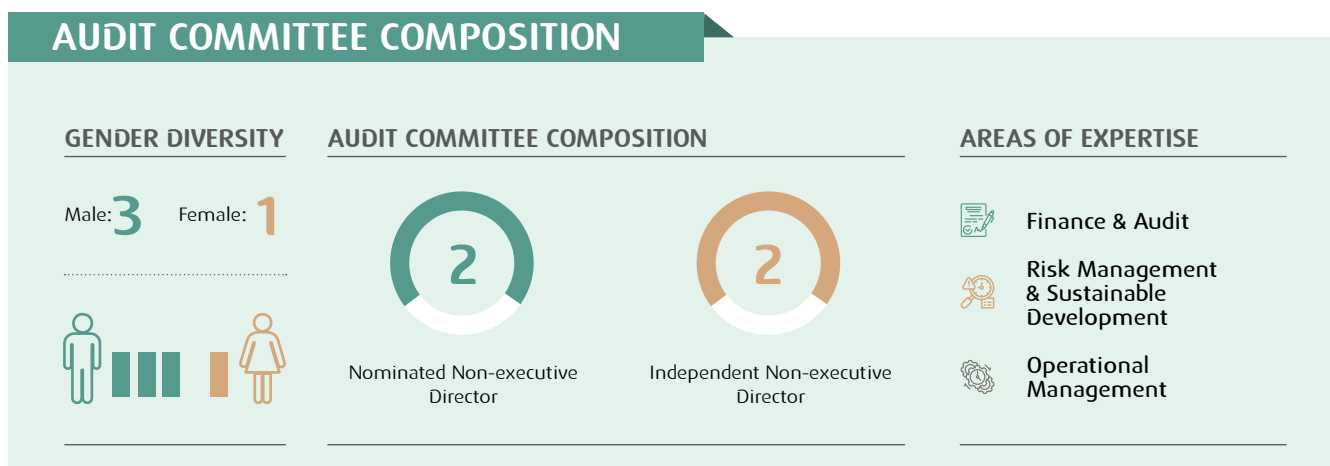
The plan will guarantee that members have access to a suitable continuing education course and are informed about the most recent advancements and trends in business, industry, law and regulation that will impact the Company's operations. Senior Management, the CEO & Managing Directors, and the heads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

- Assisting the Board of Directors in fulfilling its oversight responsibilities related to nomination and remuneration policies, practices, and procedures of IDLC Finance PLC.
- Reviewing the Nomination And Remuneration Policy and Activity Status during the year at a glance before disclosing in the Annual Report;
- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy relating to the remuneration of the directors to the Board,
- Devising a policy on the Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment to and removal from the Board
- Formulating the criteria for evaluation of performance of independent directors and the Board
- Identifying the company's needs for employees at different levels and determine the criteria for their selection, transfer or replacement and promotion
- Developing, Recommending and reviewing annually the company's human resources and training policies



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.



FUNCTIONS OF THE MANAGEMENT COMMITTEE AND ITS SUB-COMMITTEES

Management Committee (Meeting Held: Weekly)

Functions

- ▶ Oversee IDLC in accordance with its constitution and applicable laws and regulations;
- ▶ Oversee ongoing operations;
- ▶ Segregation of the responsibilities and accountability of the committee from those of the Executive Officer to ensure good governance;
- ▶ Monitoring achievement against strategic plans and allocated budget
- ▶ Making key decisions for the Company's management and operations under the official delegation of authority from the Board.

Credit Evaluation Committee (Meeting Held: Twice in a Week)

Functions

- ▶ Evaluates credit proposals from the risk point of view.
- ▶ Reviews all policies related to underwriting to ensure proper risk management.
- ▶ Reviews any policy and process related to valuation, vetting, insurance which have implication on overall credit risk management
- ▶ Reviews sector-specific portfolio from time to time to mitigate concentration risk.

Asset Liability Management Committee (Meeting Held on 2024: 11)

Functions

- ▶ To instill a systematic management process for tracking the Balance Sheet risks in a timely manner.
- ▶ To proactively review and manage potential liquidity risk and Interest rate risk which may arise from market movements, regulatory changes and/or changes in economic/political environment.
- ▶ To review and set deposit-pricing and asset-pricing strategy of IDLC. Determine deposits and assets growth in the right bucket for better Asset Liability Management (ALM) of IDLC.
- ▶ To ensure compliance with the regulations of Bangladesh Bank in respect of statutory obligations involved within the parameters of Balance Sheet Risks.

BASEL Committee (Meeting Held on 2024: 04)

Functions

- ▶ Apply the action plan of BASEL-II and review thereof;
- ▶ Communicate issues related to the BASEL-II or any subsequent amendments to the management;
- ▶ Assist in carrying out the quantitative impact study (QIS), if necessary,
- ▶ Engage in capacity building and training according to the training need assessment (TNA) for the concerned officials;
- ▶ Ensure Capital Adequacy and ensure supervisory review as required by Pillar-III of BASEL-II framework

Integrity Committee (Meeting Held on 2024: 01)

Functions

- ▶ Create awareness on code of integrity and good governance across the company;
- ▶ Identify the scopes where efficiency of employee can be developed and arrange appropriate training in this regards;
- ▶ Amend existing policies and procedures as per requirements;
- ▶ Evaluate and reward the respective employees for integrity and good work;
- ▶ Improve e-governance system;
- ▶ Develop complaint management system;
- ▶ Implement code of conduct.

Central Compliance Unit (Meeting Held on 2024: 17)

Functions

- ▶ Continuously updating AML and ATA policies in line with regulatory changes and Bangladesh Bank directives.
- ▶ Overseeing procedures to prevent money laundering and terrorist financing across the organization
- ▶ Issuing company-wide compliance instructions to ensure regulatory alignment.
- ▶ Ensuring KYC, risk assessments, and control measures are properly implemented.
- ▶ Providing advisory support on suspected money laundering activities or transactions.
- ▶ Promoting ongoing awareness through AML-focused training, workshops, and seminars.
- ▶ Developing testing procedures to proactively detect and prevent compliance gaps.
- ▶ Monitoring branch operations through AML/ATA self-assessments and recommending corrective actions



IDLC Ladies Forum

Functions

- ▶ Ensuring all women employees the opportunity for networking and provide a common platform to share and raise various issues and problems like discrimination, harassment, negative attitude towards women and any other issue that may affect women employees within the Company
- ▶ Enabling IDLC's management to better understand and address issues and develop strategies accordingly

Risk Management Forum (Meeting Held on 2024: 12)

Functions

- ▶ Design overall risk management strategy
- ▶ Communicate views of the Board and senior management regarding the risk management culture and risk appetite across the company
- ▶ Prepare risk management policies and procedures
- ▶ Monitor the prescribed/ threshold limits of risk appetite
- ▶ Develop and observe the use of models to measure and monitor risks
- ▶ Develop and oversee implementation of stress testing
- ▶ Oversee the capital management functions in accordance with the risk-based capital adequacy measurement accord, i.e. BASEL-II
- ▶ Implement action plans and guidelines relating to financial risk management suggested by Risk Management Committee (RMC)
- ▶ Highlight risks in portfolios and deficiencies of the Company on a timely manner
- ▶ Review market conditions, identify external threats and provide recommendations for precautionary measures
- ▶ Develop overall information system/ MIS to support the risk management functions of the company

Whistle Blowing Committee (Meeting Held on 2024: 02)

Functions

- ▶ Review of issues brought out by the whistle blower
- ▶ Formation of investigation committee to investigate the matter reported by a whistle blower
- ▶ Overseeing investigation report and take corrective and remedial measures accordingly

ICT Steering Committee (Meeting Held on 2024: 02)

Functions

- ▶ Monitor management methods to determine and achieve strategic goals
- ▶ Provide guidance related to risk, funding, or sourcing
- ▶ Ensure project priorities and assessing feasibility for ICT proposals
- ▶ Ensure that all critical technology projects have a component for "project risk management"
- ▶ Consult and advise on the selection of technology to be implemented
- ▶ Ensure that vulnerability assessment of new technology is performed
- ▶ Provide direction and guidance regarding architecture design, need for legislative and regulatory compliance
- ▶ Ensure compliance to regulatory and statutory requirements

ICT Security and Risk Management Committee (Meeting Held on 2024: 02)

Functions

- ▶ Ensure development and implementation of ICT security objectives, ICT security related policies and procedures
- ▶ Provide ongoing management support to the Information security processes
- ▶ Ensure continued compliance with the business objectives, regulatory and legal requirements related to ICT security
- ▶ Support to formulate ICT risk management framework/process and to establish acceptable ICT risk thresholds/ICT risk appetite and assurance requirements

Cyber Security Management Committee (Meeting Held on 2024: 02)

Functions

- ▶ Monitoring and reviewing the tasks related to cyber security
- ▶ Monitoring and reviewing tasks related to data protection and data security (Data backup & restoration)
- ▶ Appraise Board of Directors on the overall ICT security including cyber security related status
- ▶ Appraise Board of Directors on the overall data protection & data security related activities



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 2024 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.

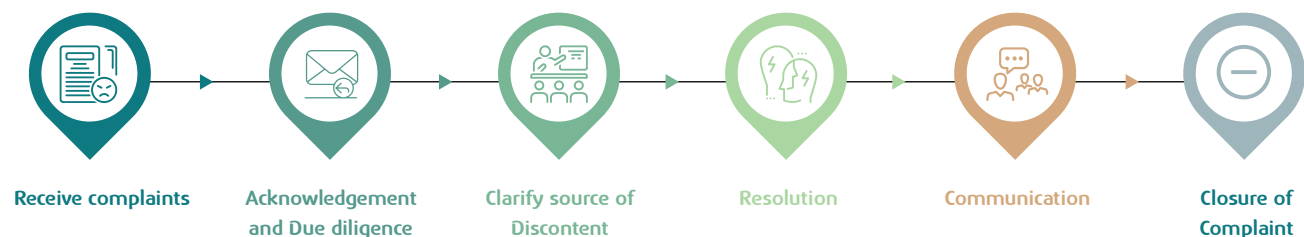
COMMUNICATION WITH THE STAKEHOLDERS

The Channels of Communication with Stakeholders-

<p>Annual General Meeting</p> <p>Average Shareholders' Representation in past 5 years: 70.63% 2023: 54.70% (AGM for the year 2023)</p>	<p>IDLC Website</p> <p>Updates of recent financial information and latest investor information and analysts briefing material</p>	<p>2024 Investor Meetings</p> <p>Over 18 Investor meetings Teleconference meeting with potential foreign Investors</p>
<p>Reports and Announcements</p> <p>Annual report and sustainability report Quarterly financial statements Price sensitive disclosures Announcements and Press releases</p>	<p>2024 Shareholder Visits</p> <p>115 visits by 123 shareholders</p>	<p>2024 Analyst Briefings</p> <p>Quarterly analyst briefings discussing each quarter including year end financial performances</p>

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.





KEY ACTIVITIES DURING THE YEAR 2024



4 quarterly earnings webcasts within 8 weeks past each quarter



Annual General Meeting through virtual digital platform



Year round meetings, calls and email exchanges with analysts and shareholders



OUR SUPPLY CHAIN

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

Customer Data Storage and Protection

IDLC continues to set the benchmark in innovation, constantly pushing the boundaries to provide exceptional digital experiences for our customers. In 2021, we proudly launched Bangladesh's first-ever Online DPS product in collaboration with bKash, the nation's largest Mobile Financial Service provider. This initiative has already reached 1 million individuals by the end of 2024, transforming the way people save and encouraging savings habit.

As part of our ongoing mission to make financial services more accessible, especially to the unbanked population of Bangladesh, IDLC, in partnership with bKash, introduced the country's first-ever weekly savings scheme in May 2024. This innovative Weekly DPS allows individuals to begin their savings journey with as little as BDT 250, with the flexibility of weekly deposits. In just 7 months, this

product has made a significant impact reaching 91,941 people. IDLC has teamed up with top Mobile Financial Service providers to offer our clients the convenience of making seamless digital payments, reinforcing our commitment to a future of easy and accessible financial solutions

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 JOURNEY TO SUSTAINABILITY



OUR APPROACH TO A SUSTAINABLE FUTURE

At IDLC, sustainability is in the core to our long term vision. We are dedicated to establishing enduring value while honoring and improving the welfare of both people and the environment. We want to create a good impact and guarantee sustainable profits for all of our stakeholders by incorporating environmental, social, and governance (ESG) factors into our operations and investment choices. For the fourth year in a row (2021, 2022, 2023, and 2024), Bangladesh Bank has recognized IDLC Finance PLC as one of the top five sustainable non-bank financial organizations in Bangladesh, demonstrating our ongoing commitment to sustainable practices. This accomplishment shows how well our sustainability efforts have worked in a variety of fields. Bangladesh Bank's Sustainable Finance Department evaluates financial institutions based on four key pillars of sustainability. That are Sustainable Finance, Green Finance, Corporate Social Responsibility & Core Banking Sustainability. Being consistently ranked among the leading institutions in these diverse areas is a significant accomplishment for IDLC. It underscores our unwavering commitment to embedding sustainable practices at the core of our operations, ensuring that we continue to contribute to the development of a more sustainable and resilient financial sector.

OUR SUSTAINABILITY PILLARS



Furthering Economic Prosperity

Driving Inclusive Growth

Sustainable Business Practices

IDLC's Commitment to Sustainability

IDLC has actively embraced sustainable financing and green banking approaches in recognition of the changing role of business in society and the changing demands of stakeholders and investors about value creation. This strategic change positions us as a progressive financial institution committed to long-term value creation, in line with both regulatory obligations and the expanding needs of our stakeholders.

A specialized Sustainable Finance Unit was created by IDLC to lead this program and make sure that sustainability concepts are smoothly incorporated into our daily business operations. Incorporating environmental, social, and governance (ESG) factors into our investment choices and overarching business plans is a major responsibility of the Unit.

Additionally, a Sustainable Finance Committee—comprising senior management—provides oversight and leadership for the Unit. This high-level committee champions the integration of ESG factors across all aspects of IDLC's activities, ensuring that sustainability is a core focus at every level of decision-making.

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 13 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

- ▶ Expanding access to financial services for the unbanked through digital innovation to promote financial inclusion.
- ▶ Supporting innovation and entrepreneurship through tailored financial solutions.
- ▶ Partnering with local NGOs to implement impactful community development programs under our CSR initiatives.
- ▶ Empowering the SME sector to drive inclusive economic growth and uplift communities from poverty.





Our Contribution

- ▶ Expanding access to essential healthcare services for underprivileged communities through CSR initiatives, including health camps, medical assistance, and emergency response support.
- ▶ Promoting employee well-being by fostering a healthy workplace culture and ensuring a safe, supportive working environment.
- ▶ Providing comprehensive health benefits for employees, including hospitalization coverage and life insurance support.
- ▶ Conducting regular awareness campaigns and health-related workshops to educate employees on critical health issues and encourage preventive care.



Our Contribution

- ▶ Enhancing educational infrastructure and increasing access to quality learning opportunities in underserved and remote communities through targeted CSR initiatives.
- ▶ Offering scholarships to underprivileged yet meritorious students to support their pursuit of higher education.
- ▶ Providing dedicated scholarship support for the children of IDLC's office assistants and support staff to ensure equal access to quality education for all.



Our Contribution

- ▶ Promoting gender equality by fostering inclusive leadership and ensuring equal opportunities for women across all levels of the organization.
- ▶ Empowering women entrepreneurs through our flagship financial product 'Purnota', specifically designed to meet their unique business and personal needs.
- ▶ Advancing women's financial independence through digital savings solutions and inclusive financial programs.
- ▶ Implementing CSR projects focused on women's empowerment, including skill development, entrepreneurship support, and community-based initiatives that uplift and enable women.



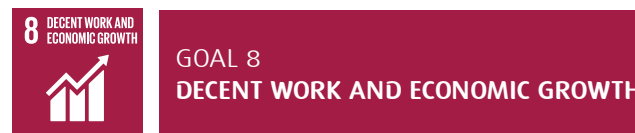
Our Contribution

- ▶ Facilitating access to safe and clean drinking water in marginalized urban, disaster prone and coastal communities through CSR-funded water projects.



Our Contribution

- ▶ Financing climate-resilient and clean energy projects that reduce greenhouse gas emissions.
- ▶ Implementing internal energy efficiency initiatives across branches and offices.
- ▶ Procuring renewable energy sources to power IDLC's operational sites.



Our Contribution

- ▶ Leveraging digital tools to enhance financial inclusion and economic participation.
- ▶ Supporting the growth of SMEs as engines of employment and economic resilience.
- ▶ Ensuring fair employment practices and decent working conditions across the organization.



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

- ▶ Offers inclusive SME financing to empower underserved entrepreneurs.
- ▶ Supports women entrepreneurs with customized loan products and capacity-building initiatives.
- ▶ Promoting social equity through CSR programs focused on community empowerment and capacity building.



GOAL 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our Contribution

- ▶ Promoting sustainability through green office practices and resource efficiency.
- ▶ Adopting responsible financing policies to support environmentally and socially sound business practices.



GOAL 13 CLIMATE ACTION

Our Contribution

- ▶ Financing climate-resilient initiatives that contribute to the reduction of carbon emissions.
- ▶ Reducing the environmental impacts of our operations and associated climate impacts.

Our ESG Agreement, Policies & Guidelines

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.



GOAL 15 LIFE ON LAND

Our Contribution

- ▶ Partnered with local organizations for initiatives that help protect endangered species and preserve natural habitats.



GOAL 17 PARTNERSHIPS FOR THE GOALS

Our Contribution

- Active member of global sustainability alliances-
 - ▶ United Nations Global Compact (UNGC) since 2007
 - ▶ United Nations Environment Program Finance Initiative (UNEP FI) since 2011
 - ▶ Founding Signatory of UNEP FI's Principles for Responsible Banking.
 - ▶ Founding Signatory of the Collective Commitment to Climate Action (CCCA)

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 established its first Sustainable Finance Policy in 2022 and updated the same in 2023 & 2024. 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 (GBCSRD 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.

UNDERSTANDING IDLC'S EMISSION: SCOPE 1, 2 & 3 AT A GLANCE

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.

Scope of GHG Emission Calculation

One of the foremost and challenging steps in the development of a GHG emission inventory is the definition of the boundaries of the inventory. These boundaries refer to the coverage and extent that will be taken into account for the inventory process and determine what is included and what is not.

Organizational Boundaries

Any business operations vary in their organizational structures; they include wholly owned operations, incorporated and non-incorporated joint ventures, subsidiaries, and others. Organizational boundaries determine which business units (core, subsidiaries, franchises, etc.), facilities, or physical places of operation, owned or controlled by the reporting company, are included in the carbon footprint.

Operational Boundaries

Operational boundaries determine the business activities of the reporting company that generate emissions, which of these activities should be included in the calculation, and how these activities should be included in the calculation, and how these activities should be classified (i.e., direct, or indirect emissions).

Scope-1 Emission

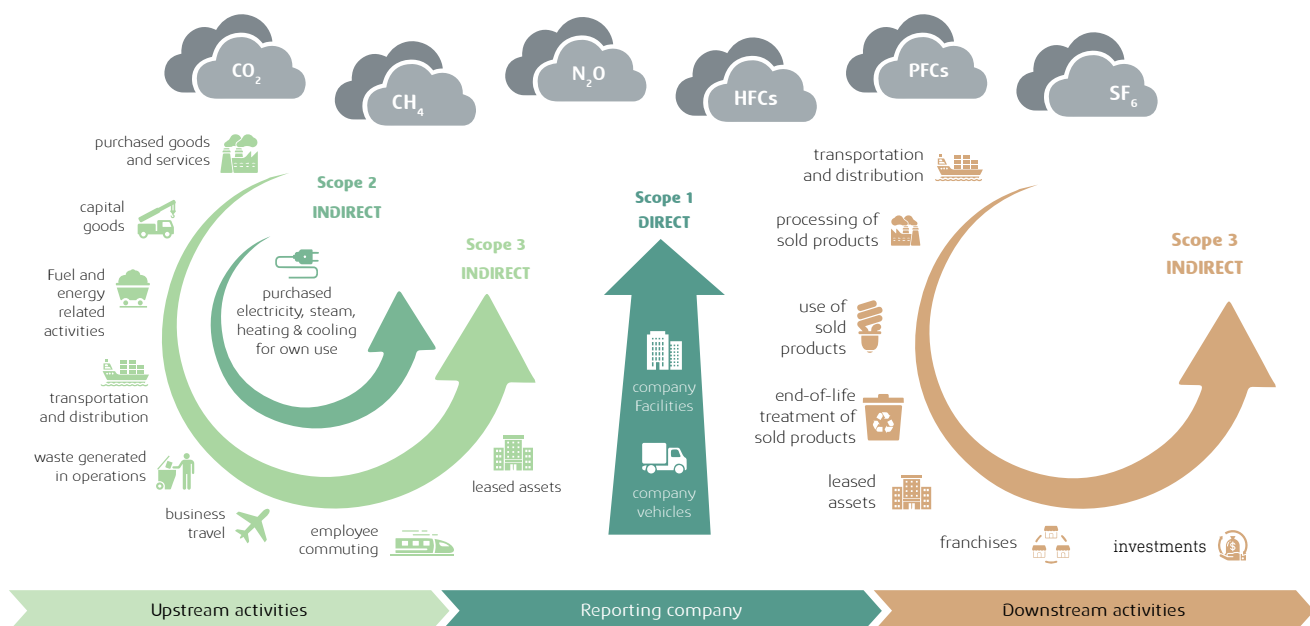
Scope-1 emissions are direct greenhouse gas emissions that occur from sources that are controlled or owned by an organization. Some of the categories of Scope-1 emissions are fuel consumption, biofuel consumption, air conditioning, refrigerator, and owned vehicles.

Scope-2 Emission

Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although Scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory because they are a result of the organization's energy use.

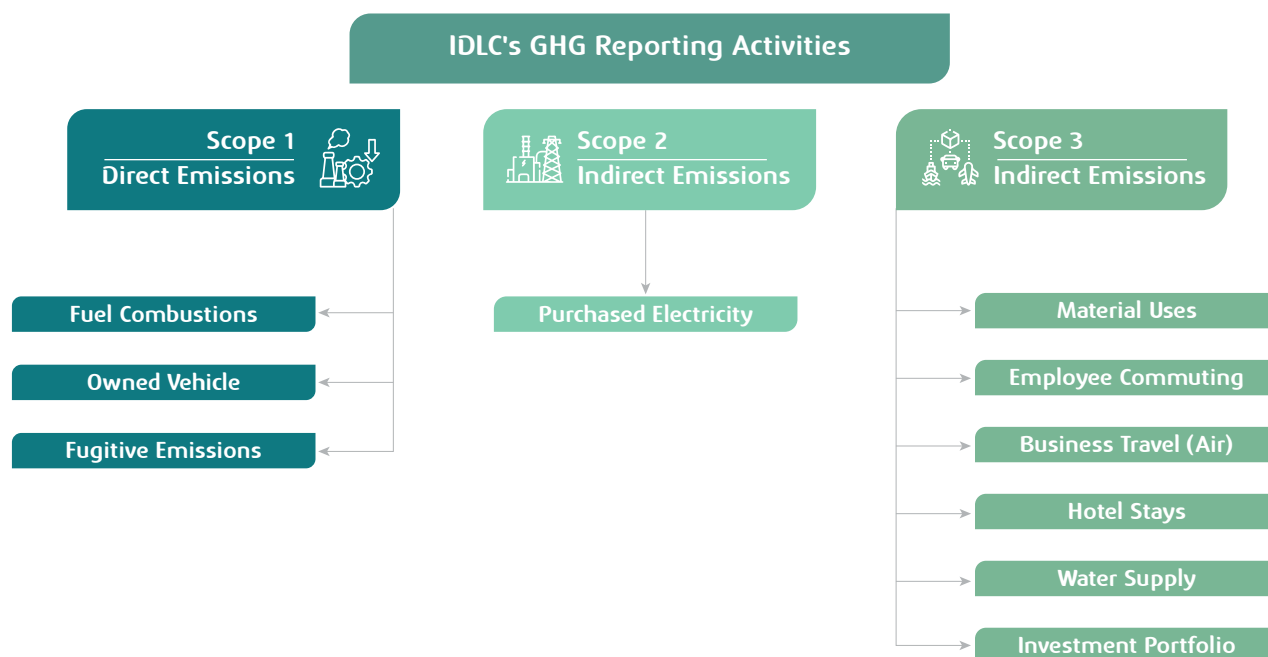
Scope-3 Emission

Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain. Scope 3 emissions include all sources not within an organization's Scope 1 and 2 boundaries. Examples of some Scope-3 emissions are- Material Used, Employee Commuting, Business Travel (Air), Hotel Stay, Water Supply, Investments etc.



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 travelled, 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}



The Methodology

For calculation of internal GHG emissions of IDLC Finance PLC, GHG Protocol Corporate Reporting Standard methodology has been used. Due to unavailability of specific emission factor data for Bangladesh, UK emission factors from DEFRA 2022 have been considered for calculation. The formula of this calculation is GHG emissions = Activity x Emission Factors. For calculating the GHG emissions of the Loan Portfolio, 'GHG Protocol Category-15' has been used for calculating debt investment and 'Partnership for Carbon Accounting Finance (PCAF)' has been used for calculating rest of the investment categories of IDLC Finance PLC DEFRA SIC emission factors and PCAF emission factors have been used for calculation. For debt investment 'economic activity based' emission factors have been used.

Formula of Investment Categories

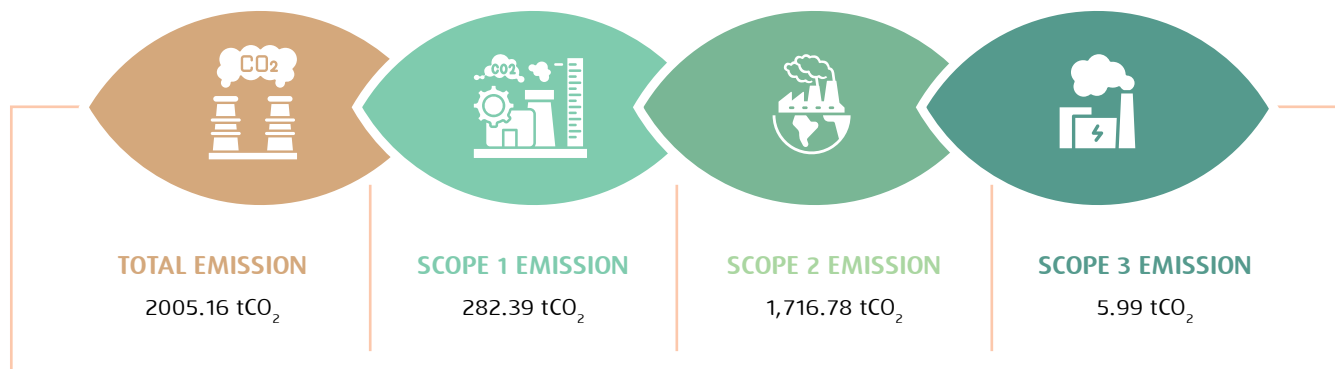
	<p>Debt Investment</p> <p>Emissions from debt investment = $\sum ((\text{Investee company total revenue } (\\$) \times \text{emission factor for investee's sector (kg CO}_2\text{/ \\$ revenue)} \times \text{share of debt } (\%))$.</p>		<p>Motor Vehicle Loan</p> <p>Financed emissions= $\sum [(\text{Outstanding amount } (v))/(\text{Property value at origination}(v)) \times \text{Distance travelled}(l) \times \text{Efficiency } (v,f) \times \text{Emission factor}(f)]$</p>
	<p>Commercial Real Estate</p> <p>Financed emission= $\sum [(\text{Outstanding amount } (b))/(\text{Property value at origination}) \times \text{Estimated energy consumption from energy label } (b,e) \times \text{Floor area} \times \text{Average Emission factor}(e)]$</p>		<p>Mortgage Loan</p> <p>Financed emission= $\sum [(\text{Outstanding amount } (b))/(\text{Property value at origination}) \times \text{Estimated energy consumption from energy label } (b,e) \times \text{Floor area} \times \text{Average Emission factor}(e)]$</p>

GHG Emission of IDLC

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 greenhouse gas emissions from IDLC's internal operations amount to a 2005.16 tCO₂ CO₂ equivalent. Of this, the emissions from direct sources, such as company-owned vehicles and equipment, account for a small portion. The majority of the emissions come from indirect sources, mainly from the consumption of electricity. A smaller share of emissions comes from other indirect sources related to business activities, like employee travel and waste management.

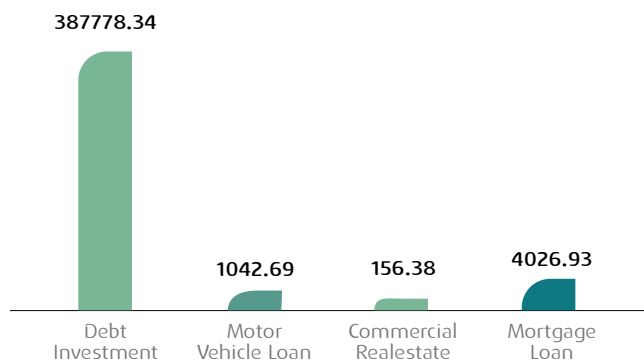


In this report the GHG emission has been calculated from a total of four categories of investment (Debt Investment, Motor Vehicle Loan, Commercial Real-estate, and Mortgage Loan) of IDLC's loan portfolio. The total GHG Emissions from

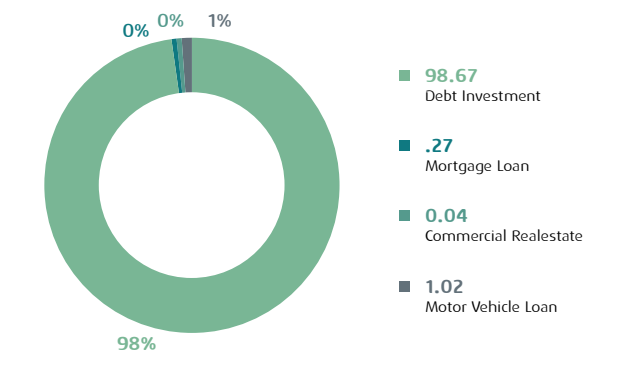
the Loan Portfolio Investment is 393,004.34 tCO₂e and the emission intensity is 3.59 tCO₂e/Million BDT. From the total GHG emissions of IDLC's Loan Portfolio.

Investment Categories	GHG Emission (tCO ₂ e)	Share of Emission (%)	Emission Intensity (tCO ₂ e/Million BDT)	GHG Protocol
Debt Investment	387,778.34	98.67%	12.95	Category 15
Motor Vehicle Loan	1,042.69	0.27%	0.50	Category 15
Commercial Real-Estate	156.38	0.04%	0.45	Category 15
Mortgage Loan	4,026.93	1.02%	0.14	Category 15
Total	393,004.34	100.00%	14.04	

Loan Portfolio GHG Emission (tCO₂e)



GHG Emission percentage if IDLC's Investment



Scope 1, Scope 2, and Scope 3 Emission Details

Scope 1 Emission (Direct)

The direct greenhouse gas (GHG) emissions for IDLC Finance PLC primarily arise from the following activities across its departments and facilities:

1. Fugitive Combustions: These emissions are generated through the combustion of fuels in stationary sources such as boilers, generators, and other similar equipment used within IDLC's operations.
2. Owned Vehicle: Emissions occur from the burning of

fuels in mobile combustion sources that are owned or controlled by IDLC, such as company cars used for employee travel, transportation of products or materials, and waste management.

3. Fugitive Emissions: These emissions are the result of unintentional or intentional releases of substances such as hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs). These gases may be released during the operation of refrigeration and air conditioning systems within IDLC's facilities.

	Activities	Amount
Scope 1 Emission	Fuel Combustions	77.77
	Owned Vehicle	101.57
	Fugitive Emissions	0.00
	Others	103.05
	Total	282.39

Scope 2 Emissions (Direct)

"IDLC Finance scope-2 Emission" refers to the consumption of electricity that they purchase and not controlled by the Bank.

Consumption Year	Amount (tCO ₂ e)	Difference in terms of previous year (%)
2024	1,716.78	25.45%

Scope 3 Emissions (Direct)

Consisted with both organizational & operational activities

Scopes	Activities	GHG Emission	Category
Scope 3 (Investment)	Debt Investment	387,778.34	Category 15
	Motor Vehicle Loan	1042.69	Category 15
	Commercial Real Estate	156.38	Category 15
	Mortgage Loan	4026.93	Category 15
	Others	5.99	
	NET EMISSION SCOPE 3	393,004.34	

PRB Impact & Target Setting

Principles for Responsible Banking (PRB) is a praise worthy initiative of UNEP FI which collaborates different principles for banks in order to achieve the Sustainable Development Goals and Paris Climate Agreement. The platform integrates more than 270 banks and is based on six principles – Alignment, Impact & Target Setting, Clients & Customers, Stakeholders, Governance & Culture and Transparency and Accountability. All these principles motivate the signatory bank to understand its impactful area and thus understand its positive or negative effects on environment and society. Understanding its own impacts help the bank to set SMART targets and thus achieve those while aligning itself with the broader initiatives of the society and its own country.

IDLC became a signatory of this initiative on 22 September, 2019, with an ambition of contributing in the global vision of conserving the nature, society and resources.

Impact

Impact Analysis

To undertake impact analysis, we have used a methodology combining three methods which are-

- ▶ Scoping
- ▶ Qualitative
- ▶ Quantitative analysis

Through that, we have analyzed our portfolio to understand our involvement in most impactful sectors, and redesigned our products, services and activities in the corporate and SME banking segments. The major sectors in our portfolio are Housing, Trade and Commerce, Garments and Knitwear, Food Production and Processing Industry, Textile, Pharmaceuticals and Chemicals, Transport and Aviation, Electronics and Electrical Products, Iron, Steel and Engineering, Telecommunication and Information Technology, Cement and Allied Industry, Agro Based Industry, Glass, Glassware and Ceramic Industry, Plastic Industry, Power, gas water and sanitary services, Leather and Leather Goods, Agriculture, Paper, Printing and Packaging & Others.

Our portfolio is also somewhat concentrated in Housing, and there is also some exposure in car & personal loans. We also provide loans for our employees which make up for a small share for the portfolio. In the course of our analysis, we determined that these portfolios were strongly associated with impacts that include climate change (Greenhouse Gas (GHG) emissions), air and water pollution, biodiversity loss and degradation, and decent employment.

Areas of the Most Significant Impact

To determine the scale and intensity of these areas of impact, we analyzed our portfolio to identify the industries that were the primary contributors to these impact areas. We determined the intensity of GHG emissions in our portfolio was attributable to energy consumption through manufacturing industries, mostly RMG and other energy intensive manufacturing concerns.

Garments and Knitwear & Textiles, particularly through

energy intensive machineries for productions and other relevant purposes (and through the release of wastewater without complying the national standards into the environment), and project finance activities (construction of heavy infrastructure, resettlement, grievance mechanism, etc.) are amongst the leading contributors to climate impact, biodiversity loss and degradation. Therefore, we concluded that climate change and loss of were IDLC's areas of most significant impact.

Strategic Business Opportunities

We work with our clients in high impact sectors, i.e. energy efficient technologies, renewable energy, and identify viable transition opportunities, and support them by securing concessional financing facilities that enables them to transform their businesses and align with climate and nature positive transition pathways.

Target

SMART Target 1: Mitigation of Loss of Biodiversity

We have significant exposure in the Garments & Knitwear, Textiles, Iron, Steel & Engineering, leather and leather products. These industries are manufacturing industries and are responsible for releasing chemicals in the atmosphere and surrounding water bodies. At present, there are about 4,600 factories in Bangladesh's textile industry according to Bangladesh Garment Manufacturers and Exporters Association (BGMEA). There are a very few industries which practice sustainable practices and use Biological/Bio-chemical Effluent Treatment Plant (ETP) for mitigating the negative impacts due to their own waste.

It goes without saying that the industrial revolution is a terrific engine to accelerate a country's economic growth, especially one that is developing like Bangladesh. It is of considerable concern that these companies' production processes are alarmingly polluting the water bodies at a time when industrialization is bolstering a nation's economic progress. Untreated industrial effluent has harmful effects on the ecosystem that might cause extinction and harm to biodiversity. Nevertheless, depending on the industry, industrial effluents comprise a range of elements. Some effluent contains hazardous substances while others contain oils and grease. Since industrial waste water contains a variety of impurities, some parameters like Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), pH, Total Dissolved Solids (TDS), and Total Suspended Solids (TSS) must be below tolerance limits before being discharged into the open environment. The ETP Plant processes waste water from many industrial sectors, including chemicals, medications, pharmaceuticals, refineries, dairy, ready-mix industries, and textiles, among others, using a variety of physical, chemical, biological, and membrane processes. There is no substitute for ETPs since, for instance, an ETP can reduce the BOD & COD level of waste water by up to 70%-80% within a day.

To mitigate the impact of that sector we have taken the mentioned target (Mitigation of Loss of Biodiversity) is associated with (Clean Water and Sanitation), SDG-7



(Affordable and Clean Energy) and SDG-13 (Climate Action). So to have a positive impact on the climate and mitigating the loss of biodiversity, IDLC, as a responsible banking institution, set the goal of investing approximately 5.61 million USD (3 times more than sanctioned in 2022) in biological/biochemical ETPs in the garment and knitwear, textile, iron, steel, and engineering sectors by 2025. From the beginning of 2023 to the end of 2024 IDLC Finance PLC provided financing for biological and biochemical ETPs totaling USD 5.04 million in order to mitigate the effects of the toxic chemicals on the water bodies generated by these industrial sectors. These projects are contributing in processing the waste water at a rate of 4,231 m³/hour

SMART Target 2: Climate Mitigation

IDLC is a signatory of Net Zero banking Alliance of UNEP FI since 2021. In this regard, we have on boarded 1 (one) third party consultant for measuring GHG emission due to our internal operations and loan portfolio considering 2022 as the base year. As per their calculation, the GHG emission of IDLC stands at 395,009.5 tCO₂e (internal operations: 2,005.16 tCO₂e and loan portfolio: 393,004.34 tCO₂e). After assessing the loan portfolio, IDLC has taken and disclosed the following targets to reach net zero emission in 5 (five) of most significant sectors (page number 73). We intend to monitor and revisit our declared targets to ensure alignment with the NZBA (Full Form) guidelines and also to reduce the negative impacts of climate change.

Actions against the Target

List of Actions & Milestones to meet the set Targets

Measures and actions we plan to put in place include -

- ▶ Developing and putting effective policies and processes in place regarding Green and Sustainable finances, engaging with companies in key sectors i.e. RMG, Pharmaceuticals, Steel, Cement, Traders of SME businesses, etc.
- ▶ Holding rigorous training sessions and increasing awareness among both the internal and external stakeholders.
- ▶ Introducing ourselves to different lucrative refinancing schemes for onboarding clients.
- ▶ Increasing focus for increasing exposure in environment friendly projects:
 - Renewable Energy
 - Energy Efficient Machineries
 - Green Building/Industry
- ▶ Exploration of low cost financing solutions for the green projects/initiatives
- ▶ Increasing tree plantation through CSR fund
- ▶ Increased financing in climate mitigation/adaptation projects through Climate Risk Fund (CRF)

- ▶ Regular calculation of GHG emission and developing & monitoring strategies to reach net zero by 2050

Plans to Measure and Monitor Progress against the Set Target

Our key performance indicator including:

- ▶ Periodically review and updating our Credit Policy in line relevant regulatory instructions;
- ▶ Practicing Environmental Social Impact Analysis (ESIA) for impactful projects like economic zone, etc.
- ▶ Practicing ESAP for respective clients as per our ESRM guidelines;
- ▶ Engaging with relevant national & international stakeholders; and
- ▶ Financing in projects/ initiatives defined as Green projects and Sustainable business of 5% and 20% respectively against our yearly disbursement.

Implemented Actions for the Climate Change and Loss of Biodiversity Targets

IDLC had previously set targets focusing on climate change and loss of biodiversity. In this regard, we have put concentrated effort in educating clients and increasing the investments in Energy Efficient Technology, Biological/Biochemical ETP and Green Agriculture. IDLC has surpassed the target for Biological/Biochemical ETP and has revised the target in order to ensure long term sustainability through its financing decisions.

IDLC has developed one (1) Sustainable Finance Help Desk in each of its 10 (ten) out of its 32 (thirty two) branches, including the Corporate Head Office, for ensuring clients engagement and capacity building at the client's end. Moreover, IDLC has dedicated Green Desk for educating client on climate change and thus providing environment friendly solutions.

Energy, natural resources, transportation, and agriculture are among of the high impact sectors that we have identified clients in and are beginning to engage with them to discuss their transition strategies and discover possibilities to support them. To do this, we first trained and equipped our staff members who deal directly with clients to increase client engagement and ensure knowledge sharing, particularly those in high-impact industries.

Looking at our portfolio makes it abundantly evident that our clients' interest in renewable energy and energy efficient solutions has gradually grown. Through the continuous support and guidance of the regulatory body, Bangladesh Bank and by arranging time to time awareness programs, in 2024, IDLC Finance PLC has disbursed green loan of 13.47% of its total long term loan (against target of 5%) and sustainable finance of 37.82% of its total loan (against target of 20%). IDLC intends to increase this exposure in the coming days for building a sustainable portfolio.

CLIMATE CHANGE: RISK & OPPORTUNITIES FOR IDLC

Climate change presents a significant challenge for both Bangladesh and the global financial sector. IDLC recognizes the importance of comprehending and addressing climate-related risks and opportunities within our business strategy. This section explores these elements to guarantee our long-term sustainability and beneficial impact:



Climate Risks

Increased Intensity of Extreme Weather Events

Floods, cyclones, and droughts can disrupt operations, damage infrastructure, and impact loan repayments.

Increased Frequency of Earth Tremor

In recent years, earthquake is taking as a major concerning issue in terms of sustainability purpose. This can put a dreadful impact in infrastructure, as well as in overall economy

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



Risk Mitigation Strategies

Environmental and Social Management System (ESRM)

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.

Principle for Responsible Banking (PRB)

IDLC signed the UNEP FI's Principles for Responsible Banking on September 22, 2019, with the goal of supporting global sustainability initiatives by aligning with the Paris Climate Agreement and the Sustainable Development Goals

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 Teams (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 SUSTAINABLE FINANCIAL INITIATIVES

Green Building Industry

Green buildings/industries refer to those infrastructures which have environmentally responsible features and are resource efficient for their entire lifecycle. IDLC provides support to the clients who are willing to invest in their factories and buildings for long term sustainability through making them green. IDLC has availed refinance for a number of projects under Green Building/Industry. Green buildings/industries refer to those infrastructures which have environmentally responsible features and are resource efficient for their entire lifecycle. IDLC provides support to the clients who are willing to invest in their factories and buildings for long term sustainability through making them green. IDLC has availed refinance for a number of projects under Green Building/Industry. In 2024, IDLC Finance disbursed loan of BDT 633.1 million.

Total Client: 07

Renewable Energy

Depleting natural resources and the ascension of greenhouse gases (GHG) have made it necessary that every entity starts relying more on the renewable energy for long – term sustainability. Being a responsible banking institution, IDLC is steadfast in investing in solar products, wind power plant, hydro-power plant and as such for a better and greener future.

IDLC disbursed loans amounting to BDT 1001.14 million.

Total Client: 23

Biogas Plant

IDLC has extended financing support to initiatives focused on organic compost production, aimed at promoting sustainable and eco-friendly agricultural practices. These initiatives involve the production of various types of organic fertilizers, including both primary products and beneficial byproducts that enhance soil health and reduce dependence on chemical alternatives.

With IDLC's support, necessary infrastructure such as laboratories and processing facilities have been developed to ensure the quality and effectiveness of the composting process. These efforts contribute to environmental sustainability while fostering innovation in organic farming solutions.

Recycling Plant

Our never ending demands have significantly decreased the available resources. On the other hand, the existing linear production system has created an enormous amount of non-biodegradable waste for the environment. Thus, IDLC in support of circular economy and sustainable value chain is dedicated in investing in Battery, Plastic, Paper and other different recycling plants.

Energy Efficient Technology

Energy Efficient Technology requires less electricity than traditional/old machines which in return increases the production capacity of the business. IDLC has been a proponent of technological up gradation of the economy and related businesses. It aspires to support businesses in developing themselves towards automation for future sustainability. In 2024, IDLC has availed refinance worth BDT 3129.96 million from Bangladesh Bank across Energy Efficient Technology.

Total Client: 48

Effluent Treatment Plant (ETP)

IDLC has put strong focus on financing effluent treatment plants (ETPs) including Bio-chemical ETPs and Biological ETPs. The adverse effect of liquid wastes from dyes and chemicals, created by many factories can be completely eliminated through ETPs. IDLC has disbursed a total of BDT 26 million for setting up effluent treatment plants in three RMG factories in Narayanganj and Narshingdi. Moreover, in 2024, it has received BDT 362.97 million refinance from Bangladesh Bank for Bio-chemical and Biological ETPs.

Total Client: 02

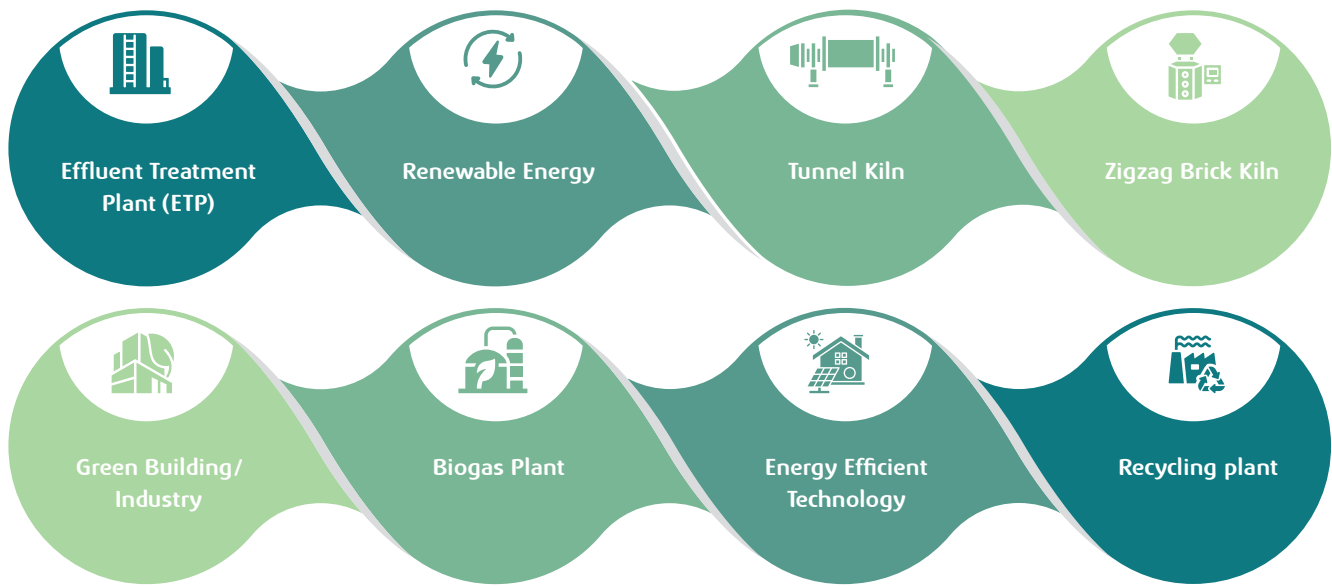
Tunnel Kiln

Traditional brick projects are the largest contributors of Green House Gas (GHG) in our country – accounting for 38% of Bangladesh's air pollution or approx. 9.81 million ton of CO₂ per year. The Bangladesh Government and Development / Multilateral Agencies strongly endorse the restructuring of the Bangladesh brick sector through the promotion of newer Energy Efficient Brick Kiln (EEKs) technologies.

Zigzag Brick Kiln

IDLC has supported the establishment of a modern and environmentally conscious manufacturing facility aimed at producing construction materials using cleaner technologies. The project incorporates eco-friendly production methods designed to significantly reduce carbon emissions compared to traditional practices. As part of its sustainability commitments, the initiative includes formal arrangements for carbon credit transactions through authorized channels, further contributing to global climate goals. This reflects IDLC's dedication to promoting green industrial development and encouraging responsible business practices. The company financed BDT 12.70 million to a modern and environment friendly brick manufacturing concern around the country.

Total Client: 05



Internal Initiatives to Reduce Climate Change and ESG Risks

At IDLC Finance PLC, sustainability is a fundamental principle guiding our operations, as we acknowledge the profound impact financial institutions have on the environment and society. This year, we've made notable progress in reducing our climate change footprint and addressing ESG (Environmental, Social, and Governance) risks through internal initiatives aimed at minimizing our environmental impact and promoting responsible business practices. These actions reflect our commitment to managing ESG risks and fostering sustainable development for a better future.

Reducing our Environmental Impact

With a workforce of more than 1,666 individuals situated across 47 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

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 Operation

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. 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 are 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.

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 waste management.

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.

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.

Video Conferencing

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

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.

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.

E-Waste Operation

As part of our sustainability commitment, IDLC ensures that electronic waste is managed in a responsible and secure manner. End-of-life equipment undergoes a controlled disposal process to eliminate any risk of data leakage. Our disposal procedures strictly adhere to Bangladesh Bank guidelines, with particular attention given to sensitive components such as hard drives.



In 2024, IDLC consumed 8,565 reams of paper, equivalent to approximately 4.28 million sheets. With each sheet emitting about 4.64 grams of CO₂, this resulted in an estimated 19.86 tons of carbon emissions for the year. To offset this impact, around 993 trees would need to be planted, as one tree can absorb roughly 20 kilograms of CO₂. However, IDLC went beyond this requirement by planting over 1,100 trees in 2024, effectively more than compensating for its paper-related carbon footprint and reaffirming its commitment to environmental sustainability.



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 aligning with IEA Net Zero Emission Scenarios. In the long run the emissions from business as usual (BaU) scenario of IDLC will be increased. The reduction targets have been set based on projected BaU Scenario of 2030 and 2050. Those five sectors are:

- ▶ FOOD
- ▶ TEXTILE & RMG
- ▶ AGRICULTURE
- ▶ MOTOR VEHICLE
- ▶ POWER

Sector 1 # Food

Bangladesh is a global leader in the production of rice and other important commodities including wheat, jute and pulses. It has a strong agricultural foundation. This abundance in agriculture feeds the growing food processing sector, which

turns a wide range of fruits, vegetables, seafood, meat, and dairy products into goods with added value. Rising wages and changing lifestyles are driving a spectacular expansion of the ready-to-eat market, which is driven by a growing demand for convenience foods, especially in metropolitan areas.

Any food whose total carbon emissions have been determined to be captured from the atmosphere and then stored in plants, trees, or some other carbon-sequestering system can be classified as having net zero carbon emissions. Methane, which is produced by dung and the digestion of plant matter by ruminant animals like sheep and cows, is the primary emission from the food sector. Like all wetlands, rice paddies produce a sizable amount of methane. Roughly half of all emissions from agriculture are CH₄. The production of food accounts for over one-third of greenhouse gas emissions worldwide. Food production, processing, transportation, packaging, consumption, and disposal all have a significant negative impact on the environment. Emissions from the food industry's supply chain are increasing concurrently.

IDLC's Emissions and its Reduction Target in Food Sector



Baseline year (2022) Emission (tCO ₂ e)	Estimated Emission Reduction Target (%) for 2030	Estimated Emission Reduction Target (%) for 2050	Scenario Used
36,841.21	45%	100%	IEA NZE 2050

Strategies for 2030 to Reduce Emissions from Food Sector towards Achieving Net Zero

- ▶ Implement Environmental Criteria for Loans: IDLC will establish environmental criteria that food manufacturing companies must meet to be eligible for loans.
- ▶ Offer Green Financing Options: IDLC will offer specialized financing options or incentives for food manufacturers that adopt environmentally friendly practices.
- ▶ 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.

Strategies for 2050 to Reduce Emissions from Food Sector towards Achieving Net Zero

- ▶ Reward Sustainable Practices: IDLC will consider offering financial incentives or rewards to food

manufacturers that demonstrate a commitment to reducing the carbon footprint.


- ▶ Collaborate with Sustainable Suppliers: IDLC will encourage food manufacturers to source ingredients and materials from suppliers committed to sustainability.

Sector 2 # Textile & Garments

This sector is continuously developing the economy, contributing 40% of the industrial employment and 85% of the export earnings. The sector has faced various challenges such as labor rights issues, safety concerns, and environmental sustainability, but efforts are being made to address these issues through regulatory measures and initiatives from both government and industry stakeholders.

The textile industry plays a sustainable role in contributing to worldwide carbon emissions, with estimates suggesting it contributes between 6% and 8% of the total global carbon emissions, equivalent to approximately 1.7 billion metric tons of carbon emissions annually. It creates job opportunities especially for women with sustainable goals and emphasizes environmental benefits.



IDLC's Emissions and its Reduction Target in Textile & RMG Sector 			
Baseline year (2022) Emission (tCO ₂ e)	Estimated Emission Reduction Target (%) for 2030	Estimated Emission Reduction Target (%) for 2050	Scenario Used
25,004.88	54%	100%	IEA NZE 2050

Strategies for 2030 to Reduce Emissions from Textile & RMG Sector towards Achieving Net Zero

- ▶ 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.
- ▶ 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.
- ▶ Reduce investment in companies who use coal fired broilers for their operations.

Strategies for 2050 to Reduce Emissions from RMG Sector towards Achieving Net Zero

- ▶ 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.
- ▶ 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.

- ▶ Provide guidance and financial support for textile manufacturers to conduct energy audits and implement energy-efficient practices in their facilities.

Sector 3 # Agriculture

A wide range of agricultural goods, including rice, wheat, corn, legumes, fruits, vegetables, seafood, meat, and dairy products, are produced in Bangladesh. The primary food staple of Bangladeshi cuisine is rice. A large group of rural people are dependent on agriculture. Their main source of income comes from this sector. It also plays an important role in the economic development of Bangladesh. Through agricultural activities, the GHG emission that is caused cannot be ignored.

Greenhouse gas (GHG) emissions from agricultural activities primarily result from various biological and chemical processes involved in crop and livestock production. The main greenhouse gases associated with agriculture include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Some of the keyways in which agricultural activities contribute to GHG Emissions are energy use, burning of agricultural use, land use changes etc.

IDLC's Emissions and its Reduction Target in Agriculture Sector 			
Baseline year (2022) Emission (tCO ₂ e)	Estimated Emission Reduction Target (%) for 2030	Estimated Emission Reduction Target (%) for 2050	Scenario Used
24,215.23	54%	100%	IEA NZE 2050

Strategies for 2030 to Reduce Emissions from Agriculture Sector towards Achieving Net Zero

- ▶ Sustainable Finance Policies: Encourage clients to adopt sustainable agricultural practices and provide financial incentives for initiatives that reduce 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.
- ▶ 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.

Strategies for 2050 to Reduce Emissions from Agriculture Sector towards Achieving Net Zero

- ▶ 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.
- ▶ Advanced Crop Breeding: Develop and promote crops that are more resistant to pests, diseases, and extreme weather conditions, reducing the need for chemical input

Sector 4 # Transport

The transport sector contributes approximately one quarter of all energy related greenhouse gas (GHG) emissions. Today's transport sector is predominantly based on the combustion of fossil fuels, making it one of the largest sources of both urban and regional air pollution. While transportation is just one sector responsible for CO₂ emissions, it is a significant one. According to the Emissions Database for Global Atmospheric Research, the transportation sector ranked

second worldwide only after the power industry in 2022

In Bangladesh, the transport sector contributes significantly to greenhouse gas (GHG) emissions, although the country's overall emissions are relatively low compared to many other nations. The transportation sector in Bangladesh primarily consists of road transportation, with a smaller but growing presence of other modes such as waterway transport and aviation.

IDLC's Emissions and its Reduction Target in Motor Vehicle Sector



Baseline year (2022) Emission (tCO ₂ e)	Estimated Emission Reduction Target (%) for 2030	Estimated Emission Reduction Target (%) for 2050	Scenario Used
19,127.22	47%	100%	IEA NZE 2050

Strategies for 2030 to Reduce Emissions from Transport Sector towards Achieving Net Zero

- ▶ Encourage the clients to improve the fuel efficiency for the transport sub sector.
- ▶ Increasing finance in less emission-based transport system.
- ▶ Develop and support for improving the Inland Transport System.
- ▶ 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.
- ▶ Collaborate with clients to use energy efficient products.
- ▶ Financing on vehicles that are fueled by compressed natural gas rather than gasoline or diesel.
- ▶ Encourage the adoption of low carbon transportation systems.

Strategies for 2050 to Reduce Emissions from Transport Sector towards Achieving Net Zero

Offer financial incentives to clients who have strong commitment to sustainability.

Assess the financial risks and opportunities associated with the scenarios

Regularly review and update the action plan based on various sustainability standards.

Engaged with international sustainability initiatives to align the bank's efforts with global goals.

Sector 5 # Power

Electricity is the major source of power for most of the country's economic activities. The largest energy consumers in Bangladesh are industries and the residential sector, followed by the commercial and agricultural sectors. Almost 63% of the total power is primarily generated from natural gases, while the rest of it comes from coal, liquid fuel (imported), and hydropower. The energy sector is the source of around three quarters of greenhouse gas emissions today and holds the key to averting the worst effects of climate change, perhaps the greatest challenge humankind has faced. Reducing global carbon dioxide (CO₂) emissions to net zero by 2050 is consistent with efforts to limit the long term increase in average global temperatures to 1.5 °C. This calls for nothing less than a complete transformation of how we produce, transport and consume energy,

IDLC is taking initiatives to reduce the emission from the investment of the power sector, by setting targets and goals for themselves as well as for the clients. As a reference, to set the commitments IDLC used the Global Landmark International Energy Agency's Net Zero Emissions (IEA NET ZERO EMISSION) scenario and other International Bank's reports to attain net zero consistent levels of emissions intensity for their financing of the power industry. For this industry, an absolute emission target, expressed in tons of CO₂e emission (tCO₂e), has been set.

IDLC's Emissions and its Reduction Target in Power Sector



Baseline year (2022) Emission (tCO ₂ e)	Estimated Emission Reduction Target (%) for 2030	Estimated Emission Reduction Target (%) for 2050	Scenario Used
14,454.41	49%	100%	IEA NZE 2050



Strategies for 2050 to Reduce Emissions from Power Sector towards Achieving Net Zero

- ▶ 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.

The Outlay of Sustainable Finance

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 2024, IDLC disbursed a significant amount of financing towards projects that promote environmental sustainability. This includes:

Green Building Industry	633.1
Renewable Energy	1001.14
Energy Efficient Technology	3129.96
Effluent Treatment Plant (ETP)	362.97
Zigzag Brick Kiln	12.70

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: The More of Numerical Impact

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:** Our investments in clean energy technologies play a key role in reducing carbon footprints and promoting long-term environmental sustainability.
- ▶ **Improved Air and Water Quality:** Through funding projects focused on waste management and environmental protection, we actively contribute to

better public health and a cleaner environment.

- ▶ **Resource Conservation and a More Circular Economy:** Our sustainable finance solutions encourage efficient resource use, minimizing waste and promoting recycling and reuse in industries.
- ▶ **Enhanced Energy Efficiency:** We support the development of energy-efficient solutions that help reduce overall energy consumption across various sectors, further reducing environmental impact.
- ▶ **Empowering Local Communities:** IDLC actively participates in projects that not only protect the environment but also generate employment opportunities, improve infrastructure, and enhance the well-being of communities.
- ▶ **Promoting Sustainable Agriculture:** Through financing initiatives that support sustainable farming practices, we help protect biodiversity and reduce the environmental impact of agricultural activities.
- ▶ **Fostering Innovation And Green Technologies:** We fund the development of innovative green technologies that have the potential to transform industries and contribute to environmental preservation.

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. By fostering partnerships with like-minded organizations, we aim to accelerate the transition to a more sustainable, low-carbon economy.

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

Industrialization has undeniably been a significant driver of growth, but its negative consequences—such as resource overuse, pollution, and deforestation—have brought the world to a critical juncture. With global warming and climate change intensifying, the survival of our habitats and ecosystems is at risk. This calls for a collective effort to focus on preserving our planet.

In this context, green finance is defined as financing that aims to enhance the positive impacts on the environment and minimize its negative effects, while conserving natural resources. According to Bangladesh Bank's Sustainable Finance Policy of 2023, green finance includes Term Loans across 14 broad categories, encompassing 94 green products.

IDLC Finance PLC has played a significant role in advancing green finance, successfully disbursing BDT 6,681 Million under its green financing initiatives in 2024. Key financed

projects included Biological ETP (Effluent Treatment Plant), Green Buildings/Industries, Energy-efficient Technologies, and Renewable Energy Projects.

Looking ahead, IDLC Finance PLC aims to further expand its portfolio in green and sustainable projects. By doing so, the company seeks to align with global initiatives such as the Net Zero Emission targets and the Paris Agreement, contributing to the long-term sustainability of the economy, environment, and society.

Cumulative Green Portfolio in Segments In 2024 (In BDT Mn & %)



RENEWABLE ENERGY

1087.87

8.72%



ENERGY & RESOURCE EFFICIENCY

5,287.56

42.37%



ALTERNATIVE ENERGY

102.48

0.82%



LIQUID WASTE MANAGEMENT

827.46

6.63%



CIRCULAR ECONOMY & ECO-PROJECTS FINANCING

235.32

1.89%



ENVIRONMENT FRIENDLY BRICK PRODUCTION

46.41

0.37%



GREEN/ENVIRONMENT FRIENDLY ESTABLISHMENTS

2,234.10

17.90%



GREEN AGRICULTURE

340.07

2.72%



GREEN SOCIALLY RESPONSIBLE FINANCING

890.41

7.13%



BLUE ECONOMY FINANCING

132.43

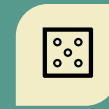
1.06%



ICT

1,013.02

8.12%



MISCELLANEOUS

-

0.00%





SOLID WASTE
MANAGEMENT

280.93

2.25%



GREEN
CMSME

1.73

0.01%



TOTAL
GREEN FINANCE

12,479.79

100.00%

**Cumulative Sustainable Linked Portfolio in Segments
in 2024 (In BDT Mn & %)**



SUSTAINABLE
AGRICULTURE

490.29

1.79%



SUSTAINABLE
MSME

736.26

2.69%



SUSTAINABLE LINKED
SOCIALLY RESPONSIBLE
FINANCING

8,502.58

31.04%



OTHER
SUSTAINABLE LINKED
FINANCE

17,665.57

64.49%



TOTAL
SUSTAINABLE LINKED
FINANCE

27,394.71

100.00%



OVERVIEW OF SUSTAINABLE FINANCE PORTFOLIO

Portfolio



Green Financing

BDT 12,479.79 Million

Portfolio Mix

Green Financing



SME:

12.69%



Sustainable Financing

BDT 39,874.49 Million



Corporate:

87.31%

Disbursement



Green Financing

BDT 5,855.46 million



SME:

25.39%



Sustainable Financing

BDT 22,366.71 million



Corporate:

74.61%

Achievement Target



**TARGET:
20%**



**ACHIEVEMENT:
37.82%**



Fostering an Eco-Friendly Tomorrow: IDLC's 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 2024, 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 1,159.20 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 2024, 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 802.41 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.

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.

Achievement against Bangladesh Bank Target

YEAR 2024	Sustainable Finance	Green Finance
Bangladesh Bank Target	20%	5%
Our Achievements	37.82%	13.47%

Environmental & Social Management System (ESMS) In Business Activity

The global Environmental and Social Management System (ESMS) standard has found its origin at IDLC where the organization serves as an early adopter to manage environmental and social risks from its operations. IDLC built an effective framework ahead of regulations that integrated environmental and social aspects into its financing choices. IDLC managed its ESMS independently until 2021 by implementing standards from environmental & social risk management guidelines of Bangladesh Bank 2017 together with Environment Conservation Rules 1997 and IFC Performance Standards and ADB Safeguard Policies. IDLC built this efficient ESMS through cooperation with FMO (Netherlands Development Finance Company) by integrating national and international standards.

The ESDD process using Excel files as guidance started in 2022 through Bangladesh Bank guidance. ESDD methodology consists of three distinct segments which include General Risks and Environmental & Health Risks and Social Risks. The document specifically outlines the ten vulnerable sectors in Bangladesh while providing detailed information. IDLC protects the environment through an exclusion list that bars project financing for operations with illegal risks or significant environmental and social implications.

The UNEP FI (United Nations Environment Programme Finance Initiative) recognizes IDLC as its sole Bangladesh representative and the organization applied the 10 UNGC (United Nations Global Compact) principles throughout its operational structure. The company established its position as a founding signatory of three global initiatives which include: Principles for Responsible Banking, Collective Commitment to Climate Action (CCCA) and Net Zero Banking Alliance (NZBA). IDLC became a member of the Tobacco-Free Portfolios pledge agreement.

Participation in these initiatives enables IDLC to link its environmental social management systems practices with international standards and learn best practices from peers. The organization employs an Environmental & Social Risk

Management (ESRM) team that coordinates risk management throughout all business functions. The team works to develop operational expertise in both business units and credit risk management for seizing growth possibilities in the changing economy.

IDLC dedicates itself to building social and stakeholder value while preserving a trustworthy image with all society members including investors and customers and employees.

	2021	2022	2023	2024
Green Finance (of Total Annual Term Loan Disbursement excluding Staff Loan)	7.30%	7.58%	12.85%	5,855.86
Sustainable Finance (of Total Annual Disbursement excluding Staff Loan)	20.99%	16.30%	30.30%	22,366.71

Percentage of Total Portfolio				
	2021	2022	2023	2024
Green Finance	6.43%	6.86%	8.34%	11.06%
Sustainable Finance	12.70%	11.77%	37.44%	35.33%

Portfolio Trend

Portfolio Trend (in BDT Mn)	2017	2018	2019	2020	2021	2022	2023	2024
Green Portfolio	720	618	1,408	1,584	5,740	7,118	9,447	12,480
Refinancing across Green Products	20	214	233	221	318	338	1,338	1,159
Green Disbursement	99	80	1,041	306	2,303	3,657	6,681	5,856



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 Financial Empowerment



Affordable Credit Facilities

We offer a range of loan and financing options for individuals, small businesses, and corporations. This helps empower people and entrepreneurs by providing them with access to capital that they might not otherwise have.



Financial Literacy

We actively promote financial literacy by offering educational programs, workshops, and tools to help people understand financial products, budgeting, and investing. The goal is to empower individuals to make informed financial decisions.



Tailored Solutions for MSMEs

Recognizing that small and medium-sized enterprises (SMEs) are a backbone of the economy, we provide customized financial solutions to these businesses, helping them grow and become more competitive. This includes offering flexible loan repayment schedules, growth capital, and advisory services.



Digital Banking and Innovation

We emphasize leveraging technology to improve access to financial services. Their digital platforms and mobile apps make it easier for individuals and businesses to manage finances, apply for loans, and track investments in a user-friendly manner.



Microfinance and Inclusive Banking

We focus on providing financial services to underserved segments, including low-income households and rural populations, through microfinance initiatives. By offering small loans with less stringent criteria, they help people start businesses, improve livelihoods, and build financial stability.



Investment Products

We offer investment options like mutual funds, helping individuals grow their wealth over time. These products are designed to be accessible to a wide range of investors, including those who may be new to investing.

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.

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.

Financial Inclusion of Women-Owned Msme 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 CMSME 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. The SME Division of IDLC Finance PLC has financed 560 women entrepreneurs until December 2024 through its women-centric CMSME financing product “IDLC SME Purnota” Out of the 560, 42% of the women entrepreneurs has been financed utilizing Bangladesh Bank refinancing schemes and other low-cost funds

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 2024.

Financial Inclusion of Unbanked Population

On September 1st, 2021, IDLC Finance, the leading non-bank financial institution (NBF) in Bangladesh, launched the ‘Digital Savings Scheme’ in collaboration with bKash, the largest mobile financial service (MFS) provider in the country. This pioneering service is a first in Bangladesh, enabling the unbanked population to access savings services from financial institutions. The scheme has become particularly convenient during the pandemic, allowing people to save money from the comfort of their homes. bKash users can now open monthly savings accounts with IDLC directly from their mobile app in just a few easy steps. The scheme allows deposits to be made through the bKash app on predetermined dates, and upon maturity, the funds are transferred directly into the user’s bKash account.

Through this initiative, IDLC aims to reach new customer segments, such as students, young professionals, and the unbanked population. As a result, IDLC anticipates a significant increase in its customer base in the coming years. Moreover, this model is expected to lower operational costs and create opportunities for cross-selling throughout the customer's engagement with IDLC. This innovative approach enables those previously excluded from traditional banking services to now access them through this initiative.

Our Approach to Corporate Social Responsibility

The CSR approach undertaken by IDLC Finance accomplishes societal impact through its detailed combination of initiatives which target numerous aspects of social welfare. IDLC Finance implements these following core elements in their CSR initiatives:



Focus on Financial Inclusion

IDLC demonstrates deep commitment to creating financial access for underprivileged and disadvantaged communities through its strategic business efforts. The organization implements our Digital Savings Scheme with bKash to deliver financial services for those people without banking access. Technology enables IDLC to connect financial institutions with people who never received formal banking services in the past.

Support for Education and Youth Empowerment

IDLC understands education plays a vital role in creating fundamental social change through time. The company dedicates CSR funds to education by offering scholarships combined with educational programs and practical skill development opportunities. The organization dedicates resources to support young adults by enabling them to acquire needed expertise and skills for professional success.

Environmental Sustainability

IDLC implements environmental sustainability as one of their CSR initiatives through their comprehensive strategy. Their operations need to decrease their carbon emissions and they need to support ecological practices across the organization. The organization supports environmental conservation initiatives that follow its mission of sustainable development.

Health and Well-being

IDLC dedicates its resources to enhance both healthcare standards and community well-being in their service areas. The CSR programs of IDLC establish relationships with healthcare organizations and conduct initiatives that enhance medical care accessibility while raising public health awareness and strengthen healthcare sector support.

Community Development

IDLC dedicates its Community Service Roles activities to enhance local populations. The organization implements initiatives for basic service delivery and infrastructure enhancements simultaneously with economic development programs across underprivileged regions. The organization

seeks to create significant enhancements in the everyday life conditions of nearby communities particularly targeting rural areas outside the boundaries of developed regions.

Employee Volunteering and Engagement

IDLC promotes worker involvement in CSR initiatives to develop a corporate social responsibility consciousness throughout their staff. The company lets team members join voluntary social initiatives and community activities that strengthen both organizational culture and team spirit. The benefits from working on CSR activities improve both personal development and professional success for workers.

Disaster Relief and Emergency Assistance

Since its foundation IDLC has evolved into becoming an organization that provides assistance to communities during times of natural disasters and emergencies. The organization responds to emergencies through monetary donations and essential items deliveries as well as assistance for those who need help during critical moments.

Partnerships with NGOs and Social Enterprises

The CSR team at IDLC forms strategic alliances with organizations including non-governmental entities (NGOs) and social enterprises focused on education development as well as healthcare provision and social welfare improvement. The partnership between IDLC enables its CSR activities to have greater reach while benefiting more communities.

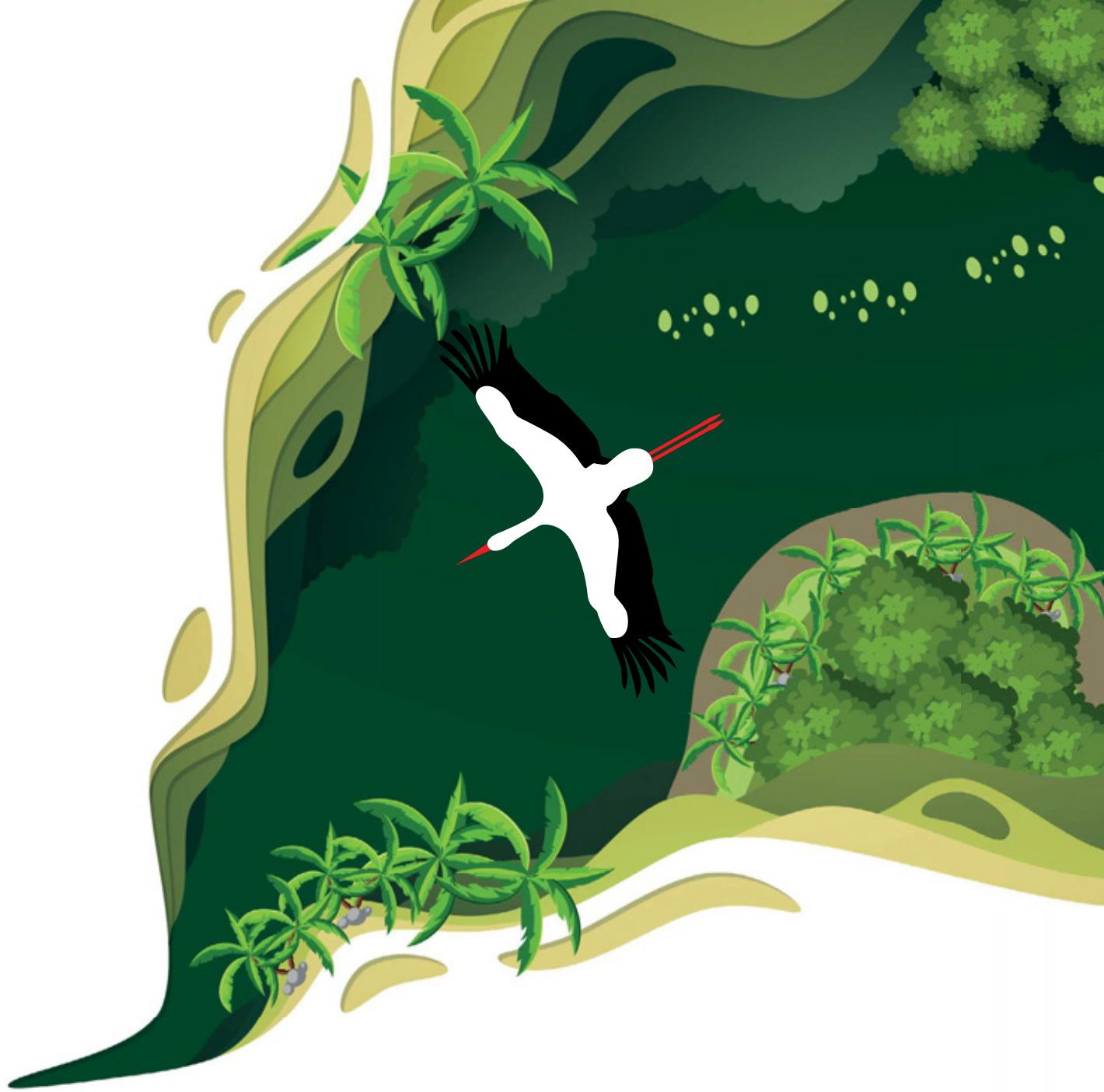
Long-Term Commitment to Social Impact

IDLC implements a CSR approach that avoids limited short-term donations. Through their approach the company establishes enduring beneficial changes which will continue into the future. The company implements initiatives that deliver enduring positive effects as they work to establish a stronger society with equal opportunities.

The CSR strategy of IDLC demonstrates its dedication to building societal benefits through sustainable educational initiatives and financial inclusion programs alongside environmental improvements and enduring health improvements that align with its business capacities and enduring goals.

CSR EXPENDITURE 2024

CSR Expenditure Actual (BDT)						
15,401,490	3,829,816	15,020,137	23,502,760	17,720,510	24,910,000	
2019	2020	2021	2022	2023	2024	
CSR Expenditure Budget (BDT)						
18,342,000	25,000,000	22,500,000	30,000,000	25,000,000	30,000,000	
2019	2020	2021	2022	2023	2024	
Achievement						
83.97%	15.32%	66.76%	78.34%	70.88%	83.03%	
2019	2020	2021	2022	2023	2024	



NURTURING A COLLABORATIVE AND RESPECTFUL WORKPLACE

NURTURING A COLLABORATIVE AND RESPECTFUL WORKPLACE

At IDLC Finance PLC, we recognize that a collaborative and respectful workplace is essential, not only for our organizational success but also for the well-being and growth of our employees. By nurturing a work environment that prioritizes open communication, mutual respect and teamwork, we empower our workforce to innovate, collaborate, and thrive. We believe that when employees feel valued, supported, and engaged, they are better equipped to contribute their unique talents and perspectives.

This chapter highlights IDLC’s ongoing commitment to fostering a culture of collaboration and respect, where every individual is encouraged to share ideas, collaborate across teams, and be part of a supportive work community. By promoting inclusivity and fostering an environment of trust

and respect, IDLC is positioning itself for sustainable growth and continued positive impact in the communities we serve.

OUR PEOPLE

At IDLC Finance PLC, our greatest asset isn’t just numbers—it’s our talented and dedicated team. With over 1,666 permanent employees across 47 locations in Bangladesh, our people drive our success. We believe that empowered employees are the foundation of a thriving organization. By fostering a supportive work environment, we enable our team to excel. Their dedication and expertise fuel our growth and innovation. We are committed to fostering a work environment that cultivates individual and team growth that focuses on:

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:



Cultivating Skills

We believe in cultivating skills by providing our people with the autonomy and resources they need to excel. This fosters a culture of ownership and initiative, where employees feel empowered and valued for their unique contributions. By focusing on skill development, we enable individuals to take charge of their growth and make a meaningful impact.



Commitment to Learning and Development

Our commitment to learning and development is reflected in the comprehensive training programs we offer, designed to equip our employees with the skills and knowledge needed to stay ahead in the ever-evolving financial landscape. We prioritize continuous growth, ensuring our team remains at the forefront of industry advancements.



Creating the Right Environment

We are dedicated to creating the right environment by cultivating a collaborative and supportive workplace where teamwork and open communication thrive. This encourages a sense of belonging and provides opportunities for individuals to learn from one another, fostering growth and mutual support.

Our Personnel Metrics



1248

Total male employees



207

Total female employees



1455

Total number of employees

Total Hired Employee of 2024







Age distribution of hiring

Age distribution	Number
20-30 Y/O	140
31-35 Y/O	70
36-40 Y/O	16
41-45 Y/O	6
Above 45 Y/O	0
Total	232

Total Terminated Employee of 2024

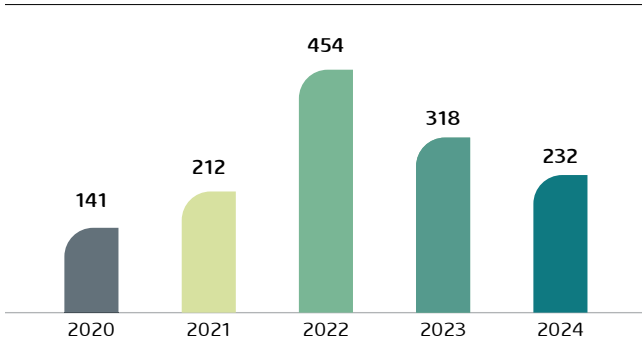
Age Distribution of Termination

Age Differentiation	Number
20-30 Y/O	67
31-35 Y/O	89
36-40 Y/O	50
41-45 Y/O	29
Above 45 Y/O	13
Total	248

Gender Parity in New Hires	Gender Parity in Termination	Employee Retention Rate
 Male 187  Female 45	 Male 208  Female 40	 Male 16.57%  Female 19.70%

Year Wise on Boarding

Series 1



Fostering an Inclusive Culture: Diversity and Equality at IDLC

Promoting diversity and equality within our workplace is a cornerstone of our commitment to shaping a more inclusive financial sector. We are dedicated to leveraging the strengths of a workforce that mirrors the communities we serve, while cultivating a culture where every individual is valued, respected, and empowered to achieve their highest potential.

Diversity in the Board



Diversity in the Management Committee



Diversity among the All Other Employee



Diversity in terms of Age Group

Age Differentiation	Management Committee	Employee Number	TOTAL
20-30 Y/O		325	325
31-35 Y/O		425	425
36-40 Y/O	1	319	320
41-45 Y/O	4	219	223
Above 45 Y/O	13	149	162

Diversity in terms of Male and Female Remuneration

IDLC Finance PLC adheres to an equal pay for equal work policy, guaranteeing fair compensation for employees in similar roles at the same level. This approach promotes equality and transparency in the workplace. Colleagues are rewarded based on their job responsibilities, ensuring no disparities. IDLC Finance PLC values fairness and consistency in compensation.

Management Hired from Local Community

IDLC Finance PLC's Management Committee consists of 18 members who oversee daily strategy development, implementation, and monitoring. All members (100%) are locally hired in Bangladesh. They are dedicated, full-time employees of the company. The committee plays a crucial role in steering the organization's operations. Their leadership ensures effective decision-making and organizational growth.

Upholding Fairness: Equitable Pay & Compensation at IDLC

At IDLC Finance PLC, we are dedicated to cultivating a diverse and inclusive workplace where equal opportunity is fundamental to our operations. This commitment is reflected in our approach to compensation, where we strive to ensure equitable and competitive salary and remuneration structures for all employees, irrespective of gender.

We firmly uphold the principle that an employee's compensation should be determined solely by their talent, contributions, and qualifications. To this end, we have



implemented a standardized salary structure, aligned with position, experience, and qualifications. This ensures fairness and consistency across all roles within the organization.

Transparency is a core value in our compensation philosophy. We prioritize clear communication about salary ranges and benefits associated with each position, empowering both male and female employees with a clear understanding of their earning potential and career progression within IDLC Finance PLC.

In addition to our structured compensation model, we offer a performance-based bonus system that rewards individual contributions and achievements. This incentivizes excellence

and motivates employees, regardless of gender, to excel in their respective roles while providing opportunities for additional earnings based on performance.

Our commitment to equal pay for equal work extends beyond base salary and bonuses. We provide a comprehensive benefits package, including health insurance, parental leave policies, and professional development opportunities, all available equally to every employee.

At IDLC Finance PLC, we remain steadfast in our dedication to fostering an environment of fairness, transparency, and opportunity, ensuring all employees are valued and rewarded equitably for their contributions.

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.

The IDLC Advantage: A Comprehensive Employee Benefits Package

Competitive Benefits

At IDLC Finance PLC, we are dedicated to providing a comprehensive and competitive benefits package designed to attract, retain, and inspire top talent. Our commitment goes beyond financial rewards—we prioritize employee well-being, professional development, and long-term career growth. With industry-leading compensation, performance-driven incentives, and a supportive work environment, we ensure our employees thrive both personally and professionally, fostering a culture of excellence and success.

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

Incentive

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

IDLC Finance PLC offers several end-of-service benefits to its employees, recognizing their dedication and service. These benefits include:

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.

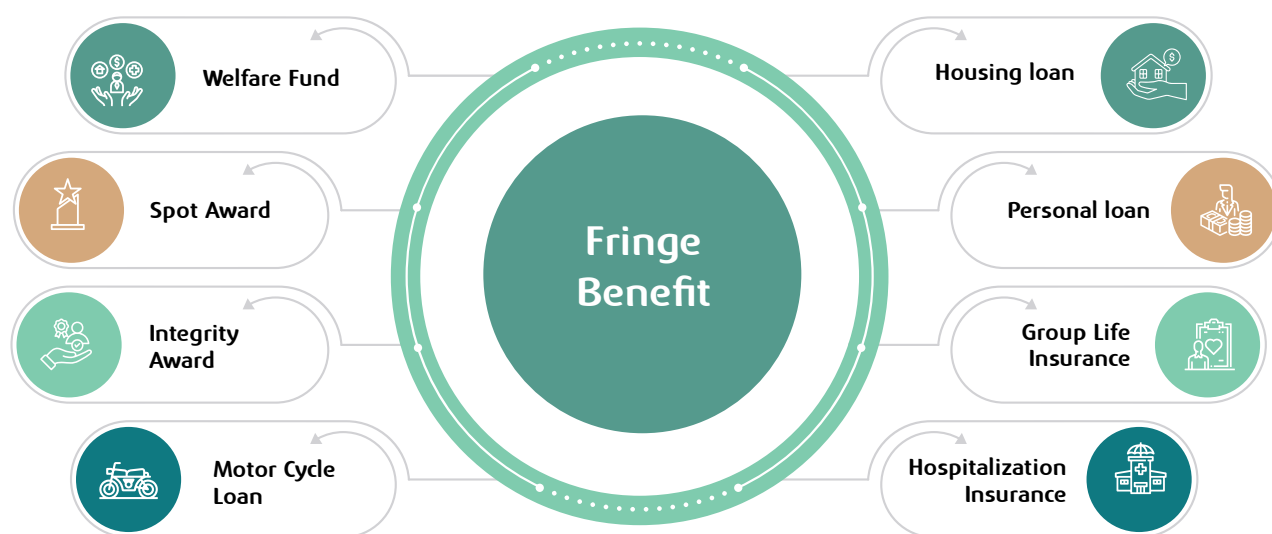
Gratuity

Employees who complete a minimum service period (5 years) are eligible for a gratuity payment upon retirement or resignation. This benefit recognizes their loyalty and dedication to IDLC. The details of the entitlement scale along with the percentage of entitlement

Completed years of Service	Payment of Gratuity
5 years and above, up to 10 years	1 month basic
Above 10 years, up to 15 years	1.5 times basic
Above 15 years	2 times basic

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.



Parental Benefit

IDLC Finance PLC offers comprehensive parental benefits to support its employees during significant family events which included maternity and paternity leave.

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 2024, 19 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 2024, 50 male employees took paternity leave.

Equipping Our Team for Success

We recognize that our employees are our most valuable asset. Their talent, dedication, and expertise drive our success and play a crucial role in achieving our sustainability goals. We

are committed to fostering a work environment that nurtures growth, innovation, and inclusivity. Through comprehensive training programs, career development opportunities, and employee well-being initiatives, we empower our workforce to reach their full potential. By investing in our people, we ensure a motivated and skilled team that contributes meaningfully to the company's sustainable growth and long-term success.

Our Motives

- ▶ Enhancing Organizational Performance
- ▶ Fostering Innovation and Creativity
- ▶ Attracting and Retaining Talent
- ▶ Building a Strong Leadership Pipeline
- ▶ Boosting Employee Engagement and Job Satisfaction
- ▶ Improving Adaptability to Change
- ▶ Enhancing Customer Satisfaction

Our Method

Training Method

We offer a diverse range of training and development programs tailored to various learning styles and career aspirations. These initiatives include structured classroom training, interactive workshops, on-the-job training, and leadership development programs. By integrating these



methods, IDLC ensures that employees acquire the necessary knowledge, skills, and competencies to excel in their current roles while preparing them for future growth opportunities within the organization.

Professional Advancement Plans

We have designed Professional Advancement Plans to provide employees with clear growth opportunities. Our approach includes regular performance reviews with constructive feedback and goal-setting sessions. Mentorship programs connect employees with experienced professionals for guidance and support. We promote internal transfers and cross-functional exposure to broaden career perspectives. Employees can track progress and refine objectives through structured development initiatives. Our goal is to foster continuous learning and career success within the organization.

Types of Our Training Program

Types of Training Programs	No. of Training	No. of Participants	Training Man Hours
Foreign	0	0	0
Public/Local	25	72	1,104
Customized	11	888	3,807
In-House	46	2,082	11,823
E-Learning	0	0	0
Total	82	3,042	16,734

Advancing Our Workforce: Progress on Initiatives for 2024

At IDLC, we believe that continuous learning is the cornerstone of organizational excellence and sustainable growth. In 2024, we further strengthened our commitment to employee development by expanding and enhancing our training and capacity-building initiatives across the Group.

Our training programs were designed with a strategic focus on equipping employees with the skills, knowledge, and mindset required to thrive in a rapidly evolving financial landscape. Every level of our workforce benefited from targeted learning interventions that support both individual career growth and organizational priorities.



● *BIBM Training Session with MTs 2024*

Equitable and Welcoming Work Environment

We are dedicated to cultivating an equitable and welcoming work environment where every employee feels valued, respected, and empowered to contribute their unique talents. Our commitment is reflected in fair hiring and promotion practices that ensure equal opportunities for all, regardless of gender, background, or abilities. We actively foster a culture of respect by implementing awareness programs, enforcing anti-discrimination policies, and maintaining a zero-tolerance approach to workplace harassment. Additionally, we provide diversity training and employee resource groups to create a supportive and inclusive atmosphere where everyone can thrive. In 2024, 82 training programs have been organized for IDLC Group and the number of training participants was 3042. The total training hour spent in 2024, amounted to 16,734.

To address diverse learning preferences and business needs, we delivered a mix of training formats, including local external programs, customized and in-house sessions, and e-learning modules. These were complemented by hands-on learning opportunities, leadership development tracks, and mentoring arrangements that foster professional advancement.

We also reinforced our commitment to creating a learning environment that is inclusive and equitable. Training initiatives were aligned with our values of diversity, respect, and integrity, ensuring participation from across all departments and demographics.

The focus this year was on delivering more targeted and impactful learning experiences tailored to specific organizational needs and employee roles. By prioritizing quality over quantity, we ensured that each program delivered meaningful outcomes, fostered professional growth, and aligned closely with our strategic objectives.

Shaping the Future of Employee Growth: New Initiatives for Training and Development in 2025 at IDLC Finance PLC

At IDLC, we believe that a future-ready, inclusive, and empowered workforce is key to driving long-term organizational success. In 2025, we are introducing a series of progressive training initiatives aimed at deepening our

commitment to diversity, employee well-being, and internal capacity-building.

To foster a more inclusive work environment, we are proud to launch three flagship programs:

- ▶ A Women Leadership Development Program to cultivate and support high-potential female professionals in advancing into leadership roles.
- ▶ An Inclusive Leadership and Bias Awareness Program, designed to help managers and team leaders recognize unconscious biases, embrace diversity, and lead with empathy and equity.
- ▶ A Female Mentorship Program, which will connect women employees with senior leaders to encourage knowledge sharing, confidence building, and career progression.

Recognizing the importance of employee well-being, IDLC will also introduce a Work-Life Balance Training Program applicable to all levels of staff. This initiative is aimed at helping employees manage their professional and personal lives more effectively, reduce burnout, and enhance overall satisfaction and productivity.

In addition to these thematic programs, IDLC continues to invest in internal knowledge sharing and expertise development. We regularly organize in-house training sessions led by our internal subject matter experts, ensuring relevance and alignment with our organizational goals. To strengthen the effectiveness of these internal sessions, we will introduce a Training of Trainers (ToT) Program in 2025. This initiative will equip our internal trainers with advanced facilitation skills, modern training methodologies, and tools to deliver high-impact learning experiences.

These initiatives reflect our holistic approach to employee development—one that values diversity, nurtures potential, and fosters a culture of continuous learning and inclusion. Through these efforts, we aim to build a resilient, skilled, and inclusive workforce that drives sustainable success at IDLC.

Caring on Our Well-Being

Wellness Workshops and Seminars

True happiness begins with good health. With this in mind, we have organized a special Health Awareness Session for our IDLCFL employees in 2024. We have covered the major 2 hubs (Gulshan & Dilkusha Branch):

“How to Manage Joint & Back Pain for Corporate Professionals”

The session focused on educating participants about physical issues commonly experienced in the workplace, including joint pain, backaches, and shoulder discomfort. It also provided actionable guidance to help manage and prevent these conditions, encouraging healthier habits for improved daily well-being. The session was led by Ms. Umma Salma, Executive Director and Consultant at Mayfair Wellness Clinic, whose extensive expertise in corporate wellness and physical health greatly enriched the program.



● Session with Employees to Relief Back and Joint Pain at Workplace, with Dr. Umme Salma (Ibne Sina)

Health Insurance Plan

IDLC Finance PLC offers a Hospitalization Scheme for confirmed employees and their immediate family members through MetLife Inc. Bangladesh. It covers up to BDT 250,000 annually for hospitalization and BDT 80,000 for maternity, limited to two children. Dependent children are covered up to age 19 or 23 if full-time students. Maternity benefits require a nine-month prior enrollment. Exclusions include dental treatment, spectacles, plastic surgery, and childbirth beyond two children. This policy reflects IDLC's commitment to employee well-being while maintaining ethical standards and clear responsibilities in utilizing health benefits.

The Work-Life Balance

We follow 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.

Safety Drills and Protocols at IDLC

IDLC has a Business Continuity Plan (BCP) in place, which is a regulatory requirement by Bangladesh Bank. Business operational drills are periodically implemented with select personnel from several departments and branches in order to ensure that our employees know how to respond appropriately and our business operations remain unhindered in the event of any untoward incident or disaster resulting in



● Fire Safety Drills at IDLC as part of BCP



the closing down of certain branches or parts of operations. We conduct annual fire drills to keep our employees alerted and learned on how to take measures in fire hazard. Medical support is provided through our deployed doctor on a weekly basis. We educate our employees on all possible health and safety matters to ensure a safe and efficient workplace. Our branches are also well-equipped with sufficient emergency equipment, medical supplies such as oxygen cylinder, emergency medicines, wheelchair, etc.

Fostering a Sustainable Employee Engagement

At IDLC Finance PLC, we are committed to fostering a workplace that values individual contributions while embracing the diverse backgrounds and perspectives that drive innovation and growth. Through sustainable employee engagement initiatives, we cultivate an inclusive culture where every employee feels heard, respected, and empowered. By prioritizing employee well-being, collaboration, and career development, we create a dynamic and supportive environment that not only enhances job satisfaction but also strengthens our long-term sustainability and organizational success.

The Culture of Engagement

Celebration of 1st January

Every year, IDLC Finance PLC Ushers in the new year by organizing a special lunch for its employees across the Head Office and all branches nationwide—a heartfelt tradition that symbolizes unity and positivity. This year, a delicious serving of Biryani was arranged for all, creating a warm and festive atmosphere to begin the year on a joyful and harmonious note. Such initiatives reflect IDLC’s commitment to fostering a culture of appreciation, togetherness, and employee well-being.

Pohela Falgun

In celebration of Pohela Falgun (1st Day of Spring), IDLC Finance PLC brought the festive spirit to life by organizing a vibrant Pitha Festival across its Head Office and all branches. Employees enjoyed a delightful spread of traditional food items creating an atmosphere filled with flavor and festivity. To honor the cultural essence of the occasion, all employees were encouraged to wear traditional Bangladeshi attires in bright cheerful colors reflecting the vibrancy of Falgun. The offices were beautifully decorated, further enhancing the celebratory mood and fostering a sense of unity, tradition, and joy among all team members.



● Celebration of Pohela Falgun

International Women’s Day (Picture)

In 2024, IDLC Finance PLC commemorated International Women’s Day by emphasizing inclusion and equality within the organization. The company shared insights from its leadership on these themes, highlighting its commitment to fostering an inclusive workplace culture.



● Celebration of Women’s Day 2024

Pohela Boishakh

IDLC Finance PLC celebrates Pohela Boishakh (Bangla New Year) with enthusiasm, reflecting its commitment to a vibrant and inclusive workplace culture. The office atmosphere transforms into a festive setting where employees enjoy traditional Bengali delicacies such as chotpoti, fuchka, hawai-mithai, batasha, muri-murki and various pithas. This cultural celebration fosters unity, encourages cultural appreciation, and strengthens team spirit, contributing to a more engaging work environment and reinforcing IDLC’s dedication to employee well-being and cultural inclusivity.

The Diversity and Inclusion

Equal Opportunity Recruitment

We are committed to fostering a fair, transparent, and inclusive hiring process that prioritizes merit and qualifications. Our recruitment strategy is designed to attract top talent from diverse backgrounds, ensuring equal opportunities for all candidates regardless of gender, age, religion, ethnicity, or socio-economic status. By upholding these principles, we create a dynamic workforce enriched by varied perspectives and experiences, driving innovation and sustainable growth. Through our commitment to equal opportunity recruitment, we continue to build an inclusive workplace where talent thrives, and every individual has the chance to contribute meaningfully to our collective success.

Diversity Targets

At IDLC Finance PLC, we have established clear diversity targets to build a more inclusive and representative workforce. Our focus is on promoting gender balance, ensuring equitable opportunities, and increasing representation from diverse backgrounds across all levels of the organization. Through targeted recruitment efforts, leadership development programs, and inclusive workplace policies, we strive to create an environment where diversity thrives. By embracing these initiatives, we reinforce our commitment to fostering a workplace that values different perspectives, drives innovation, and contributes to sustainable growth.

Inclusive Work Culture

At IDLC Finance PLC, we are committed to fostering an inclusive work culture that values diversity and empowers every employee to feel respected and appreciated. We actively promote a workplace where differences are celebrated, and collaboration is encouraged. Our approach includes specialized leadership training to cultivate inclusive management practices and the establishment of open communication channels that ensure every voice is heard. By nurturing a culture of respect, equity, and belonging, we create an environment where employees can thrive, contribute meaningfully, and drive the collective success of the organization.

Prioritizing Safety Every Day: A Harassment-Free Environment at IDLC

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.

The Steps We Have Taken

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.

Our Commitment

We are committed to providing a safe space where every individual can reach their full potential and contribute to our collective success.

Building an Inclusive Talent Pool

IDLC Finance PLC is committed to nurturing young talent through its Early Careers Program, offering graduates and aspiring professionals a strong foundation to launch their careers.

This initiative provides fresh graduates with invaluable opportunities to gain practical experience, build essential skills, and grow within the organization. By prioritizing the recruitment and development of young professionals, IDLC

is shaping a dynamic and forward-thinking workforce for the future. The program is thoughtfully designed to offer hands-on learning experiences and a clearly defined career path, empowering participants to thrive and contribute meaningfully to the organization's success.

Supportive Pathways for Fresh Graduates at IDLC

IDLC JUMPSTART

Our internship program titled 'Jumpstart' provides real-world experience across various departments, allowing interns to gain valuable skills and contribute to ongoing projects.



● *Jumpstart - Fall 2024*

IDLC 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.



● *Youth Leadership Program 2024*

IDLC SALES LEADERSHIP PROGRAM

IDLC Sales Leadership Program is designed to identify and develop future sales leaders by equipping high-potential individuals with the necessary skills and knowledge to excel in a dynamic business environment. This program offers a structured career path, providing hands-on experience, intensive training, and exposure to diverse sales functions. Participants gain expertise in client management, strategic selling, and business development, positioning them for accelerated growth and leadership roles within IDLC. The program will be for 12 months consisting of training and grooming along with business targets to fulfill.





● Sales Leadership Program 2024

IDLC TECH ACCELERATOR PROGRAM

A fast-track, career development program bolstering fresh graduates and young professionals to transform themselves into future tech leaders. The qualifiers will embark on a comprehensive program designed to cultivate their technical skills and knowledge in software, system and network engineering. Through hands-on experience and guided mentorship, the incumbents will gain suitable insights to the industry and develop a strong foundation for their future careers.



● TAP Batch 2024

Mentorship Program

At IDLC Finance PLC, we believe that guidance from experienced professionals plays a crucial role in the success of young talent. Through our structured Mentorship Program, each intern and new hire is paired with a seasoned mentor who offers personalized support, career advice, and regular feedback. These mentors help newcomers navigate their

roles, adapt to the organizational culture, and set meaningful career goals. The program fosters professional growth, builds confidence, and creates a collaborative learning environment where early career professionals can thrive.

Training and Development

Our Training and Development initiatives are designed to empower early career professionals with the tools they need to succeed. From day one, participants undergo a series of comprehensive training modules covering both technical and soft skills. These programs include classroom sessions, e-learning modules, on-the-job training, and periodic workshops led by industry experts. Topics range from financial products and services to leadership, communication, and problem-solving skills. By investing in continuous learning, IDLC ensures that every early career professional is well-prepared to take on challenges and grow within the organization.

Emphasizing Comprehensive Recruitment

We have implemented several initiatives to ensure our recruitment process identifies and attracts a wider pool of qualified candidates. That 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. (Any other options.)

Our Recruitment Strategies for 2025

We are committed to continuous improvement in attracting and retaining a diverse workforce.

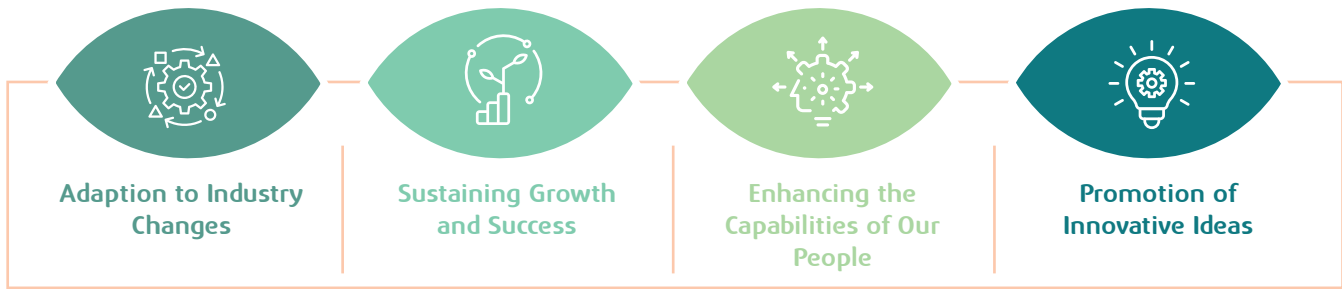
In the coming year, we will focus on:

- ▶ 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

IDLC's Vision For Tomorrow: Building A Legacy Of Skill

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 Purpose



Our Approach

Technical Skill

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 Skill

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 Skill

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



Empowering Future Generations: IDLC's Scholarship Program for Support Staff Dependents

At IDLC, we take immense pride in fostering education and nurturing talent, not only within our organization but also among the families of our employees. As part of our Corporate Social Responsibility (CSR) initiatives, we have introduced the Scholarship Program for the Dependents of IDLC's Permanent Support Staff, aimed at easing financial burdens and ensuring access to quality education.

Under this program, scholarships are disbursed on a monthly basis, with amounts varying according to the level of education. This initiative supports children from pre-primary education to higher secondary education level, ensuring continuous educational assistance at every stage of their academic journey.

Currently, 81 children are benefiting from this initiative, receiving financial assistance that allows them to pursue their educational aspirations without constraints. Through this program, we aim to empower these young minds, equipping them with the knowledge and opportunities essential for their personal and professional growth.

By investing in the education of our support staff's dependents, we are not only shaping a brighter future for these students but also reinforcing a culture of inclusivity, care, and support within our organization. At IDLC, we believe that education is a fundamental right, and through initiatives like this, we are committed to making a lasting impact on the lives of our extended IDLC family.



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.



Empowering Women Through Education: IDLC's Commitment to Bridging the Gender Gap

Despite progress in various sectors, women in Bangladesh continue to face significant barriers in accessing quality education. Gender disparities persist, particularly in rural areas and among marginalized communities, limiting opportunities for higher education and career advancement. At IDLC, we firmly believe that investing in women's education is fundamental to achieving gender equality, economic growth, and sustainable development. By empowering young women with knowledge and skills, we are fostering future leaders who



can drive positive change in their communities and beyond.

Recognizing the transformative power of education, IDLC, in collaboration with Prothom Alo Trust and Asian University for Women (AUW), launched the Oditiya Scholarship Program in 2018. This initiative was designed to support underprivileged female students who are the first in their families to pursue higher education. Through this program, 10 students receive a full four-year scholarship to complete their bachelor's degree at AUW.

The impact of the Oditiya Scholarship Program has been profound. As of now, 76 students are benefiting from this initiative, and 40 students have already graduated, stepping into promising careers.

This scholarship program is not just about financial assistance—it is about transforming lives. For many of these students, education was once an unattainable dream due to financial hardships and deep-rooted social constraints. Today, they are not only completing their degrees but also inspiring other young women in their communities to pursue higher education.

Our commitment to bridging the gender gap in education remains unwavering. Through the Oditiya Scholarship Program and other initiatives, we continue to invest in the potential of women, ensuring that they have the resources, opportunities, and confidence to shape their futures and contribute meaningfully to society.



• IDLC's Commitment to Bridging the Gender Gap through IDLC Oditiya Scholarship



Transforming Lives Through Education: The Latarchar School Expansion

IDLC Finance PLC took a significant step toward ensuring quality education for children in the remote village of Latarchar by establishing a primary school. Since its inauguration in 2019, the school has become a symbol of hope, providing educational opportunities to over 200 children. To accommodate the growing number of students and enhance the learning environment, two additional classrooms were built, expanding the school's capacity. Additionally, a boundary wall was constructed to strengthen security within the premises.

This initiative reflects IDLC Finance PLC's steadfast commitment to education as a driver of sustainable development. By investing in the expansion of the Latarchar primary school, IDLC is creating lasting change, empowering children with knowledge, and building a foundation for a brighter future for the community.



• Expansion of Ovijatrik School, Latarchar



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. Aid recipients: 25



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.



Bringing Hope Closer: IDLC's Pioneering Chemotherapy Unit at Chattogram Maa-O-Shishu Hospital

For many families in Chattogram, a cancer diagnosis brings not just fear but also the crushing burden of seeking

treatment miles away from home. The emotional and financial toll leaves many patients with limited options, forcing them to choose between life-saving care and financial survival. Understanding this struggle, IDLC took a bold step to bridge this gap—establishing the first-ever dedicated Chemotherapy Unit at Chattogram Maa-O-Shishu Hospital.

In 2022, IDLC signed a Memorandum of Understanding (MoU) with Chattogram Maa-O-Shishu Hospital, pledging BDT 1 crore to bring this vision to life. Today, the newly established 20-bed Chemotherapy Unit stands as a symbol of hope, equipped with essential medical infrastructure, including chemotherapy mixtures, infusion pumps, hospital beds, air conditioning, humidifiers, suction devices, defibrillators, monitors, and syringe pumps.

More than just a medical facility, this unit represents relief for thousands of families. Nearly 14,000 cancer patients every year now have access to treatment without the distress of long-distance travel and overwhelming expenses.

IDLC's commitment to this cause goes beyond financial support; it is about standing beside those in their most vulnerable moments, ensuring that no one fights alone. Through this initiative, IDLC reaffirms its dedication to making quality healthcare accessible and restoring hope where it is needed most.



- Established the first-ever dedicated Chemotherapy Unit at Chattogram Maa-O-Shishu Hospital



Financial Support for Childhood Cancer Treatment: A Commitment to Societal Well-Being

For the marginalized families, a childhood cancer diagnosis not only brings emotional distress but also significant financial hardship. The cost of life-saving treatment is often beyond their means, leaving families struggling to provide the necessary care. For these children, the fight for survival becomes even more difficult due to financial limitations.

At IDLC, we recognize the immense challenges faced by these families and are committed to making a meaningful difference. As part of our ongoing efforts to improve the well-being of society, we have extended financial assistance to facilitate the treatment of childhood cancer.

Through this partnership with the ASHIC Cancer and Palliative Care Center, IDLC has supported the treatment expenses of 10 children diagnosed with cancer. This financial assistance will cover their treatment for an entire year, alleviating the burden on their families and ensuring these young patients receive the critical medical care they require.



Bringing Clean Water to Dhaka's Underserved

In 2024, Bangladesh experienced its hottest year on record, intensifying urban challenges and disproportionately impacting lower-income communities who must endure extreme heat to earn a living. Dhaka's inadequate public infrastructure, particularly the lack of safe water sources, poses a significant risk to public health. To address this pressing issue, IDLC has taken proactive measures to ensure access to clean drinking water in public spaces.

As part of this initiative, IDLC has installed 15 safe drinking water stations in key locations across Dhaka, benefiting thousands of people, including street vendors, commuters, and daily wage earners. These water stations are designed with sustainability in mind, incorporating efficient technology to minimize water wastage while maximizing accessibility.

This initiative plays a crucial role in safeguarding public health and supporting climate adaptation efforts. Through such interventions, IDLC reaffirms its commitment to fostering a healthier and more resilient urban environment for the communities it serves.



- One safe drinking water station installed by IDLC



IDLC's Medical Camps: Providing Critical Healthcare during the 2024 Floods

The heavy rainfall in September, 2024 and rising river levels in Bangladesh have caused catastrophic flooding, submerging vast areas and leaving communities in dire need of urgent support. The Feni, Cumilla, and Chittagong regions, especially the Parshuram, Fulgazi, and Chhagalnaiya areas of Feni district, have been hit particularly hard.

In response to this humanitarian crisis, IDLC has organized a series of medical camps to provide immediate healthcare assistance to those affected by the floods. A total of 9 medical camps were set up across various locations. These camps aimed to address the urgent medical needs of flood-affected communities by offering essential healthcare services, medicines, and treatment for various waterborne diseases and other health conditions that typically arise in post-flood situations.

The camps were equipped with skilled medical professionals, including doctors, nurses, and health technicians, who



worked tirelessly to ensure that the affected populations received timely and effective medical care. The services provided included general health check-ups, treatment for infectious diseases, distribution of essential medications, and preventive care to protect against potential outbreaks.



- Providing Medical Support to the Flood-affected Areas in 2024



Enhancing Climate Resilience: IDLC's Community Water Points Initiative

As part of its commitment to enhance climate resilience in various regions of Bangladesh, IDLC has successfully implemented a project that has provided much-needed access to safe drinking water for vulnerable communities. Five centralized Community Water Points have been established in strategic locations across the southern and northern regions of the country, ensuring a sustainable source of clean water even during extreme weather events. Each of the five water points was strategically located in areas less prone to flooding, ensuring their continued availability during times of crisis. Three water points were established in the southern region, while two were set up in the northern region, providing essential access to clean water for a wide range of communities. These water points were equipped with 2000-liter water tanks and four stainless steel taps at each site to ensure convenient access to safe drinking water for all. The sustainability of the project is rooted in community involvement. The electricity and water utility costs for the water points are covered by the local communities, creating a sense of ownership and responsibility. This initiative has successfully addressed the pressing need for clean water in areas that are most vulnerable to flooding. By empowering



- Enhancing Climate Resilience IDLC's Community Water Points Initiative

local communities and ensuring the sustainability of the water points, the project has contributed significantly to the climate resilience of these regions, providing a reliable and lasting solution to the challenges posed by floods.



IDLC's Eco-Drive: Planting Trees to Save Heritage and Promote Sustainability

In a remarkable initiative to combat deforestation and promote environmental sustainability, IDLC Finance PLC has partnered with the environmental organization Tarupallab for a large-scale tree plantation campaign. This significant effort was aimed at preserving both the environment and cultural heritage, showcasing IDLC's unwavering commitment to sustainability.

In October 2024, IDLC successfully planted 1,000 rare and endangered tree saplings at Teota Jomidar Bari, a historic cultural site located in Manikganj. This plantation drive not only aims to restore the local ecosystem but also enhances the conservation of a heritage site of immense cultural value. The initiative brings together the preservation of nature and heritage, reinforcing the importance of protecting both the environment and cultural landmarks for future generations.

By planting endangered species of trees, this initiative ensures the restoration of valuable ecosystems while promoting ecological balance. This tree plantation initiative is part of IDLC's ongoing commitment to environmental stewardship.



- IDLC Tree Plantation Campaign at Manikganj



Winter Relief Effort: Helping Cold-Affected Families Stay Warm

The winter of 2024 brought extreme cold waves across Bangladesh, severely impacting impoverished communities. With temperatures dropping significantly, thousands of vulnerable individuals faced severe hardships due to inadequate winter clothing. According to official reports, at least 38 people lost their lives due to cold-related illnesses, while over 245,000 individuals were admitted to hospitals with complications arising from respiratory infections, rotavirus, and other winter-related diseases.

Recognizing the urgency of the situation, IDLC stepped in to provide essential winter relief as part of its commitment to corporate social responsibility. To alleviate the suffering of those most affected, IDLC distributed 2000 blankets

among cold-stricken individuals in various regions across Bangladesh. These blankets were given to families and individuals lacking the financial means to protect themselves from the harsh winter conditions.

By undertaking this initiative, IDLC reaffirmed its dedication to supporting vulnerable communities during difficult times. Through such humanitarian efforts, IDLC continues to make a meaningful impact, ensuring that those in need receive the warmth and care necessary to withstand the challenges of winter.



● IDLC Winter Relief Program 2024



Rebuilding Lives: IDLC's Support for Disaster-Stricken Communities in 2024

In 2024, Bangladesh faced multiple natural disasters, including severe flooding in Sylhet, Noakhali, Cumilla, and Feni, as well as the devastation caused by Cyclone Remal in Patuakhali. These disasters displaced millions, causing extensive damage to homes, livelihoods, and infrastructure. Both urban and rural communities were left struggling to access basic necessities in the wake of these calamities.

As part of its unwavering commitment to corporate social responsibility (CSR) and disaster relief, IDLC Finance PLC promptly stepped in to support affected communities. Recognizing the urgency of the situation, IDLC mobilized its resources and partnered with local organizations to provide essential relief to those in need.

IDLC's relief efforts focused on assisting the most vulnerable families in flood-affected areas, ensuring access to food and essential supplies. Thousands of families in Sylhet, Noakhali, Cumilla, and Feni received relief packages containing basic necessities to help them sustain themselves during this difficult time.

Additionally, IDLC extended its humanitarian support to those impacted by Cyclone Remal in Patuakhali. The cyclone left many coastal communities devastated, destroying homes and displacing families. IDLC's response included providing emergency relief to those affected, ensuring they had access to food, safe drinking water, and other essential resources.

As the floodwaters receded and cyclone-affected regions began their recovery, IDLC remained committed to helping rebuild lives and strengthening the resilience of disaster-stricken communities. Through these initiatives, IDLC reaffirmed its dedication to standing by the people of Bangladesh during times of crisis, embodying its mission to create a lasting positive impact.



● Providing Relief and Support to Flood Stricken Areas in September 2024



IDLC Extends Support to Fire-Affected Families in Munshiganj

On October 5, 2024, a devastating fire swept through Munshiganj, reducing the homes and belongings of five families to ashes. Left with nothing but uncertainty, these families faced immense hardship, struggling without shelter or basic necessities. In this critical time, immediate assistance was essential to help them rebuild their lives and restore stability.

In response to this urgent need, IDLC Finance PLC stepped forward to offer support. As part of its commitment to community welfare, IDLC pledged to aid the reconstruction efforts by donating tin sheets to help rebuild the homes of the affected families. Through this initiative, IDLC continues to uphold its dedication to making a meaningful impact and supporting communities in times of crisis.



A Journey of Hope: IDLC's Support for Marginalized Cancer Patients

For many marginalized cancer patients, accessing life-saving treatment is not just a medical challenge but also a logistical struggle. The journey to hospitals for regular check-ups, chemotherapy, or emergency care often becomes a daunting task, with transportation costs and availability adding to their burden. Recognizing this critical issue, IDLC Finance PLC took a meaningful step in August, 2024, by donating a Toyota microbus to the Bangladesh Cancer Aid Trust (BANCAT).

BANCAT, a non-profit organization dedicated to raising cancer awareness and providing care to underprivileged patients, operates "Alok Nibash," a specialized facility offering accommodation and support to those undergoing treatment. However, a significant challenge has always been ensuring reliable transportation for patients who need to reach hospitals on time. With the newly donated microbus, this barrier is significantly reduced, allowing cancer patients to focus on their treatment without the added worry of arranging transportation.

This initiative aligns with IDLC's broader CSR strategy, which prioritizes healthcare support alongside other sustainability-driven projects. By addressing one of the fundamental needs of cancer patients—timely access to medical care—IDLC is actively contributing to improving their quality of life. Through collaborations with organizations like BANCAT, IDLC



is not only enhancing healthcare accessibility but also reaffirming its commitment to making a tangible difference in the lives of vulnerable communities.

Through this donation, IDLC continues to uphold its mission of creating a positive social impact, ensuring that no patient is deprived of treatment due to logistical constraints. The microbus is more than just a vehicle—it represents hope, dignity, and the assurance that no one has to fight their battle alone.



- *Donating a Toyota microbus to the Bangladesh Cancer Aid Trust (BANCAT)*

GRI CONTENT INDEX

Statement of use	IDLC has reported the information cited in this GRI content index for the period [1 January 2024-31 December 2024] with reference to the GRI Standards.
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