

SUSTAINABILITY REPORT



APPROACH TOWARDS SUSTAINABILITY

The sustainability report encompasses IPDC's efforts that have a noteworthy impact on the company's operations and its stakeholders. Throughout the years, IPDC has gained the expertise and familiarity required to understand local and global business patterns, market circumstances, and issues regarding corporate sustainability. This has been a valuable insight obtained during IPDC's extensive experience in the finance sector: endeavors towards sustainability without robust financial performance are not sustainable in the long run, whereas strong profits that disregard sustainability weaken a company's longevity. Therefore, IPDC incorporates the 3Ps of sustainability into all its business and operational choices.

The concept of "Triple Bottom Line" sustainability is the basis for everything from the creation of a sustainable strategy, the initiation of various initiatives and actions, to the reporting of sustainability efforts.



OBJECTIVE OF THIS REPORT

In 2022, IPDC reviewed and revised its plan with the aim of enhancing it and facilitating its business growth. Greater importance was given to human and community growth to actively aid in the development of disadvantaged communities and individuals throughout the country that were severely affected by the COVID 19 crisis. Previously, IPDC successfully completed the "Green Loan Quick Assessment" initiative with the support of DEG (Deutsche Investitions und

Entwicklungsgesellschaft, a Development Finance Institution and subsidiary of KfW Group).

The three primary focus areas for IPDC's strategic plan are corporate social responsibility, ecological sustainability, and human and community growth. Initiatives, endeavors, and initiatives that align with these areas have been launched with specific strategic goals and action plans outlined for each.

The study proposes suggestions for IPDC to reassess their business plan, course of action, and integrate sustainability considerations into a one-of-a-kind Environmental, Social, and Risk Management System. The execution was impeded and postponed due to the COVID 19 pandemic, post pandemic economic crisis but IPDC resumed it in the year 2022.

During the year 2022, IPDC intensively focused on the following 3 key areas after revising their strategy and goals from the prior years.



Responsible Business

Sustaining a company's efforts is impossible without generating profitable growth. IPDC firmly believes that a thriving and expanding business is essential for sustainability. As a result, attaining monetary growth is crucial for a company's long-term viability, to provide employment opportunities for the local population, and to foster a strong and eco-friendly economy.



Sustainable Environment

Pressures such as climate change, exhaustion of natural resources, and rapid population growth pose significant social, environmental, and economic risks. Innovative solutions and ample funding are required to replenish the resources to meet the increasing demands and needs of future generations. Financial institutions are expected to take the forefront in addressing these challenges and fostering sustainable growth, and IPDC commits to taking action to tackle these ecological issues to accelerate the transition to a more environmentally-friendly economy and way of life.



People and Community Development

By setting ethical business standards both internally and in its dealings with stakeholders, IPDC assumes the duty of actively safeguarding the health and wellbeing of individuals in response to the growing population and its increased demands. In 2022, IPDC ramped up its engagement with local communities by providing services and supporting underprivileged individuals nationwide with information and resources, which will be explored in greater detail later. As a responsible corporate entity, IPDC will place greater importance on ensuring the welfare of all parties involved, including the community, its inhabitants, staff, clients, shareholders, and business associates.

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:

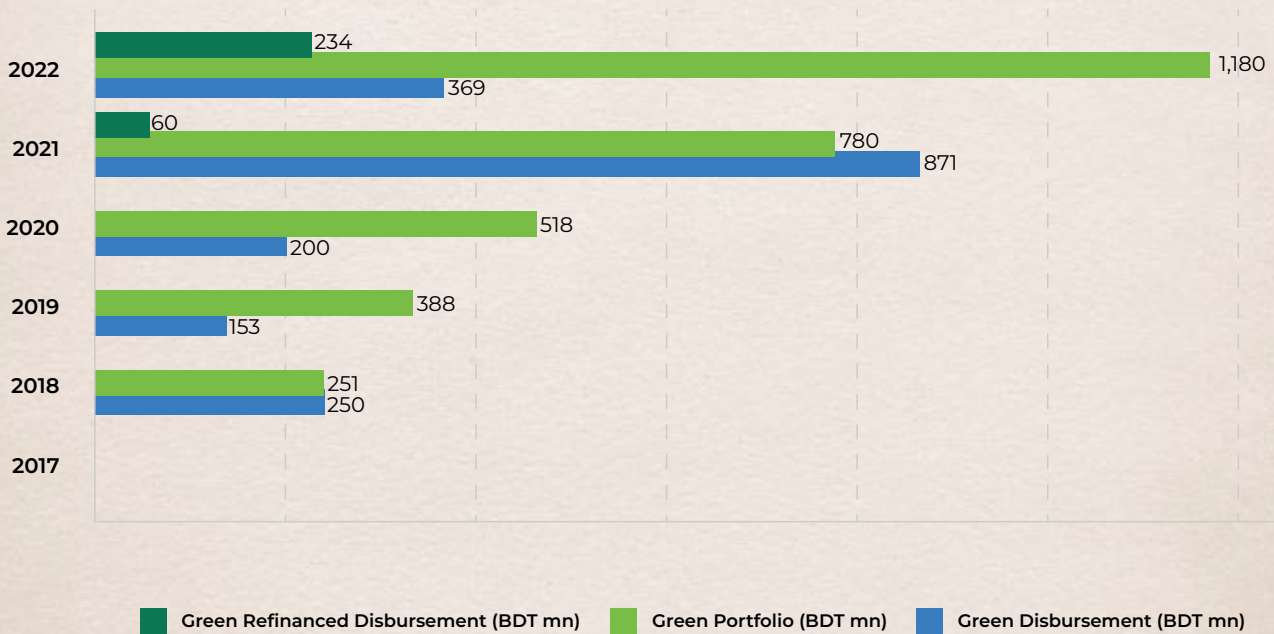
NAME	DESIGNATION
Mr. Rizwan Dawood Shams	AMD & Head of Business Finance
Ms. Savrina Arifin	GM & Head of Retail Finance
Mr. Sayeed Iqbal	DGM & Chief Human Resource Officer
Mr. Md. Ashique Hossain	GM & Head of Credit Risk Management
Mr. Ezazul Islam	GM & Head of Internal Audit & Compliance
Ms. Fahmida Khan	GM & Chief Financial Officer (CFO)
Mr. Tareq Islam Shuvo	DGM & Head of Strategy, Brand & Corporate Communication
Ms. Jumaratul Banna	GM & Head of Corporate Business
Mr. Rahat Jamil	AGM & Head of operation (acting)
Mr. Imran Khan	AGM & Member of Sustainable Finance Unit
Mr. Md. Barkat Ullah	Sr. Manager & Head of General Service & Security
Md Zakir Hossen	GM, Head of Operation

ENABLING SUSTAINABLE BUSINESS

GREEN FINANCE

According to the G20 Green Finance Study Group, “green finance” refers to the funding of investments that support the environment within the larger framework of ecologically sustainable development. Such ecological benefits include, for example, reductions in greenhouse gas (GHG) emissions, improved energy efficiency by making use of existing natural resources, as well as adaptation and mitigation measures for climate change and their related benefits. To promote environmentally beneficial investments and discourage environmentally harmful ones, green finance includes efforts to incorporate environmental externalities and alter risk perceptions.

In modern times, people are more aware of how their behaviors impact the environment, and the financial sector is no exception. Green finance is a concept that takes into account both the environment and society as a whole when evaluating financial activities. IPDC is one of the initial financial institutions in the country to adopt Bangladesh Bank’s Green Banking Guidelines in a step-by-step manner. By forming a Green Banking Unit (GBU), IPDC is committed to factoring in environmental impacts while also contributing to the country’s economic progress. This is evident by our green finance portfolio which has grown steadily over the past years



GREEN PRODUCTS/SERVICES/PROJECTS

IPDC offers all the green financing solutions as defined by Bangladesh Bank. To address the needs of the diverse segments in the economy, a total of 68 products, encompassing 11 categories, are provided under green financing. The eleven categories are renewable energy, energy & resource efficiency, alternative energy, liquid waste management, solid waste management, recycling & manufacturing of recycled goods, environment-friendly brick production, green establishment, green agriculture, green CMSME, green SRF.

GREEN MARKETING AND DEVELOPMENT

Green Marketing covers a wide range of marketing activities to educate and encourage potential customers for the implementation of environmentally friendly initiatives. In the status quo, awareness is needed to be built up among borrowers, who may not realize the cost savings generated through going green and thus reluctant to invest upfront in sustainable technology. By actively creating awareness of the long-term benefits of green projects, IPDC has successfully built a sizeable green portfolio in 2022.

AUTO LOAN, CONVERSION TO CNG OR LPG

By providing financing for auto leasing and loan products in the retail and corporate segments in 2022, IPDC encouraged borrowers to buy eco-friendly vehicles and make the switch to CNG or LPG. In 2022, IPDC promises to assess the environmental effects of the reduction in air pollution and carbon emissions brought on by these loan products and encouraging lending.

IPDC PRITI & JOYEE PREFERENTIAL RATES FOR WOMEN ENTREPRENEURS

Priti and Joyee, two specialized financial products that only focus on uplifting women, got a lot of attention and success in 2022 after starting in 2020. Priti is a package offering an array of features such as economic prosperity, financial security, and medical care aimed to improve the quality of life of the Bangladeshi women and offering a gateway to financial independence. On the other hand, Joyee focuses on women entrepreneurs. With a lending rate below the market, Joyee aims to improve access to capital to women, paving the way to financial independence.

DANA - RETAILER FINANCING



To support micro-merchants, IPDC has launched IPDC DANA, a retailer financing platform which offers microloans to micro-merchants/retailers to enhance their operational capacity.

CMSME



In the past, IPDC Finance has provided funding to support the sustainability and growth of CMSMEs. To support the businesses IPDC offers loans at a low interest rate with flexible repayment terms. In addition to that, IPDC worked for capacity building of the entrepreneurs through different training and knowledge sharing programs. These financial contributions have been aimed at supporting the development of CMSMEs in a sustainable and responsible way, and at promoting gender equality or environmental sustainability, which can help to promote sustainable development and social impact.

BHALO BASHA LOAN - AFFORDABLE HOUSING FINANCE FOR THE UNDERSERVED



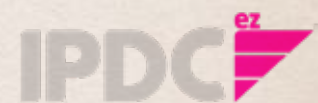
IPDC's flagship program, the Bhalo Basha house loan scheme, aims to provide affordable housing finance to the underprivileged residents of remote areas in the country. Despite the current economic crisis, the program achieved tremendous success in 2022 by offering flexible terms and making home ownership an economical possibility. The program primarily targets underserved areas beyond Dhaka and Chattogram.

ORJON - BLOCKCHAIN BASED PRODUCT FOR SUPPLY CHAIN



IPDC has pioneered the first-ever Blockchain-based solution for SME credit, in collaboration with IBM. Titled as Orjon, IPDC aims to cut a significant portion of paperwork involved in supply chain financing, while also speeding up the turnaround time for approval and disbursement.

EZ - CARDLESS CONSUMER FINANCING PLATFORM



EZ, a product designed for the retail segment who wants to buy consumer electronics and other goods in an easy and convenient way. It has been rolled out in 2022 B2B with full-fledged commercial launch planned for the year 2023. The project aims to provide quick and easy financing solutions to retail consumers.

FOSTERING SUSTAINABLE BUSINESS INITIATIVES

SPONSORSHIP



As part of its corporate social responsibility, IPDC Finance sponsors various initiatives and programs that contribute to the development of society and the economy. The company believes in making a positive impact on the communities it serves and supports initiatives related to education, healthcare, environment, and social welfare. Through its sponsorship, IPDC Finance aims to create a sustainable future for Bangladesh and promote economic growth and development. In 2022, IPDC has sponsored several big events such as NBF Fair, Jolrong Mela, IBA Graduation Ceremony, Debate Tournament of Cummula Victoria College, Lions Club Joint Installation Ceremony, Cadet College Club Joint Installation Ceremony, ATN News Unsung Stars etc.

SME FAIR

In 2022, IPDC took part in the National SME Fair as a Gold Sponsor. The fair was inaugurated on Thursday, November 24 and remained open until December 3. As an effort to support the entrepreneurs associated with IPDC, the company provided a stall to "Enroute Greeneries" to help them access the market. The stall showcased an innovative initiative where eco-friendly plates were produced using Betel Leaf. Additionally, another stall was set up to promote the branding of IPDC.



JOLRONG FAIR

In an effort to promote the SMEs run by women, IPDC Finance sponsored the Jolrong Mela, where over 30 different women entrepreneurs showcased their products for 2 days at Midas Center.



IPDC'S ENGAGEMENT WITH STAKEHOLDERS TO CREATE VALUE IN LONG TERM

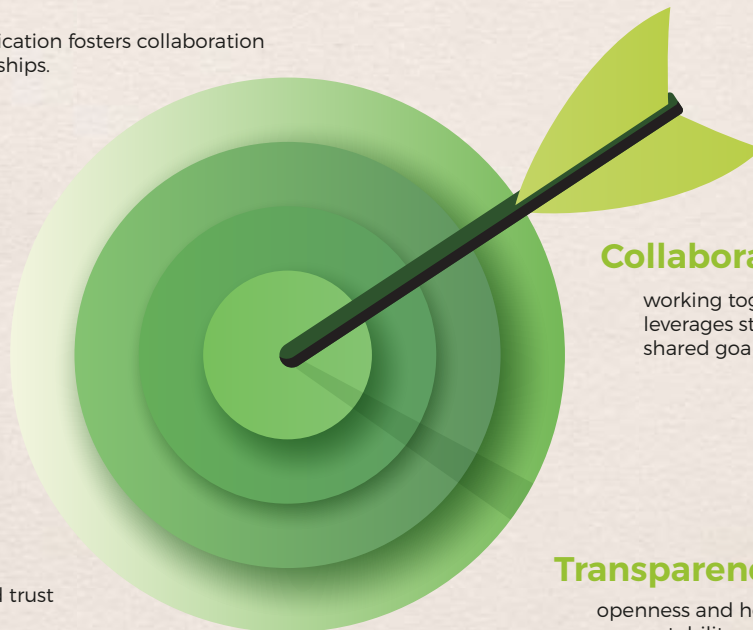
The long-term viability of our business hinges on the strength of our relationships with all stakeholders, including customers, investors, and the broader community. We recognize the importance of engaging not only with shareholders, employees, and clients, but also with suppliers, public authorities, local communities, civil society groups, and financial partners.

Our approach to stakeholder relationships guides all our management decisions and shapes our overall corporate strategy. We value the input and perspectives of our diverse stakeholder groups across all aspects of our operations, and we prioritize collaboration, listening, and learning. By working in partnership, we can advance our mission of promoting health and sustainability through innovation. We understand that ongoing engagement with stakeholders is essential for identifying risks, opportunities, and strategic priorities throughout the value chain. We actively seek and incorporate feedback from stakeholders into our business planning and decision-making processes.

Key Principles of our stakeholder engagement approach

Communication

we believe clear communication fosters collaboration and builds strong relationships.



Collaboration

working together effectively leverages strengths to achieve shared goals.

Accountability

we take responsibility to build trust and credibility.

Transparency

openness and honesty create accountability and foster ownership.

IDENTIFYING OUR STAKEHOLDERS

IPDC recognizes that sustainable business can only be accomplished by engaging with its stakeholders and comprehending the impact of its operations on the environment. The criteria we utilize to determine our stakeholders are as follows:

Criteria for Identification of Stakeholders



CUSTOMERS

- Corporate Customers
- SME Customers
- Retail Customers
- Depositors



COMMUNITIES & SOCIETIES

- Environmental Groups
- Social Activist Groups
- Local People
- The Media



INVESTORS

- Individual Investors
- Institutional Investors

EMPLOYEES

- Permanent Employees
- Outsourced Employees
- Intern
- Potential Employees

SUPPLIERS

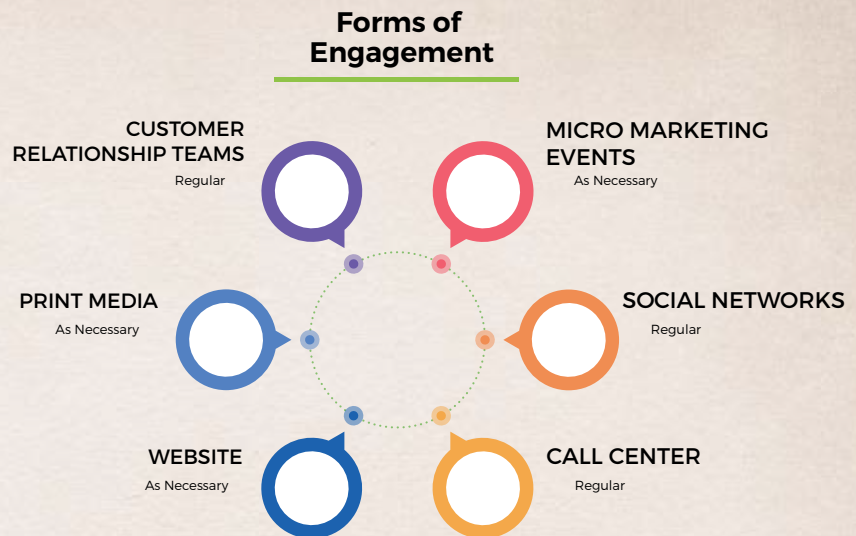
- Partners
- Rating Agencies
- Vendors
- Service Providers

REGULATORS POLICY MAKERS

- Bangladesh Bank
- Bangladesh Securities & Exchange Commission
- National Board of Revenue

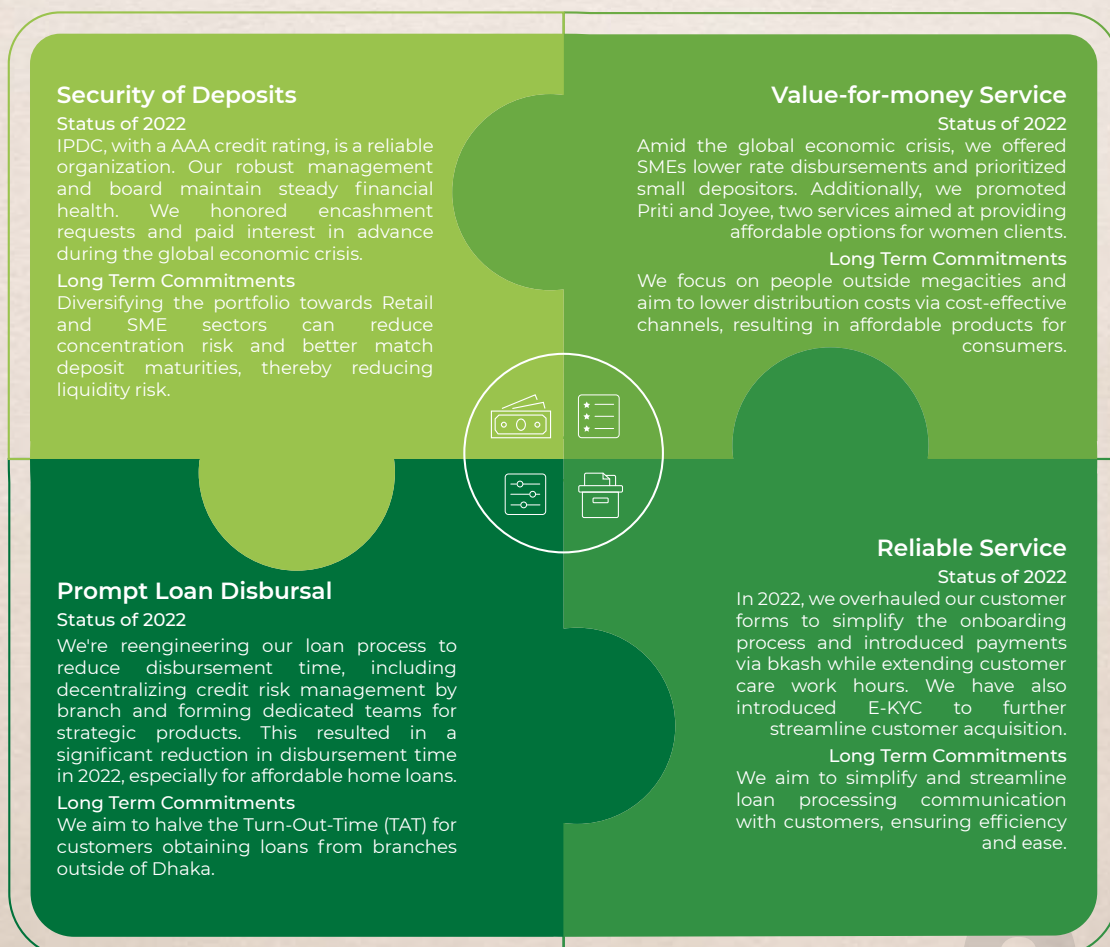
CUSTOMERS

At the core of IPDC's strategy lies a customer-centric approach. The company strives to gain a deeper understanding of its customers' unique needs and desires beyond mere demographic information such as names, ages, and incomes. By doing so, IPDC can identify opportunities for growth and develop innovative solutions that cater precisely to the current and future demands of its customers



Total No. of Customers 74,256

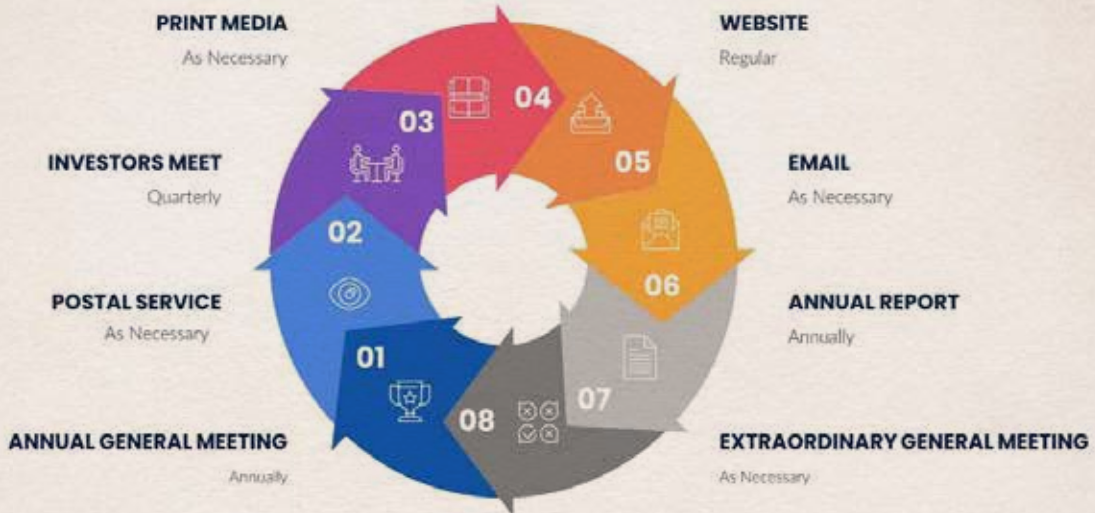
Value Creation Process for Our Customers



INVESTORS

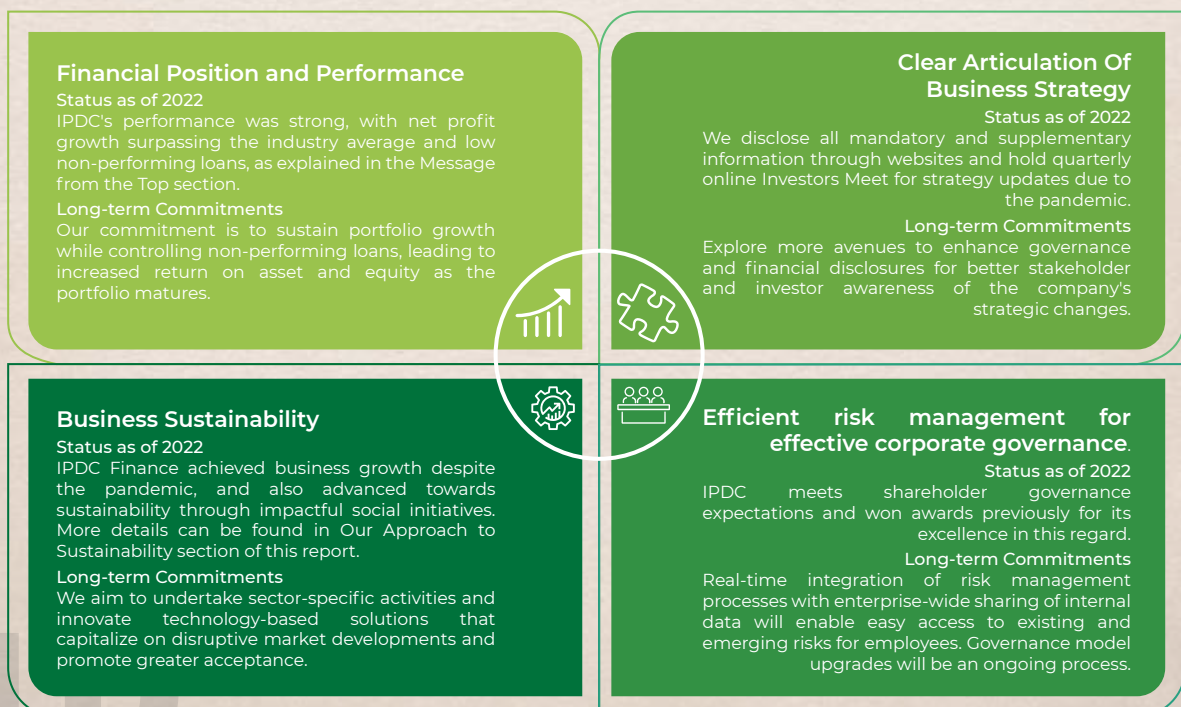
Investors, who are a significant source of capital, need consistent information about IPDC's performance and progress towards sustainable growth to monitor the company's ability to enhance shareholder wealth.

FORMS OF ENGAGEMENT



Return on Equity: 13.70%
Dividend: 10% Cash

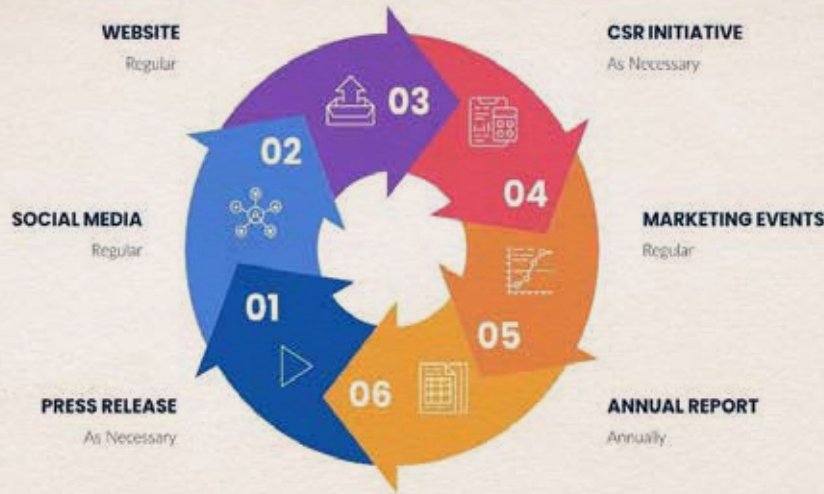
Value Creation Process for Our Investors



COMMUNITIES AND SOCIETIES

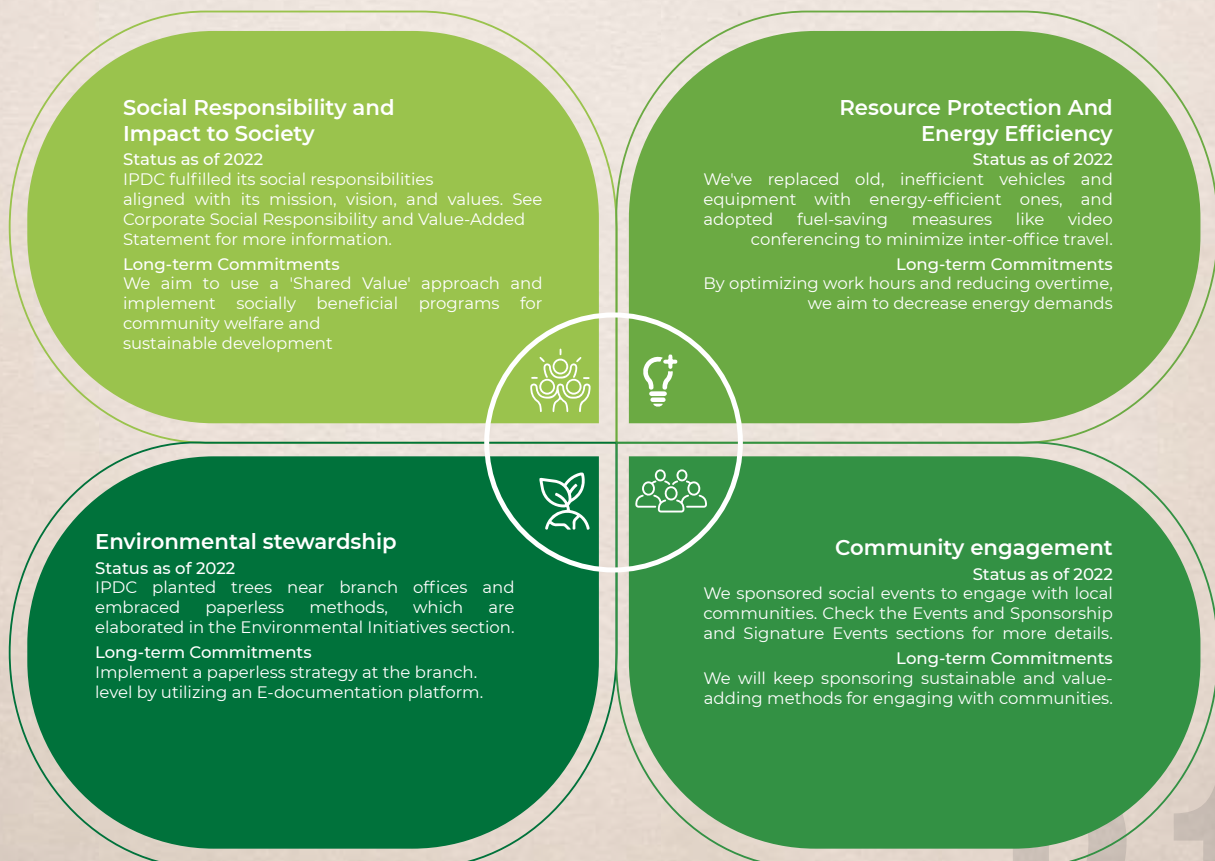
IPDC engages with various individuals and organizations that hold significant influence on its business, such as local residents, community development groups, environmental and development organizations, citizen associations, and NGOs.

FORMS OF ENGAGEMENT



CSR Spending: 17.50 MN BDT
Economic Value Added: 1,252.97 mn BDT

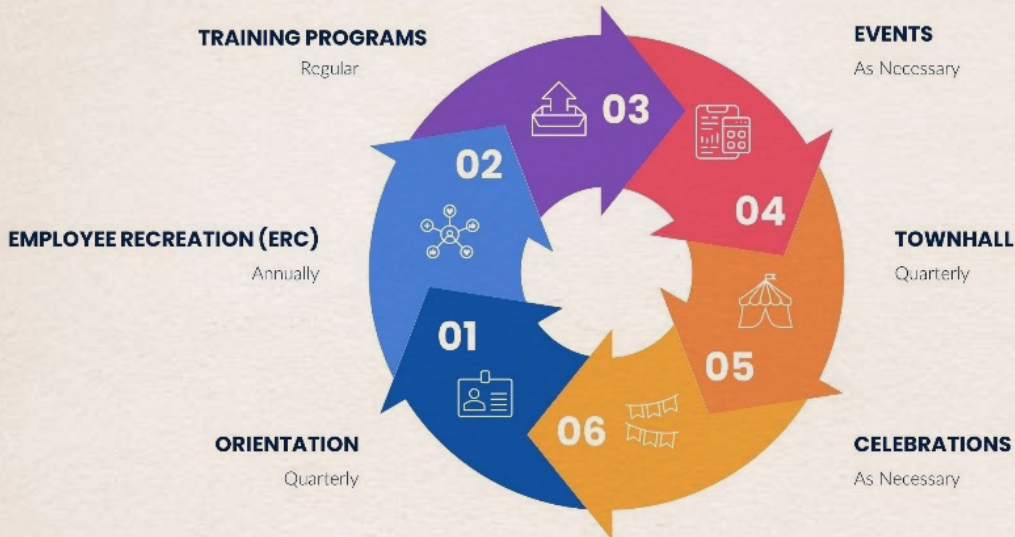
Value Creation Process for Our Communities and Societies



EMPLOYEES

The success of IPDC is dependent on its employees, and to maintain a steady growth trajectory, the company acknowledges the need for an adaptive approach to fully unlock the potential of its workforce. IPDC encourages a culture of innovation, collaborative participation, and individual accountability. As of December 31, 2022, IPDC had a workforce of 896 individuals, and the organization has made significant investments to establish itself as a preferred employer.

FORMS OF ENGAGEMENT



Number of Employees: 896
Gender Ratio: Female 23%, Male: 77%

Value Creation Process for Our Employees

Knowledge And Skill Enhancement

Status as of 2022
During 2022, we organized 145 training sessions. To organize these sessions, we spent BDT 5.8 MN on training expenses in 2022, providing our employees with a total of 1,491.6 person-days of training.

Long-term Commitments
We'll improve management skills and sales abilities and enhance training evaluation for better effectiveness measurement.

Employee Development and Retention

Status as of 2022
Ensured unbiased career ladder access for top performers despite global economic crisis. No downsizing; salaries, benefits maintained. IPDC even recruited more employees.

Long-term Commitments
Our aim is to promote efficient career practices among highly motivated and skilled human resources.

Diversity And Inclusion

Status as of 2022
IPDC promotes inclusive office culture, values equal opportunity, and seeks innovation-driven individuals.

Long-term Commitments
We'll promote a safe and harmonious workplace, encourage diversity, and drive innovation through increased participation of women and minority groups.

Work-life Balance With Safe And Conducive Workplace

Status as of 2022
IPDC recognizes employees responsibilities outside of work and offers flexible working hours to support work-life balance and manage multiple demands. IPDC has arranged Safeguarding (Gender-based Violence and workplace harassment) training for all employees to make the workplace safer.

Long-term Commitments
We're working to enhance work-life balance for employees to boost morale and job satisfaction.

SUPPLIERS

As our institution expands its operations, our suppliers of goods and services are becoming increasingly crucial business partners. They play an integral role in meeting our customers' needs, and we collaborate closely with them to manage risks and promote ongoing improvements in performance standards through procurement.

FORMS OF ENGAGEMENT



Payment of suppliers: 522 MN BDT

Value Creation Process for Our Suppliers

Compliance with Contractual Terms

Status as of 2022

We have sustainable and mutually beneficial relationships with suppliers based on equity, respect, and honesty. In 2022, we met all contractual terms with our suppliers without any incidents

Long-term Commitments

We're committed to complying with industry best practices for payment processing and will regularly review and update our policies.



Transparent Procurement Process

Status as of 2022

Our policies require competitive procurement and bidding to promote equal opportunity for qualified suppliers to meet our requirements.

Long-term Commitments

We will keep updating our policy and practices to maintain high compliance standards in procurement, ensuring a transparent process.



On-time Payment Processing

Status as of 2022

As our business grows, we're enhancing our procurement team and streamlining processes to ensure faster payments while upholding compliance standards.

Long-term Commitments

To ensure that we have the best practices in the industry in the area of payment process, we will review our current process annually.

REGULATORS/POLICY MAKERS

Regulators or policy makers are entities such as bodies, departments, or organizations that oversee, monitor, and manage an industry or business activity. They wield substantial influence over the fundamental operations of the enterprise

FORMS OF ENGAGEMENT



CRR Surplus: 10.7 MN BDT
SLR Surplus: 2,414 MN BDT

Importance of Engaging Regulators/Policy Makers

Fluctuations in the policy and regulatory landscape can present both chances and hazards for our operations. By collaborating closely with regulators and policy makers, we can ensure that our company adapts in a lawful and efficient manner.

<p>Compliance with rules and Regulations</p> <p>Status as of 2022 IPDC remains a strongly compliant company that surpasses all regulatory prerequisites.</p> <p>Long-term Commitments We'll keep seeking and opportunities for capitalizing, while also ensuring sufficient safe guards to remain highly compliant.</p>	<p>Effective corporate Governance</p> <p>Status as of 2022 All regulatory requirements to ensure effective corporate governance have been complied with by IPDC. Additional information about this can be found in the Governance and Risk Management section of the Annual Report.</p> <p>Long-term Commitments We will explore ways to enhance our governance practices without compromising the agility of our company operations.</p>
<p>On-time regulatory reporting</p> <p>Status as of 2022 There were no instances of failing to meet there porting deadline during the year.</p> <p>Long-term Commitments As the demand for reporting grows, we will guarantee the availability of ample and proficient resources</p>	

SUSTAINABLE INITIATIVES

IPDC finance takes its Sustainable Initiatives through investment choices that lead to a greater focus on long-term, environmentally conscious operations. These initiatives are taken multiple axes of social, environmental and cultural sectors. Environmental initiatives encompass activities such as reducing the impact of natural disasters, climate change and adapting to it. The phrase "social considerations" encompasses topics like inequality, diversity, worker relations, and investing in human and community resources. Given that social disparity can be amplified by environmental changes, the two are often intertwined.

IPDC enhanced its sustainability policies and devised a more comprehensive strategy from 2022. Additionally, it reorganized its environmental management system and procedures to make a significant contribution to financing sustainable initiatives across various industries in the nation.

The Environment

As a major financial entity, IPDC is aware of the ecological impact of its activities. It is continually striving to lower the environmental effect of both its operations and offerings. IPDC is gradually replacing its traditional manual approach to conducting business.

Tree Plantation

IPDC planted trees near its central office and various locations to highlight the pressing need to conserve the environment. In addition to being advantageous for the environment, planting trees is an effective way for IPDC to convey its green message and reinforce its existing corporate social responsibility strategy. To foster an appreciation for nature, programs were also planned to educate children about tree planting, roof-top gardening, indoor gardening, aquaculture, and other relevant subjects.

As part of the environmental and climate change mitigation agenda, IPDC Finance planted 400 plants in the Mirpur campus of Obhizatrik school. This has not only beautified the campus but also helps environmental and climate change mitigation.

Going Paperless

The objective of IPDC's paperless initiative is to greatly reduce or eliminate the use of paper in the workplace. To gradually transition away from a paper-based organizational culture, IPDC introduced the Electronic Document System (eDoC) in 2017, which has since been maintained. This virtual document storage and file sharing system across the organization will eliminate the need for maintaining numerous client files and paper documents. IPDC believes that going paperless not only helps the environment, but also saves money, increases productivity, conserves space, facilitates the sharing of information and documents, and ensures the protection of personal data.

IPDC has also taken steps to decrease paper usage through the following actions:

- Setting the default settings of printers to double-sided printing and utilizing both sides of paper for photocopying.
- Previewing documents before printing to prevent errors and minimize the need for reprinting.
- Using smaller fonts when printing to reduce the number of pages, if possible.
- Circulating handouts or meeting minutes via email prior to training or meetings to eliminate the need for printed materials for each participant.
- Placing a "recycled paper" box near printers or desks to encourage employees to use it for draft purposes.
- Reusing mail envelopes for internal and/or unofficial use.
- Utilizing electronic notepads on laptops or smartphones instead of paper notebooks for personal notes.

Due to this increased awareness, IPDC was able to significantly decrease paper consumption in 2022.

Green Branch

The planning for establishing an eco-friendly branch was executed in line with the objective of the long run. Nevertheless, due to the persistent pandemic scenario, the concept has been deferred for some time. The significance of reducing our environmental footprint and endorsing environmental campaigns has been emphasized by the increasing market operations and heightened worldwide recognition of environmental issues. Adopting eco-friendly practices offers several benefits, not just the satisfaction of protecting the environment. It can directly impact our business by reducing operational costs and optimizing the efficiency of our processes.

Community Welfare Promoting Green Ideas

In line with past years, IPDS's Head Office and all its branches observed Green Workstation Day in the early months of 2022. The goal was to raise awareness among the staff about the need for a healthy working environment. To create a comfortable and eco-friendly working environment, each employee cleaned up their personal workspaces and decorated the area with plants to suit their preferences.

The Society

As a responsible financial institution, IPDC Finance Limited recognizes its duty towards the society it operates in. We believe that sustainability is not just a buzzword, but a responsibility that we owe to the people and the environment around us. Our commitment towards society is reflected in our corporate values and culture, and we strive to make a positive impact on the community we serve.

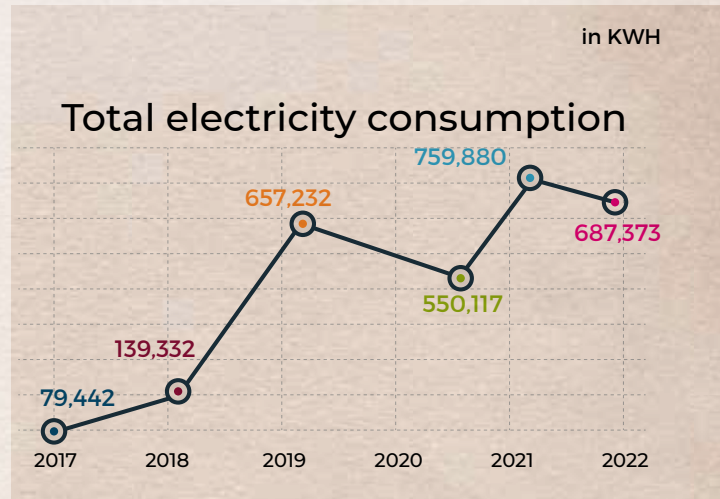
IPDC intends to provide cutting-edge solutions to unbanked microentrepreneurs in disadvantaged areas. Successful implementation of the solution will improve financial inclusiveness across the nation. IPDC is of the opinion that cooperating with its clients is essential for the advancement of the community as a whole. To address the possible environmental and social risks arising from the client's business operations, IPDC has incorporated a Corrective Action Plan in its Environmental and Social Risk Management Policy. This plan involves collaborating with the client within a mutually agreed timeframe to reduce or eliminate the potential risks posed by their business activities.

Energy Reduction

The objective of IPDC is to conserve electricity in its office buildings in an effort to cut down energy consumption and preserve fuel resources. The organization encourages energy-saving behavior at an individual level and promotes the following practices:

- Adjusting attire to the weather to minimize air conditioning usage.
- Maintaining the thermostat temperature above 24°C
- Examining the building's insulation
- Employing energy-efficient modes for electrical devices
- Swapping out old, inefficient equipment with highly rated energy-saving alternatives.
- Turning off power switches when not needed
- Water conservation.

The effect of these measures is evident in our total electricity consumption in 2022. Despite opening of new branches and new extension to our head office we have seen a significant drop in our total electricity usage in 2022.



The Governance System

IPDC's values of impartiality, openness, obligation, and answerability are at the center of its corporate governance system. To ensure compliance, the company adheres to the rules, regulations, and directives of regulatory authorities such as the Securities and Exchange Commission and Bangladesh Bank. The Board of Directors, which comprises 12 members, including two autonomous directors, is responsible for ensuring that IPDC conducts all its activities with the highest ethical standards and in the best interests of all relevant parties. Various committees, such as the Board Audit Committee, Board Executive Committee, and Management Committee, are involved in achieving this goal. 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:

- Attending to clients' needs quickly, objectively, and with the utmost importance.
- Maintaining the potential and abilities of personnel at all organizational levels by rewarding exceptional performance and promoting from within to foster an environment of high expectations and success.
- Maintaining a focus on quality and a commitment to sustaining the business culture.
- Continuing to participate personally and professionally in initiatives that advance society and the country.
- Upholding local community values.
- Making a commitment to watch for economic developments that have an impact on the businesses and to adapt to rapidly shifting consumer expectations.
- Carrying out ongoing planning, balanced diversification, and orderly expansion to address all obstacles.
- Committed to setting a good example for others to follow and takes its responsibilities to the shareholders very seriously.

ENABLING SUSTAINABLE SOCIETY

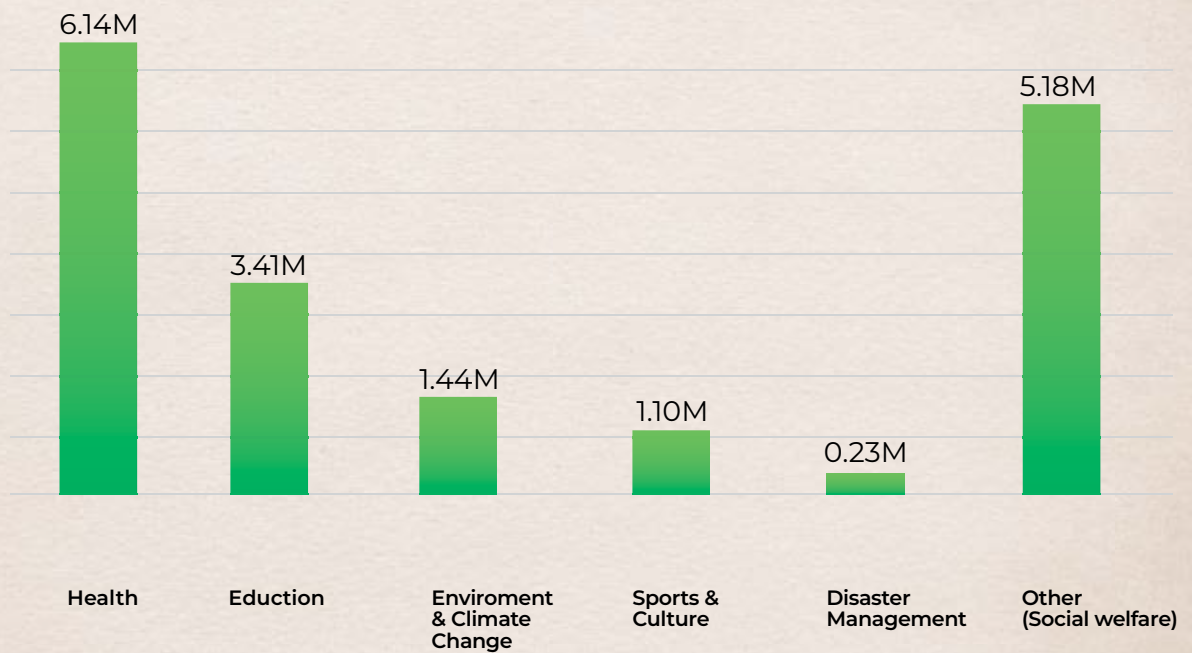
IPDC promotes access to information, media literacy, and the development of independent and pluralistic media. By supporting media development, IPDC helps to empower communities and promote accountability, transparency, and democracy. IPDC also supports the use of media and communication to address environmental issues and promote sustainable development. Through its funding and initiatives, IPDC plays an important role in advancing sustainable development and building resilient and inclusive societies. IPDC has endeavored to achieve its goal by erecting schools, libraries, and public restrooms. The company has also aided other educational institutions, libraries, sports academies, and non-governmental organizations by contributing books, jerseys, and assistance during times of calamity. Additionally, IPDC has established sustainable products such as Affordable Home Loan and SME loans for areas outside major cities, which has facilitated the development of the neighboring regions surrounding the company's project sites.

CSR STATEMENT

IPDC has made a long-term pledge to Corporate Social Responsibility (CSR) which is an essential part of its operations. The company has made noteworthy strides in contributing to the social sector development of Bangladesh by proactively supporting socio-economic growth and allowing more individuals to take part in and benefit from the country's progress.

Sector Wise CSR Spending in 2022

In BDT



The CSR policy of IPDC is in line with its vision to serve the Women, Youth, and Underserved population. This is evident with the recent CSR spending across various sectors like education, health, environment etc. It has a board resolution in place to ensure the allocation of the required funds in relevant areas according to the focus areas. IPDC Finance Limited is committed to adhering to environmental regulations to maintain an ecological and social balance, ensuring that the world remains a safe and habitable place for all living beings and their future generations. The company considers sustainability as a crucial aspect of its business strategy. Thus, IPDC strives to preserve a habitable planet for future generations by embracing new opportunities for financing, investment policies, and portfolio management that work towards building a strong and successful yet low carbon economy. Furthermore, IPDC was the first financial institution in the country to implement Bangladesh Bank's Green Banking Guidelines in phases.

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:



RESPONSIBLE BUSINESS

Activities

Affordable Home Loan
 Capacity Development
 Creating Entrepreneurs
 Sustainable Growth

SDG GOALS

Goal #1: No Poverty
 Goal #2: Zero Hunger
 Goal #8: Decent Work & Economic Growth
 Goal #9: Industry, Innovation and Infrastructure
 Goal #16: Peace, Justice and Strong Institutions

SUSTAINABLE ENVIRONMENT

Activities

Green Financing
 Environmental Initiatives
 Green Branch
 Going Paperless

SDG GOALS

Goal #6: Clean Water and Sanitation
 Goal #12: Responsible Consumption and Production
 Goal #13: Climate Action

PEOPLE & COMMUNITY DEVELOPMENT

Activities

Special Products for Women
 Improving Gender Parity
 Impactful CSR
 Partnering with Development Agencies

SDG GOALS

Goal #3: Good Health and Wellbeing
 Goal #4: Quality Education
 Goal #5: Gender Equality
 Goal #10: Reduced Inequality

FOR SUSTAINABLE RATING



IPDC Finance Limited has been recognized in the Sustainability Rating by Bangladesh Bank recently for both the years 2020 and 2021. Mominul Islam, Managing Director and CEO of IPDC Finance has received the award from Fazle Kabir, Governor of Bangladesh Bank at the “Sustainable Rating Recognition Ceremony” organized by Bangladesh Bank. Only 5 non-bank financial institutions made it to the list and IPDC has made its place in both the years 2020 and 2021.



IPDC Finance was recognized for its sustainable approach by the Bangladesh Bank at the 9th Annual Banking Conference. The financial institution received sustainability recognition from the central bank in both 2020 and 2021, highlighting its commitment to environmental, social, and governance (ESG) issues. At the conference, Mominul Islam, the Managing Director and CEO of IPDC Finance, was presented with a crest in recognition of the company's sustainable approach.

SUCCESS STORY

IPDC AND AMAL FOUNDATION JOIN HANDS TO SOLVE ONE OF THE CORE PROBLEMS OF BANGLADESH

In a country run by a female charismatic leader, Bangladesh still faces a hindering issue that still holds the country back from its utmost potential- The Child Marriage! Bangladesh still has one of the highest rates of child marriage. 51% of young women were married before turning 18. The practice of child marriage reflects deep-rooted norms and the unequal status of girls in society as females are often seen as financial burdens.

Now, Bangladesh's one of the prominent non-banking financial institutions, IPDC Finance, and Amal Foundation joined hands to solve this problem with a very innovative solution.

INTRODUCING IPDC CHILD MARRIAGE PREVENTION LOAN!

With an aim to prevent child marriage, IPDC Finance took a step to eradicate the root cause of the issue. As mentioned earlier, the major reason for child marriage is parents with low income consider a girl child a financial burden (education cost, upbringing cost, etc.).

Powered by Amal Foundation and conceptualized by Grey Bangladesh, IPDC Finance came up with a very simple, yet game-changing big idea. Transforming the thought of burden into an asset for the parents.

The Child Marriage Prevention Loan By IPDC.

SO, WHAT IS THIS LOAN?

A microfinancing loan with 0% interest, 0 Collateral for the parents with a girl child with only three conditions to fulfill.

- Must be a parent of a girl child aged between 12 to 18 years.
- The girl child cannot be married before the legal age.
- The girl child must be educated until at least the end of High School.

Brilliant, isn't it?

SO, HERE'S HOW IT WORKS:

IPDC and Amal Foundation receive and verify loan applications. Then parents take pledges when receiving loans from IPDC and Amal in front of the community. Then Amal Foundation ensures 'Training and Sustainable Business Set Up' for the parents. Finally, Amal collects weekly installments and monitors the business set up by the parents.

The Impact

Now, what's the impact of such an attempt from IPDC and Amal Foundation? Let's have a deep dive:

Solving the main pain point

As mentioned earlier, the core reason for Child Marriage here in Bangladesh is the insolvency of parents which led to the thought of considering a girl child as a financial burden. Adding on, for many daily wage earners, lockdowns further limited their incomes, forcing their migration back to rural Bangladesh. Hence, the urgency of such an attempt from a brand link IPDC was a crying need for the country.

And, talking about the solution- it really puts the money where the mouth is while assuring its effectiveness of it with a commitment to improving the standard of life for the ones who need it the most.

The Macro Impact

On a Macro level, this innovative solution will have a bigger impact than accepted.

Child marriage isn't simply an infringement against human rights, yet is an additional boundary to individual and social development. Young ladies previously going to class are compelled to stop. There is no way for training and empowerment. These young ladies will generally get more continuous and spontaneous pregnancies, as a result of the absence of preventative use. As a result, the economy of the country also takes a sheer unrealized hit because of this practice of child marriage.

We have numerous encouraging motivation-centric approaches to child marriage eradication in Bangladesh. But one must understand that the issue the low-income parents are facing here is directly related to their survival. And usually, motivation takes a south turn when it's about survival.

Hence, this Child Marriage Prevention Loan from IPDC, powered by Amal Foundation realizes the actual need and hopefully will have an instant and absolute outcome that ensures the future of Bangladesh with-

'Every Girl Contributing To The Sustainable Future Of Bangladesh As A Self-Empowered Asset To The Society.'



FUTURE OUTLOOK

IPDC plans to disburse a significant sum of money for eco-friendly financing ventures, spanning a wide range of industries in the upcoming five years. The prime focus of IPDC will be on sustainable ecological housing, renewable energy facilities, energy-saving undertakings, environmental treatment plants/water treatment plants, waste management, aquatic resources conservation, recycling, organic farming ventures, and more. The company is devising green financial products for individual and institutional clients. With the assistance of Bangladesh Bank, green financing is set to advance rapidly throughout the nation, and IPDC anticipates playing a significant part in the financial industry's green financing.

VALUE ADDED STATEMENT

"Value added" is the wealth which the Company has able to create by providing clients with a quality, value added service. This statement shows how the value so added has been distributed.

Value Added by the Company

in BDT mn

Value Added	2018	%	2019	%	2020	%	2021	%	2022	%
Net Interest Income	1,698.3	130.8%	1,942.8	118.1%	2,017.0	100.3%	2,783.1	117.9%	2,770.2	122.2%
Commission, Exchange & Brokerage	89.2	6.9%	78.2	4.8%	108.4	5.4%	180.3	7.6%	151.2	6.7%
Investment Income	63.3	4.9%	115.2	7.0%	638.7	31.8%	471.3	20.0%	202.1	8.9%
Other Income	23.6	1.8%	29.6	1.8%	65.7	3.3%	10.0	0.4%	123.5	5.4%
Management expenses excluding salaries & allowances, depreciation	(314.2)	-24.2%	(330.3)	-20.1%	(341.1)	-17.0%	(383.5)	-16.2%	(483.7)	-21.3%
Provision for doubtful losses	(262.3)	-20.2%	(190.8)	-11.6%	(478.2)	-23.8%	(700.0)	-29.6%	(495.9)	-21.9%
Total Value Added by The Company	1,298.0	100.0%	1,644.6	100.0%	2,010.5	100.0%	2,361.2	100.0%	2,267.3	100.0%

Distribution of Value

Value Added	2018	%	2019	%	2020	%	2021	%	2022	%
Employees										
As salaries & allowance	396.4	30.5%	566.5	34.4%	692.8	34.5%	740.6	31.4%	864.8	38.1%
Provider of Capital										
Dividends to shareholders	363.6	28.0%	327.2	19.9%	530.1	26.4%	445.3	18.9%	371	16.4%
Government										
As taxes	410.6	31.6%	431.1	26.2%	495.9	24.7%	622.3	26.4%	363.4	16.0%
Expansion & Growth										
Retained as capital and reserve	86.4	6.7%	235.2	14.3%	175.4	8.7%	435.7	18.5%	530.0	23.4%
Depreciation	41.0	3.2%	84.5	5.1%	116.3	5.8%	117.2	5.0%	138.1	6.1%
	127.4	9.8%	319.8	19.4%	291.7	14.5%	553.0	23.4%	668.1	29.5%
Total Distribution of Value Addition	1,298.0	100.0%	1,644.6	100.0%	2,010.5	100.0%	2,361.2	100.0%	2,267.3	100.0%

CULTURE

AMADER GAAN

“Amader Gaan” by IPDC is a modern interpretation of traditional Bangladeshi folk music, which embarks on its journey during the 50th anniversary of the country’s independence. 4th season of this musical event was launched in 2022. By utilizing this platform, IPDC aims to honor the richness and variety of Bangladeshi culture, while also introducing lesser-known music genres, such as folk music, to a worldwide audience.



SOCIAL WELFARE INITIATIVES

AWARD FOR UNSUNG WOMEN NATION BUILDERS

The sixth Unsung Women Nation Builders Awards ceremony took place in 2022. IPDC, in collaboration with The Daily Star, took the initiative to honor these unsung heroes of the country and give them a platform where their inspirational stories could be celebrated after realizing that while women have always played a crucial role in Bangladesh's development, those from the underprivileged class have not always been strongly featured in the country's success narratives.



SUBODH IPDC

To advance education in the country, IPDC continued its "IPDC Subodh" credit line last year as well along with rokomari.com, which opened broader access to books to the mass. It garnered much attention from the people and we disbursed approximately 4.5 lacs taka to 243 customers.

IPDC
সুবোধ

PRIYO SHIKKHOK 2022

'Priyo Shikkhok Shommanona' programme was organized collaboratively by IPDC Finance Limited and the Daily Prothom Alo for the third time in 2022 to acknowledge the exceptional efforts of teachers at the school-level throughout the nation. Total 11 primary and secondary level teachers out of 1,697 nominations across the country were awarded for their efforts.



CHILD MARRIAGE PREVENTION LOAN

The Child Marriage Prevention Loan, an innovative loan to prevent child marriages among the underprivileged people of Bangladesh in association with Amal Foundation, IPDC Finance donated to support the activities of the project.



CONTRIBUTION TO GOVERNMENT EXCHEQUER

Contribution to government exchequer is the amount IPDC pays to the government in form of Withholding Tax, Corporate Tax, Value Added Tax (VAT) and Excise duty. IPDC is among the large contributors to government exchequer of the country and as such creates a significant impact to the development of the country.

Particulars	2018	2019	2020	2021	2022
Withholding Tax					
Salary	15,657,755	23,146,650	24,623,687	32,164,871	44,198,218
Interest on savings deposit	233,384,657	349,449,706	422,820,132	311,350,282	474,471,609
Payment of Supplier	3,021,168	4,738,528	1,892,688	4,660,801	4,091,390
House Rent	802,266	1,155,978	1,072,143	1,058,749	1,439,694
Dividend Payment	-	15,000,000	36,947,074	45,020,223	46,101,727
Payment for Professional & Technical Services	2,256,081	4,326,115	1,587,483	2,314,463	3,283,467
Others	4,869,229	18,729,582	7,334,202	27,235,207	86,799,094
Total Withholding Tax	259,991,156	416,546,559	496,277,409	423,804,596	660,385,198
VAT					
House Rent	3,349,095	4,391,499	5,087,170	5,706,564	6,984,205
Processing, Documentation Fee etc.	13,193,414	12,323,267	11,731,558	21,462,148	19,592,023
Procurement of goods and services	4,291,885	6,736,513	4,983,283	7,333,892	9,553,907
Legal, Professional & Technical Fees	2,417,629	6,436,705	2,305,302	6,230,295	7,815,827
Director Fees	122,400	68,400	93,600	86,400	84,000
Promotion	7,362,233	4,170,241	1,967,511	2,896,853	2,260,307
Others	5,137,532	8,169,290	7,355,198	6,996,912	13,520,946
Total VAT	35,874,188	42,295,915	33,523,622	50,713,064	59,811,214
Corporate Tax	281,745,290	392,364,068	307,549,101	373,194,584	666,739,322
Excise Duty	26,730,250	39,289,100	54,432,150	76,084,550	79,471,618
Total Paid to Government Exchequer	604,340,885	890,495,642	891,782,282	923,796,794	1,466,407,352

The collective contribution to the National Exchequer for the last five years was BDT 4,777 million, of which, BDT 1,466.4 million (30.7%) was made in 2022 alone. Out of total BDT 1,466.4 million, BDT 666.7 million was made on account of corporate tax. With the payment of taxes and the investment for expansion, IPDC is making a significant contribution to the country's development and growth.

SUSTAINABILITY SCORE CARD

Performance Indicators	2020	2021	2022
Customers			
Number of customers	14,780	27,421	74,256
Number of branches	12	15	15
Refinancing Portfolio (BDT mn)	3,073	4,151	6,961
Loans to corporate (BDT mn)	24,146	30,797	30,205
Loans to SME (BDT mn)	16,470	20,198	21,965
Loans to individuals (BDT mn)	12,994	14,332	15,935
No. of Priti Accounts	616	1,560	1,888
Employees			
Permanent	581	590	679
Outsourced/Contractual	264	259	217
New recruitments	128	190	407
% of Female permanent employees (%)	21%	20%	23%
Average training hours per headcount	20	13	13
Training expenditure per headcount (BDT)	10,293	3,013	6,473
Employee salary and benefits (BDT mn)	693	741	865
Investors			
Revenue (BDT mn)	2,830	3,445	3,247
Operating profit (BDT mn)	1,680	2,203	1,760
Profit after tax (BDT mn)	706	881	901
Economic value added (BDT mn)	635	909	526
Market value added (BDT mn)	4,179	7,971	14,572
Dividends distributed (BDT mn)	530	445	371
Dividends declared (%)	12%	12%	10%
Suppliers			
Payment to Suppliers (BDT mn)	381	391	522
Total capital expenditure (BDT mn)	46	101	87
Communities and Society			
CSR contribution (BDT mn)	29	13	17
Utility expense per square feet (BDT)	223	228	238
Printing & stationery expense per employee (BDT)	9,656	6,652	12,854
Travelling expense per employee (BDT)	16,195	20,106	23,857
Regulators			
Penalty for breach in compliance	-	-	-
Corporate tax to government (BDT mn)	892	924	1,466