

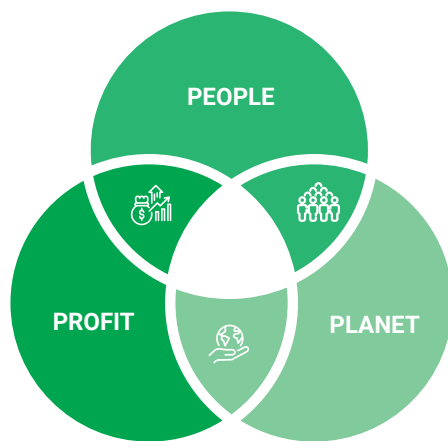


SUSTAINABILITY REPORT

APPROACH TOWARDS SUSTAINABILITY

With over 40 years of history, IPDC understands the importance of value that stands the test of time. Sustainability initiatives without strong profits are not actually sustainable, while strong profits to the detriment of sustainability weaken the endurance of a business. The sustainability report covers all the activities undertaken by IPDC which have a significant impact on the business of the organization, as well as its stakeholders.

As an entity which aspires to be a role model for industry, IPDC is dedicated to upholding the highest standards of accountability and transparency. Our strategy also includes a commitment to go for deepening our sustainable impact, because we recognize the breadth of the role that businesses hold in creating a sustainable future. In every business and operational decision, IPDC adheres to the 3Ps of sustainability which are People, Planet, and Profit.




1.1. Objective of this Report

This report highlights the impacts IPDC had on a wide range of sustainability matters and allows transparency regarding the related risks and opportunities that lie ahead. In the ever-changing industry, a crystalline strategy has been implemented with focus on creating value, innovation, and sustainability.

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IPDC aspires to embed sustainability in the business initiatives and reports. This certainly cannot be achieved without stakeholders' involvement in comprehensive business as well as operational plans.

IPDC concentrated heavily on the three important areas listed below:




Responsible Business

Maintaining a company's initiatives is unattainable without achieving profitable expansion. IPDC holds the firm conviction that a flourishing and enlarging business is indispensable for long-term viability. Consequently, achieving financial growth is paramount for sustained vitality, offering job prospects to the community, and cultivating a resilient and environmentally conscious economy.



Sustainable Environment

Challenges like climate change, depletion of natural resources, and rapid population growth present notable social, environmental, and economic hazards. Creative approaches and substantial funding are necessary to replenish resources to satisfy the escalating demands and requirements of upcoming generations. Financial institutions are anticipated to lead the way in confronting these hurdles and promoting sustainable development, with IPDC pledging to address these concerns actively. This commitment aims to expedite the shift towards a greener economy and lifestyle.



People and Community Development

By establishing ethical business norms internally and in its interactions with stakeholders, IPDC embraces the responsibility of actively safeguarding the welfare of individuals amidst the expanding population and its heightened demands. As a conscientious corporate entity, IPDC prioritizes ensuring the well-being of all involved parties, encompassing the community, residents, employees, clients, shareholders, and business partners.

1.2. Sustainable Finance Committee

The Sustainable Finance Committee is responsible for making policy, directing, advising, approving, and evaluating sustainable and green finance, CSR, climate finance, refinancing, governance and green marketing activities performed by IPDC.

The members of the committee are as follows:

Mr. Rizwan Dawood Shams	Managing Director
Ms. Savrina Arifin	Head of Retail Business
Mr. Ashique Hossain	Head of Credit Risk Management
Ms. Fahmida Khan	Chief Financial Officer
Mr. Md. Sayeed Iqbal	Chief Human Resources Officer
Mr. Rahat Jamil	Head of Operations (Current Charge)
Ms. Jumaratul Banna	Head of Corporate Business & Acting Head of Treasury
Mr. Md. Shahidul Islam	Head of Distribution
Mr. Md. Barkat Ullah	Head of General Service & Security
Mr. Imran Khan	Member of Sustainable Finance Unit (Secretary)

ENABLING SUSTAINABLE BUSINESS

2.1. Green Finance

Green Finance promotes environmental conservation by reducing resource consumption in operations such as electricity and water usage and transitioning away from paper transactions. It encourages environmentally friendly initiatives and advocates for the adoption of greener technology in various industries through lending products. Essentially, Green Finance involves lending to projects that either minimize negative environmental impacts or promote positive ones, thereby supporting green initiatives through financial instruments.

In contemporary society, there is a heightened awareness of how individual actions affect the environment, and this consciousness extends to the financial sector as well. IPDC stands out as one of the pioneering financial institutions in the nation, implementing the Sustainable Finance Policy of Bangladesh Bank. IPDC pledges to incorporate environmental considerations into its operations while simultaneously contributing to the economic advancement of the country. This commitment is underscored by the steady growth of our green finance portfolio over the years.

2.2 Green Products/Services/Projects

IPDC provides a comprehensive range of green financing solutions in accordance with the guidelines set by Bangladesh Bank. To cater to the diverse segments within the economy, we offer a total of 94 products spanning across 14 categories in green financing. These categories include Renewable Energy, Energy and Resource Efficiency, Solid Waste Management, Liquid Waste Management, Alternative Energy, Circular Economy & Eco-Projects Financing, Environment-Friendly Brick Production, Green/Environment Friendly Establishments, Green Agriculture, Green CMSME, Green Socially Responsible Finance, Blue Economy Financing, Information and Communication Technology, and Miscellaneous.

2.3 Green Marketing and Development

The significance of informing borrowers about the benefits of implementing sustainable practices and technology is acknowledged by IPDC. Many borrowers can be reluctant to make an initial investment

in sustainable technology because they are unaware of the large cost savings and other advantages that come with going green. In order to tackle this problem, IPDC regularly organizes knowledge-sharing activities to increase awareness of the long-term benefits of green projects.

With an emphasis on raising awareness and highlighting the advantages of sustainability, IPDC has effectively increased the scope of its green initiatives. In the future, the company hopes to further encourage its prospective borrowers to use environmentally friendly goods, services, and projects. IPDC tries to foster a more environmentally conscious future for all parties concerned by incentivizing firms to adopt sustainable practices and allocate resources towards eco-friendly initiatives and technologies.

2.4 Specially Designed Services for Women - IPDC Priti and Joyee

From the beginning of its operations, IPDC gave special focus to the female population of Bangladesh and their needs. In that light, IPDC has taken numerous initiatives to promote women rights and prosperity. Focusing on the female segment, IPDC has two specially designed services - Priti and Joyee.

Priti is a comprehensive package designed to enhance the well-being of Bangladeshi women by providing economic opportunities, financial stability, and healthcare services, ultimately empowering them towards financial self-sufficiency. Customers of Priti receive exclusive advantages such as special rates for both loans and deposits, access to special events, complimentary driving lessons through IPDC Auto Loan, etc.

Joyee is dedicated to supporting women entrepreneurs by offering loans at rates lower than the market average, with the goal of increasing women's access to capital and empowering them towards achieving financial independence. A specially designed IPDC Joyee 360 sub-branch is located at Mirpur, Dhaka. At Joyee 360, a dedicated meeting space named Joyee Alapon is provided for Joyee clients for their business meetings. Moreover, under IPDC Joyee, workshops and training sessions on entrepreneurship are held.



2.5 CMSME

Previously, IPDC Finance has offered financing to support for promoting the longevity and expansion of CMSMEs. To aid these businesses, IPDC provides loans at competitive interest rates and flexible repayment conditions. Furthermore, IPDC has focused on enhancing the skills of entrepreneurs through various training and knowledge-sharing initiatives. CMSME financing initiatives are directed towards fostering the sustainable and ethical growth of CMSMEs, as well as advocating for gender equality and environmental sustainability, which are crucial for advancing sustainable development and creating a positive social impact.



2.6 DANA – Retailer Financing

IPDC has introduced IPDC DANA, a platform tailored for micro-merchants, aimed at bolstering their operational capabilities by providing microloans specifically designed for retailers. The project endeavors to enhance the livelihoods of micro-entrepreneurs through expedited access to financial resources, enhancing financial inclusion.



2.7 Bhalo Basha Loan - Affordable Home Loan for the Underserved

The Bhalo Basha Loan scheme seeks to offer cost-effective financing to underserved individuals living outside of the urban regions of the country. This service aims to improve home ownership for every individual who dreams of owning their own dwellings in their communities.



2.8 EZ - Cardless Consumer Financing Platform

IPDC EZ is a product tailored for retail customers seeking a simple and convenient way to purchase consumer electronics and other items. IPDC established an online platform which is easily available to consumers on their fingertips, with a number of products from trusted retail shops listed in the platform for convenient shopping experience.

FOSTERING SUSTAINABLE BUSINESS INITIATIVES (SPONSORSHIP)

In line with our social responsibilities and commitments, IPDC Finance has sponsored various initiatives and programs that contribute to the development of society and the economy. Through these sponsorships, IPDC Finance aims to create a sustainable future for Bangladesh while promoting economic growth and development. In the year 2023, IPDC Finance has sponsored several big events such as the NBF Fair, the 5th International SME Fair, the Sylhet Strikers Cricket Team in BPL 2023, the International Conference on Teaching Literature and Interdisciplinarity at East West University, the 1st International Case Conference on Business and Management at BRAC University, the 49th Aga Khan Gold Cup Golf Tournament, Saraswati Puja Festival in Jagannath Hall at University of Dhaka, the Inter School Football Tournament at Scholastica, the 50th Year Celebration of Aranyak Nattodol, Valorous, along with many others.



NBFI Fair 2023



The 5th International SME Fair



The International Conference on Teaching Literature and Interdisciplinarity



Sylhet Strikers Cricket Team

SUSTAINABLE INITIATIVES

4.1. The Environment

As a responsible financial institution, IPDC recognizes the environmental footprint of its operations. The company is actively transitioning from traditional manual business practices to more sustainable methods to minimize its environmental effects. Through this, IPDC believes it can create a substantial positive change in the environment.

4.2. Indoor Plantation

Greenery in our surroundings symbolizes sustainability, and IPDC promotes this concept by encouraging indoor plants within its premises. IPDC believes this can contribute to larger environmental efforts such as increasing green spaces, reducing carbon footprint, and promoting sustainability. It fosters a sense of responsibility towards the environment and encourages a greener lifestyle among individuals.

4.3 Going Paperless

The goal of IPDC's paperless initiative is to significantly minimize or eliminate the reliance on paper within the workplace. Since last several years, IPDC is already using Electronic Document System (eDoC) to reduce the use of papers in the office space. Additionally, IPDC has moved on to the electronic memo approval system (e-nothi) whereby internal memos are approved entirely online. IPDC views transitioning to a paperless system as beneficial for the environment, cost-effective, productivity-boosting, space-saving, conducive to information sharing, and protective of personal data.

IPDC has also implemented measures to reduce paper consumption through the following initiatives:

- Implementing double-sided printing as the default setting on printers and maximizing paper usage by utilizing both sides for photocopying.
- Previewing documents before printing to prevent mistakes and reduce the necessity for reprints.
- Opting for smaller fonts when printing to decrease the number of pages required, if feasible.
- Sharing handouts or meeting minutes via email in advance of training sessions or meetings to eliminate the need for printed materials for each participant.
- Placing a designated "recycled paper" container near printers or workstations to encourage employees to use it for draft purposes.
- Repurposing mail envelopes for internal or unofficial use to reduce paper waste.

- Using electronic notepads on laptops or smartphones instead of traditional paper notebooks for personal notetaking.

4.4. Green Branch

The implementation of plans to establish a green branch is aligned with long-term goals, and IPDC aspires to attain it. The importance of reducing our ecological impact and supporting environmental initiatives has been underscored by the expanding market activities and growing global awareness of environmental concerns. Embracing eco-friendly practices presents numerous advantages beyond simply fulfilling our environmental responsibilities. It can positively affect our business by cutting operational expenses and enhancing the efficiency of our operations.

4.5. The Society

As a socially conscious financial institution, IPDC acknowledges its obligation to the community in which it functions. We perceive sustainability not merely as a trend, but as a commitment to the well-being of individuals and the environment in our vicinity. Our dedication to societal welfare is ingrained in our corporate ethics and practices, as we endeavor to create a beneficial influence on the communities we are engaged with. IPDC's innovative services such as Priti, Joyee, and Bhalo Basha Loan are crafted to tackle enduring societal challenges such as women entrepreneurship, financial independence, affordable housing, and so on.

4.6. Energy Reduction

Among the objectives of IPDC is to reduce electricity usage in its office facilities to decrease energy consumption and protect fuel reserves. The company promotes energy-efficient habits at the individual level and advocates for the adoption of the following practices:

- Adjusting attire for the weather to reduce reliance on air conditioning.
- Setting the thermostat at temperatures above 24°C.
- Assessing the insulation of the building for optimal energy conservation.
- Using energy-saving settings on electronic devices.
- Upgrading outdated, inefficient equipment with energy-efficient alternatives.
- Switching off power sources when not in use.
- Implementing water conservation measures.

THE GOVERNANCE SYSTEM

The corporate governance framework of IPDC is anchored in its core values of fairness, transparency, responsibility, and accountability. To uphold compliance, the company strictly adheres to the regulations and guidelines set forth by regulatory bodies such as Bangladesh Bank, Bangladesh Securities and Exchange Commission, etc. Various committees, such as the Board Audit Committee, Board Executive Committee, and Management Committee, play pivotal roles in achieving these objectives. The internal auditor reports directly to the Audit Committee and is not related to management.

To safeguard the interests of stakeholders, IPDC has adopted the following core values:

- Addressing clients' needs promptly, objectively, and with top priority.
 - Recognizing and developing the potential and skills of employees at all levels through rewarding exceptional performance and promoting internal talent to cultivate a culture of high expectations and success.
 - Emphasizing a focus on quality and maintaining the business culture of the company.
 - Engaging in initiatives that contribute to societal and national progress.
 - Upholding the values of the local community.
- Keeping a vigilant eye on economic developments impacting the business and adapting to changing consumer expectations.
 - Conducting continuous planning, strategic diversification, and orderly expansion to overcome challenges.
 - Demonstrating leadership through setting a positive example for others to follow and taking responsibilities towards shareholder very seriously.

5.1. Enabling Sustainable Society

IPDC advocates for information accessibility, media literacy, and the promotion of independent and diverse media. By supporting media development, IPDC empowers communities and encourages accountability, transparency, and democracy. The organization also backs the use of media and communication to address environmental concerns and promote sustainable growth. Through its financing and initiatives, IPDC plays a crucial role in advancing sustainable development and fostering resilient and inclusive societies. IPDC has worked towards its objectives by establishing educational institutions, libraries, and public facilities. The company has supported various educational bodies, libraries, sports academies, and NGOs by providing resources such as books, sports gear, and assistance during emergencies. Furthermore, IPDC has introduced sustainable financial products such as Affordable Home Loans and SME loans for outside major cities, contributing to the progress of surrounding regions near its project locations.

COMMITMENT TO SUSTAINABLE DEVELOPMENT GOALS

IPDC pledges to adhere to the United Nation's Sustainable Development Goals which became a priority for member countries, governments, private sectors, civil societies, and responsible organizations around the world. IPDC believes that significant development can be made through the financial institutions to impact the implementation of SDGs along the following axes:



COMMITMENT TO SDG GOALS



BUSINESS

Our Activities

Affordable Home Loan

Capacity Development

Creating Entrepreneurs

Sustainable Business Growth

Outcome and Performance Review



ENVIRONMENT

Our Activities

Green Financing

Environmental Initiatives

Green Branch

Going Paperless

Outcome and Performance Review



PEOPLE AND COMMUNITIES

Our Activities

Special Products for Women

Improving Gender Parity in Workplace

CSR Initiatives

Partnering with Development Agencies

Outcome and Performance Review



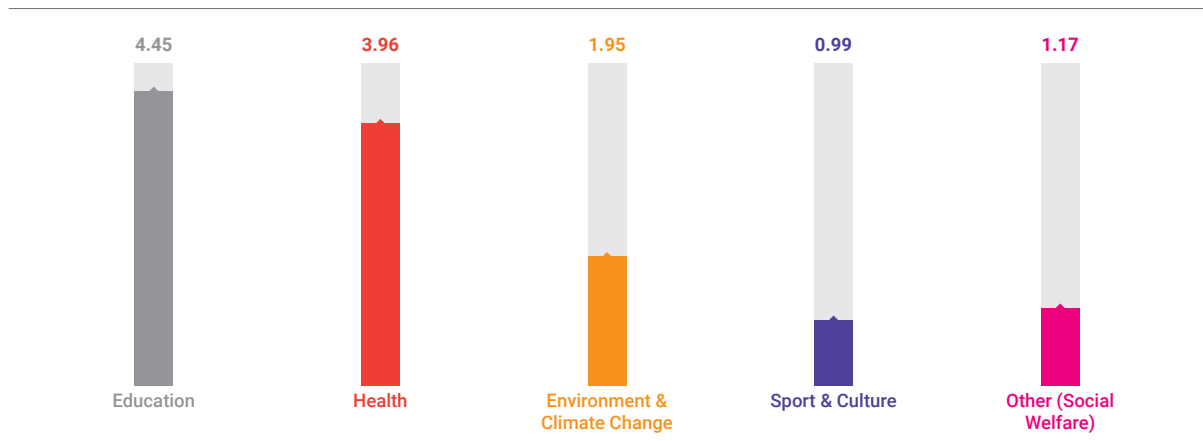
CSR STATEMENT

Corporate Social Responsibility (CSR) has always been a fundamental part of IPDC Finance's operations. Therefore IPDC Finance engages in various activities for the development of the social sector of the country by proactively contributing to the socio-economic growth and enabling more individuals to take part in and benefit from the country's progress. IPDC Finance's CSR guideline corresponds with its vision to serve women, youth, and underserved populations. The correlation with the vision is observable in the recent CSR donations in sectors such as education, health, environment, etc.

IPDC Finance considers sustainability as a fundamental aspect of its business strategy, such as its commitment to cooperate with environmental guidelines to maintain an ecological and social balance, assuring that the planet becomes a safer and habitable place for all living beings and the upcoming generation. Hence, IPDC Finance strives to protect this habitable planet for the upcoming generations by adopting new opportunities for financing, investment policies, and portfolio management which operates to create a strong and prosperous yet low-carbon economy.

CSR Expenditure (2023)

Sector Wise CSR Spending in 2023 (in BDT mn)



SUSTAINABILITY SCORE CARD

Performance Indicators	2021	2022	2023
Customers			
Number of customers	27,421	74,256	107,265
Number of branches	15	15	15
Loans to Corporate Business (BTD mn)	30,797	30,205	29,313
Loans to SME Business (BTD mn)	20,198	21,965	23,313
Loans to Retail Business (BTD mn)	14,332	15,935	17,945
Employees			
Permanent	590	679	680
Contractual	259	217	204
New Recruitments	190	407	292
Female (%)	20%	23%	23%
Average training hours per headcount	13	13	11
Training expenditure per headcount	3,013	6,473	3,825
Employee salary and benefits (BTD mn)	741	865	1,003
Investors			
Revenue (BTD mn)	3,445	3,247	2,902
Operating Profit (BTD mn)	2,203	1,760	1,300
Profit after Tax (BTD mn)	881	901	343
Economic value added (BDT mn)	909	526	(70)
Market value added (BDT mn)	7,971	14,572	14,623
Dividends distributed (BTD mn)	445	445	371
Dividends (%)	12%	10%	10%
Suppliers			
Total purchase of goods and services	383	484	462
Payment to Suppliers*	391	522	517
Communities and Society			
CSR Contribution (BTD mn)	13	17	12
Utility expense per square feet (BTD)	228	238	162
Printing & stationery expense per employee (BTD)	6,652	12,854	10,162
Travelling expense per employee (BTD)	20,106	23,857	19,963
Regulators			
Penalty for Violations of Laws and Regulations	-	-	-
Total tax to government (BTD mn)	924	1,466	1,542

*Including interest & principal portion of lease payments