



Building Equity

Sustainability Report 2013



financing happiness

Building Equity

Sustainability Report 2013

The Sustainability Report of IDLC Finance Limited covers the period from January 2013 to December 2013, or the financial year 2013 as per the accounting guidelines in Bangladesh. This is the third such report by the Company and is an extra-reporting initiative extending beyond the statutory guidelines prescribed on governance standards in Bangladesh. This report is mainly an instrument of communication regarding the Company's philosophy, governance, management, policies and Corporate Social Responsibility (CSR) initiatives, resulting in sustainable development for the environment and the community.





“The best work happens when you know that it’s not just work, but something that will improve other people’s lives.”

Satya Nadella
CEO, Microsoft





RATIONALE FOR PREPARING A SUSTAINABILITY REPORT

At IDLC, our overarching objective is to build equity by delivering the widest good to the largest number in the shortest possible time.

We see ourselves as enablers of an improved quality of life to ensure that the fruits of economic evolution and progress do not just remain the prerogative of a few but the privilege of many.

Our approach embraces greater responsibility towards the environment, greater sensitivity to meet the unmet needs of large segments of the society, and greater empathy towards all those who work with us and depend upon us. And this document serves as the tool to remain accountable to our broader stakeholder groups.

SUSTAINABILITY POSITION STATEMENT

IDLC is committed to sustainable development by creating long-term value – value for our stakeholders, value for the environment and value for the community



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ABBREVIATIONS

ADB	Asian Development Bank
AML	Anti Money Laundering
Bn	Billion
CAGR	Compound Annual Growth Rate
CDM	Clean Development Mechanism
CEO	Chief Executive Officer
CRMS	Customer Relationship Management System
CSE	Chittagong Stock Exchange
CSR	Corporate Social Responsibility
DFID	Department of International Development
DFIM	Department of Financial Institutions and Markets
DO	Development Organisation
DSE	Dhaka Stock Exchange
DTE	Directorate of Technical Education
EEK	Energy-Efficient Brick Kiln
ESIA	Environmental and Social Impact Assessment
ESMS	Environmental and Social Management System
ETP	Effluent Treatment Plant
FCUBS	Flexcube Universal Banking Solution
FDI	Foreign Direct Investment
FI	Financial Institutions
GB & CSR	Green Banking and Corporate Social Responsibility
GDP	Gross Domestic Product
GHG	Green House Gas
GRI	Global Reporting Initiative
GTSC	Gazipur Technical School and College
IDCOL	Infrastructure Development Company Limited
IDLC IL	IDLC Investments Limited
IDLC LF	IDLC Ladies' Forum
IDLC SL	IDLC Securities Limited
IFC	International Finance Corporation

IFG	International Factoring Group
IIDFC	Industrial and Infrastructure Development Company Limited
ILO	International Labour Organisation
IPFF	Investment Promotion and Financing Facility
IT	Information Technology
JICA	Japan International Cooperation Agency
LEADS	Livelihood Education and Development Services
LDC	Least Developed Country
ManCom	Management Committee
MIS	Management Information System
Mn	Million
MoU	Memorandum of Understanding
NBFI	Non-Banking Financial Institution
NGO	Non-Governmental Organisation
NPS	Net Promoter Score
NRB	Non-Resident Bangladeshis
OJT	On-the-Job Training
PBT	Profit Before Tax
PPP	Public-Private Partnership
REHAB	Real Estate and Housing Association of Bangladesh
RMG	Ready-Made Garments
RMF	Risk Management Forum
SBBN	Small Business Banking Network
SHS	Solar Home System
SME	Small and Medium Enterprise
SOP	Standard Operating Procedure
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
VTS	Vehicle Tracking Service
WEL	Women Entrepreneur Loan
WIN	Women In Business

STATEMENT OF THE
CEO AND MANAGING DIRECTOR



SELIM R. F. HUSSAIN
CEO & Managing Director

STATEMENT OF THE CEO AND MANAGING DIRECTOR

“ In 2013, our Sustainability efforts focused on three core aspects: skills development and livelihood generation for the underprivileged; women empowerment through both business and CSR initiatives; and improved environmental performance through awareness creation, enhancing “green” portfolio, and in-house environmental management.”

Dear fellow stakeholders,

At IDLC, we aim to be a 'good corporate citizen'. Our objective is to ensure that the Company not only focuses on financial performance to drive shareholder value, but also makes a positive impact in the environment where we operate, in the communities where we have a presence, and in the lives of those stakeholders core to our success.

In 2013, our Sustainability efforts focused on three core aspects:

- Skills development and livelihood generation for the underprivileged;
- Women empowerment through both business and CSR initiatives; and
- Improved environmental performance through awareness creation, enhancing “green” portfolio, and in-house environmental management.

While there were many CSR projects in 2013, perhaps the most notable was the one that 'developed and delivered' skilled resources to the RMG (Ready-Made Garments) sector. This Project took a group of individuals coming from the poorest regions of North Bengal, with few livelihood opportunities, and trained them to become Machine Operators in the RMG sector, on an average earning up to Taka 10,000 per month. This public-private partnership initiative brought together different partners from the business, government, development and financial sectors, and helped change the lives of over 80, mostly female, individuals till date. We hope to expand this initiative well into 2015.

Another notable project for 2013 was the Model Village Project, where IDLC, through both financial and non-financial interventions, helped bring positive changes in the Sadarpur Village of Rangpur, North Bengal. The project has contributed to youth and community empowerment, provided access to basic healthcare facilities, educated



people on environmental management, helped develop livelihood generation skills, and provided alternative income-generating options to the community people.

Both these projects focused on women empowerment – equipping them with income-generating skills which, in turn, helped them achieve economic freedom and raise their social status within the family and the community. Besides these initiatives, IDLC actively contributes to women empowerment also by:

- Offering access-to-finance to women entrepreneurs through its 'Women Entrepreneur Loan' facility under the SME Department, which recorded a 108 percent disbursement growth in 2013 over the same period last year; and
- Empowering IDLC's female staff through various training programmes and career development opportunities, and by addressing various workplace issues by actively managing a 'Ladies' Forum';

In 2013, IDLC's external environmental efforts mainly revolved around continuing the tree plantation initiative, which was begun a few years ago, and the launching of an environmental awareness campaign across different schools. This initiative was aimed at educating children on matters such as environmental pollution and mitigation; responsible consumption of natural resources; adoption of the 3R principle of Reduce, Reuse and Recycle to minimize wastage etc. In 2013, IDLC covered 11 schools and, having received very positive feedback from these schools, is continuing these sessions in 2014 as well.

In 2013, IDLC adopted the Bangladesh Bank's 'Green Banking Policy' in order to conduct its business and in-house operations in an even more structured and compliant manner. In 2014, we are also in the process of implementing a new Environmental and Social Management System (ESMS) with support from FMO,

the Dutch Development Bank, and external consultants. IDLC's Corporate and SME businesses are increasingly focusing on 'green' projects with particular focus on improving energy-efficiency in brick manufacturing, installation of Effluent Treatment Plants and waste/ water recycling plants, and promoting alternative and renewable energy projects including solar home systems and biogas plants.

We are trying to ensure that our sustainability efforts are aligned with principles put forward by the UN Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-corruption; by the UN Environment Programme Finance Initiative (UNEP FI) in terms of better environmental management in financial institutions; and the Millennium Development Goals (MDGs) aimed at poverty reduction, primary education, gender equality and women empowerment, reduced child mortality, improved maternal health, combat diseases, environmental sustainability, and global partnerships.

We are committed to improving Sustainability disclosure in Bangladesh in the corporate sector and are pleased to issue our third Sustainability Report, following the Global Reporting Initiative (GRI) Guidelines. The 2013 Report continues to conform to the application level "B" under the GRI-G3.1 Guidelines, and in 2014, we plan to move up to the GRI-G4 Guidelines and also seek external assurance to add credibility to the disclosure.

We welcome your feedback and suggestions to help us continue improving our report to meet your expectations.

Happy reading!

Selim R.F. Hussain
CEO and Managing Director

REPORTING PARAMETERS

Reporting period	1 January 2013 – 31 December 2013
Reporting cycle	Annual
Most recent previous report	"Annual Sustainability Report 2012", published in April 2013
Report application level	"B" (Self-declared)
Contact person	Zurat Haque Head of CSR, IDLC Finance Limited Tel: +880-2-8834990, Ext 178; Cell: +880-1713-047-075 Email: zurat@idlc.com

REPORT SCOPE

The Sustainability Report of IDLC Finance provides a CSR perspective of who we fundamentally are, what we do, what we have done so far and where we need to improve.

This report highlights our track record and statement of intent. It aims to disclose how we operate within a dynamic business environment and how we responsibly address stakeholder interests.

While the Company complies with the comprehensive requirements of financial reporting as stipulated by the various regulatory bodies, we are taking transparency one step ahead through this Sustainability Report. Though this is not yet a statutory requirement in Bangladesh, we have created this document voluntarily, out of our commitment to transparency, out of our role as thought leaders in our industry, and out of the hope that we benchmark our practices in the interest of building an equitable society.

There are several benefits of such an initiative:

- Such a document makes it possible for our stakeholders as well as the larger public to know what to expect of us.
- It reiterates the stakeholder confidence and the Company's image, providing a compelling reason for stakeholders to remain associated with us.
- The disclosures can potentially trigger other companies to follow suit with similar initiatives, thereby widening our circle of influence and ensuring widespread development of our country.

We must make an upfront mention that this document does not aim to eulogise the Company. On the contrary, we are fully aware that this would only serve as a pointer to the huge gaps still uncovered.

REPORT FOCUS

To improve the sustainability management, monitoring and reporting process and progressively integrate sustainable development into the organisational framework, it is important to identify sustainability issues that are the most important for our stakeholders.

For 2013, this has been done through a structured engagement process, both formal and informal, and has involved identification of key stakeholders (employees, regulators, business partners and clients, public sector entities, and the community at large) and subsequently understanding major sustainability issues that remain the key focus of the current report.

MATERIALITY

Our Sustainability Report has been designed around the subject of responsible citizenry. The key philosophies and policies have been institutionalised and created by a dedicated internal CSR team with guidance and suggestions from external stakeholders from time to time. The identification of our key stakeholders and issues material to each has been derived from this exercise.

- **Economic:** Ascertaining return on capital invested in a cyclical business with fluctuating costs;
- **Environment:** Protecting the environment through minimising our carbon footprint and conserving natural resources through awareness buildup, prudent use, recycling and reuse;
- **Society:** Creating a culture of safety among employees, customers, contractors and community members, and providing robust infrastructure for education, offering basic amenities and ensuring good health.

REPORT COVERAGE

This report covers operations across the IDLC Group, explaining how our Company touches the lives of our stakeholders and the community at large.

Relevantly, one of the principal thrust areas of this report is the identification of the groups of stakeholders considered relevant to the Company. Most sustainability reports address three broad categories of stakeholders – shareholders, employees and the society. At IDLC, we address a fourth – and key – section: our customers. Even though the report is relevant to all segments of stakeholders, we have highlighted specific activities performed throughout the year, focusing on each of these segments.



- Economic activities, discussing sustainable growth of our principal business – fund mobilisation and loan disbursement – and return to investors.
- Social activities, discussing the Company's community welfare and environmental initiatives.
- HR activities, highlighting initiatives that discuss our human resource-centric practices and alignment of corporate goals with personal ambitions, and that promote the assurance of a promising career path for our employees.
- Commitment to customer value creation, discussing operational seamlessness, process efficiencies, service competence and new business initiatives that enhance our standing as one of the pioneers of Bangladesh's NBFi industry.

REPORT BOUNDARY

The reporting period for this Sustainability Report is 1 January 2013 to 31 December 2013. With this report, we intend to progressively align our reporting standards with those as specified by the Global Reporting Initiative

(GRI) G3.1 Guidelines, a standard reporting format being followed the world over.

The GRI is the most widely adopted reporting framework in the world. The guidelines have helped us communicate our sustainability performance through transparency and accountability. It would also be pertinent to indicate that most of the Company's operations are covered under the Report Scope.

LIMITATIONS

IDLC self-declares its Sustainability Report to be compliant with the GRI Guidelines. The Company has not sought any external assurance for its Sustainability Report to move to the 'plus' level of reporting.

However, IDLC will avail external assurance for its Sustainability Report going forward, adding further credibility to our disclosures.

We encourage and appreciate feedback from all our internal and external stakeholders. Your suggestions are vital and will help us improve not only the quality of our reporting but also the quality of our products and services, and help us undertake more innovative CSR initiatives.

Please email your suggestions/ views/ opinions to zurat@idlc.com

KEY IMPACT AREAS AND OPPORTUNITIES

Our sustainability commitment is not a one-off response to sudden developments but an institutionalised approach that has existed from the time we went into business. The concept of sustainability is ingrained into the very personality of our organisation, influencing the way we think and act. It aptly encapsulates the very bottom line of our existence - consistent enhancement of value for all our stakeholders.

KEY IMPACT AREA: ECONOMIC SUSTAINABILITY

Economic sustainability represents the foundation of our viability. Undoubtedly, if our profits decline, our ability to provide enhanced stakeholder value would be impaired.

In this context, it would be important to list some of the initiatives that have reinforced our Company's viability over the decades.

- Emerged as Bangladesh's largest NBF with assets under management of Taka 50,429 mn;
- Built a cherished brand recall that stands for 'financing happiness';
- Created a wealth of experience through nearly 3 decades of pioneering the financing business across regions, political environments and trade cycles, translating into a consistent industry-leading position in the country;
- Established the largest branch network among NBFs in the country with 26 branches and 2 booths (with plans to open 4 more branches in 2014);
- Derived robust cost competitive advantages from the benefits of economies-of-scale and distribution. As a result, operating expense to turnover has stabilised between 30-40 percent over the past five years;
- Assembled a strong 10-member team to conduct periodic (daily to monthly to bi-monthly) physical audits to protect business integrity and transparency;

The result is that our customised processes and systems are allowing timely recovery of a large percentage of our loans, possibly the highest across all NBFs in the country. Besides, the strength of this economic model was visibly endorsed during a challenging 2013. Even as the sectoral growth was slower on account of economic and political uncertainty, we reported a 31.64 percent growth in topline.

KEY IMPACT AREA: ENVIRONMENT

As we work to help meet our economy's growing need for finance and credit, we aim to reduce the environmental impact of our operations. Working with local communities and experts from leading environmental organisations helps us better understand and address the challenges we face in running our facilities. Working to reduce the environmental impact of our operations takes rigorous planning. We focus on key areas including managing our carbon footprint by reducing carbon dioxide (CO₂) emissions; using less energy, water, paper and other resources; conserving biodiversity; addressing environmental issues in our lending activities; and creating mass awareness regarding these issues. We manage CO₂ emissions through the usage of more energy-efficient devices, technologies and processes across our areas of operations, and undertaking tree plantation activities on a regular basis. We also ensure that our facilities are well-designed, safely operated and properly maintained.

KEY IMPACT AREA: EMPLOYEE

A company's sustainability agenda is driven by its most valuable asset – its people. In view of this, we have extended the philosophy and demonstrated it in action. The alignment between the Company's core values and what our people intrinsically want to be has translated into a number of compelling realities.

IDLC employees recognise a strong consonance between their individual values and those of the Company. Also, the Company recognises employee contribution to business growth and extends a share of the benefits that it receives through monetary incentives.

Over the years, we have also enriched employees through enhanced career development opportunities.

Besides, the Company is a large recruiter of young talents, thus fulfilling a strong role in local economic development.



KEY IMPACT AREA: CUSTOMERS

In a competitive business environment, customers prefer to deal with companies that can be trusted. Over the years, IDLC has created a deep sense of trust and customer-first approach through embracing the following initiatives:

- We focused on employee training to provide a standardised experience across various branches of our Company;
- We accelerated the process of loan sanction and disbursement without compromising on regulatory requirements;
- We heavily invest in customer relationship management and collect customer feedback on a regular basis;

At present, IDLC's portfolio of customers is around 30,000 across its different business segments.

KEY IMPACT AREA: SOCIETY

IDLC believes that a strong society ensures a strong Company and vice versa. As a result, community support has always been central to its existence.

Over the decades, IDLC has invested in skills development and livelihood generation, health, education, and socio-economic and environmental needs of the society in a sustainable way with the objective of delivering recurring gains - both through its business and CSR initiatives.

Our CSR investments have increased consistently over the past – from Taka 2.13 mn in 2011 to Taka 5.02 mn in 2012 to Taka 6.78 mn in 2013.

KEY IMPACT AREA: PRODUCT RESPONSIBILITY

IDLC keeps in mind applicable laws and regulations, specific customer needs and sensitivity, as well as potential environmental and social impacts while designing and offering customized products to its client groups. We are cautious never to associate with projects that have potential harmful effects on the environment and/ or the community. We are also extra careful in neither violating the privacy of our customers nor disclosing sensitive customer information to any third-party. On the other hand, we make it a point to proactively share with/ educate our clients on all relevant product and service features to help them take informed decisions.

It is to be noted that the CSR Department formally started operations from July 2011

It is to be noted that Taka 2 mn was donated in 2013 to the Prime Minister's Relief and Welfare Fund for supporting the victims of Rana Plaza and increase preparedness of the relevant government bodies for such national-level disasters in future.

CHAPTER 1

OUR APPROACH TO SUSTAINABILITY



BUSINESS AND SUSTAINABILITY

At IDLC, we follow a unique concept where our commitment towards our stakeholders, the environment and the community is reflected in our everyday decisions and operations. For us, Corporate Social Responsibility (CSR) is not parallel to our core function; rather it is closely integrated with our business strategies to create the maximum value.

Over the years, these initiatives have helped us create a more robust organisation in terms of assuming responsibility across all levels, embracing the right decisions and making the right choices, enabling us to achieve our desired impact.

Our cornerstone for such initiatives is integrating the 3Ps: **People**, **Planet** and **Profit**, thus creating a sustainable business.

IDLC's 3Ps of success:

People – refers to the community in which we live and conduct our business.

Planet – refers to the surrounding environment.

Profit – refers to the economic profit generation, which is vital for the long-term survival of an organisation.

3,448 person-hours
invested in CSR activities in
2013

First and only member
from Bangladesh to
the United Nations
Environment
Programme Finance
Initiative (UNEP FI)

13,867 direct
beneficiaries of CSR
activities over the last 3 years



IDLC | Creating Livelihoods

We are focused on creating livelihoods, which we believe lead to happier and productive communities. Over the past three years, our CSR initiatives and programmes have led to direct employment generation of around 100 citizens representing the underprivileged and marginal section of the community. Moreover, we have employed 108 individuals in 2013 alone across different functions in our own organisation.

CREATING LIVELIHOODS

For 26-year-old Jahirul, there was no life outside his job as a day-labourer. Whatever time he could find, he would volunteer as a domestic cleaner.

Not till he heard about IDLC's project developing skilled operators for the RMG sector. According to him, participating in the training was the best thing that had ever happened to him. From a monthly income of Taka 2,000, today, he earns Taka 9,000 a month.

The work is not only a source of income but also a source of cheer. After all, he can now afford his children's education.

Jahirul also bought a cow from his savings, supplementing his monthly income.

27-year-old Santona had to trudge along everyday with her husband to work as a day labourer, in order to support her 2 children and make ends meet.

When she enrolled herself at the training programme, little did she know that it would expand her horizon beyond imagination.

Today, her monthly income is Taka 13,500. She can finally afford 3 meals a day! Her children are also getting an education. Getting a chance to save, she also bought a cow to supplement her income.

IDLC is happy to see a big smile on Santona's face, as she drops her children to school everyday!

We at IDLC are glad to be of assistance to people who are economically challenged, and hope that our small initiatives bring out big results!

BUSINESS MODEL SUSTAINABILITY

At IDLC, we proactively embed sustainability thinking and sustainable business practices at every organisational level. We believe that our most important contribution to sustainable development is to operate an effective and profitable financial institution. By providing access to credit and savings products, we enable individuals to improve their quality of life and enhance their financial security; by providing finance to large and small businesses, we facilitate economic growth and job creation; and by financing key sectors crucial for our economic development, we help take Bangladesh to the world.

- We are providing financial solutions to the renewable and other energy-efficiency projects, thereby taking our CSR agenda ahead;
- The very nature of our business helps our customers and stakeholders manage social and environmental challenges and invest for the future, which in turn contributes to the viability and sustainable growth of local markets and the national economy;
- The success of our customers, clients and stakeholders guarantees future business, which underpins our sustainability;

At IDLC, we aspire to build a leading Bangladeshi financial services organisation leveraging all our competitive advantages to the fullest. The essence of this is also encapsulated in our vision statement.

- Our heritage and deeply-entrenched footprint put us in a strong position to capitalise on the opportunities of a developing country, reporting a GDP growth of more than 6 percent per year over the past few years;
- Our comprehensive engagement with our customers, with a wide basket of financing and capital market products and solutions, provides us with exceptional opportunities to capitalise on the growing business, finance and trade flows between our country and the world;

At IDLC, we always focus on delivering superior sustainable shareholder value by serving the needs of our customers through best-in-class, on-the-ground operations. We will also work to connect other emerging and developed markets to Bangladesh, applying our expertise across different sectors.

- We understand our customer and client needs and our strategy is in line with many of their growth and entrepreneurial aspirations;
- We have a successful track record in building businesses across some of the remotest corners of our country, thereby unlocking the value of hinterland development;
- As an economy that earns about 80 percent of foreign exchange (to the tune of USD 20-22 bn) every year from textiles and garments exports, we possess deep expertise in this industry;
- We have experience in providing financial services to previously un-banked customers and have successfully extended this relationship for our other financial products and services as well;
- We are dedicated to achieving all-round customer service and operational excellence, leading to favourable recall and repeat customer transactions;

Our key differentiator is our human resource who are passionate about our strategy and aligned with our vision and goals. They are also our brand ambassadors and the most visible face of our business to our customers and other stakeholders.

- We employ people who are excited about our prospects;
- We have a unified and experienced leadership team committed to executing our strategy;
- We are guided by a Board that brings with it a wealth of experience, navigating us through business cycles;

COMMITMENT TO EXTERNAL INITIATIVES

At IDLC, we are committed to going the extra mile to ensure the creation of a responsible and sustainable business model. From 2010 onwards, we voluntarily adopted a number of global initiatives and principles and benchmarked our commitment with internationally-acceptable standards. Although adoption of these initiatives and principles are voluntary in nature, once adopted, we need to remain compliant in order to ensure continued membership and association.



Global Initiatives promoting Sustainability

Global Initiatives	Guiding Principles	IDLC's Status
United Nations Global Compact (UNGC), and CSR Centre*, the local network of UNGC in Bangladesh	Promotes 10 principles to guide sustainable business practices in the areas of Human Rights, Labour, Environment and Anti-corruption (these principles have been described below)	IDLC is one of over 50 members to UNGC from Bangladesh
United Nations Environment Programme Finance Initiative (UNEP FI)	Regulates environmental standards in operations, financing and investment decisions of banks and FIs worldwide	IDLC is the first and only member to UNEP FI from Bangladesh
Global Reporting Initiative (GRI)	Globally acceptable guidelines for preparation of reports, conforming to the UNGC principles	IDLC is the first and only organisation in the financial sector of Bangladesh to publish an independent Sustainability Report following the GRI Guidelines
Millennium Development Goals (MDGs)	MDGs of the United Nations in the areas of poverty, primary education, gender equality and women empowerment, child mortality, improved maternal health, preventing breakout of major diseases, environmental sustainability, and global partnerships	IDLC conforms to the MDGs through various projects and initiatives (detailed in "Committing to the MDGs" in page 131)

* IDLC has representation in the core governance body of the CSR Centre

UNGC PRINCIPLES

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuse

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: The elimination of all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour

Principle 6: The elimination of discrimination with respect to employment and occupation

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmental friendly technologies

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

IDLC has integrated these principles in its everyday operations and strategies.

IDLC'S SUSTAINABILITY FOCUS

Human Rights Health and Safety; Non-discrimination; Equal Opportunity
Community Skills Development; Livelihood Generation; Education; Health
Anti-corruption Corporate Governance; Ethical Standards; Transparency
Environment Awareness Creation; Environmental Management; Green Technologies

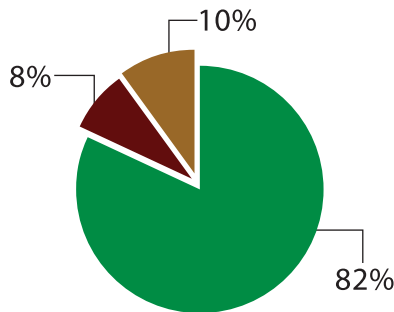
KEY AGENDA IN 2013

In 2013, IDLC's emphasis on sustainability was positioned on five broad strategies:

- Stakeholder engagement
- Community involvement and empowerment
- Improved economic alternatives for the marginalised
- Women empowerment by raising their social and economic status
- Embracing a proactive stance towards climate change

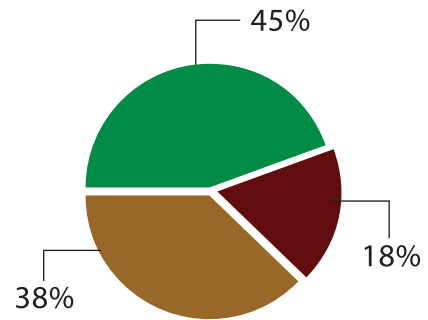
CSR INVESTMENTS

2013



■ Environment ■ Community ■ Donations*

2012



■ Environment ■ Community ■ Donations

Though CSR investments in environmental initiatives reflect a reduction in 2013 over 2012, this is mainly on account of major environment-focused initiatives like adoption of Green Banking Policy, implementation of ESMS, adoption of environment-friendly technology, and focus on green financing activities that are not carried out from the Company's CSR budget.

It must be mentioned that a significant increase in investment has been made for community empowerment projects such as skills development and livelihood generation for the marginal, Model Village Project in North Bengal, and investments in education and healthcare for the underprivileged children. Going forward, IDLC will continue with these efforts and also focus on vocational training for children.

IDLC has significantly reduced its philanthropic contributions, mainly through donations in 2013, which demonstrates its shifting focus on projects delivering long-term benefits.

* Taka 2 mn was also donated additionally in 2013 to the Prime Minister's Relief and Welfare Fund to assist victims of national disasters like the Rana Plaza tragedy.

CHAPTER 2

ABOUT IDLC

At IDLC, the heart of our sustainability initiative is derived from the integrated nature of our business model. Headquartered at Dhaka (Bangladesh), IDLC – a public limited company, is the country's premier NBF (non-banking financial institution) with a loan book of Taka 40,941 mn (as on 31 December 2013) and reporting one of the fastest compounded annual growth rates of 29 percent over the past five years ending 2013, across economic and political cycles.

OPERATIONS

9

Presence across
Bangladesh
Districts

28

Branches and
Booths across
Bangladesh

ASSETS AND REVENUES

50,429

Corporate Assets
(in Taka mn)

40,941

Loans and
Advances
(in Taka mn)

29,064

Total Deposits
(in Taka mn)

61

Average
Disbursement every
day in 2013
(in Taka mn)

25.32%

Average rise in
Revenue per
Branch in 2013

WORKFORCE

642

Total Employees
(including
subsidiaries)

14%

Percentage of
Women in the total
Employee Pool

4.30

Average Revenue
per Employee
(in Taka mn)



SHARES AND SHAREHOLDERS

160,875,000

Common Shares (diluted) outstanding (as of 31 December 2013)

78.36%

Held by Sponsors and Institutional investors [63.82% and 14.54% respectively]

10,119

Market Capitalisation (in Taka mn)

CLIENTS AND CUSTOMERS

29,976

Total number of Clients (including Subsidiaries)

7,728

Corporate and SME Relationships

7,203

Retail Clients

2 days

Turnaround Time (application-to-disbursement cycle), one of the fastest in the country

52%

Percentage of its 2013 Turnover contributed by Repeat Customer Relationships

OUR BRAND – DEEPLY TRUSTED AND WIDELY RECALLED

The IDLC brand stands for trust, transparency and customer-centricity. Our tagline of financing happiness resonates with our entrenched philosophy of touching the lives of our stakeholders in a positive and constructive manner, thus creating a favourable brand recall.

VISION

We will be the best financial brand in the country

MISSION

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

STRATEGIC OBJECTIVES

- Grow and develop our talent pool
- Fully leverage the new core banking platform
- Optimise distribution points
- Grow and diversify funding sources
- Grow sales and service capabilities in the Consumer segment

DIVISION-WISE OBJECTIVES

- Aggressively grow the SME portfolio
- Focus on top-tier clients in the Corporate segment
- Consolidate capital market operations and enhance capacities and capabilities
- Embrace internationally-accepted corporate governance norms and sustainable business practices

CORE VALUES

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



WHO WE ARE AND WHAT WE DO – OUR LEGACY BUILT ON STRONG FOUNDATIONS

IDLC Finance Limited was incorporated in Dhaka as Bangladesh’s pioneering leasing company in 1985. The Company was constituted through the collaboration of International Finance Corporation (IFC), German Investment and Development Company (DEG), Kookmin Bank, Korea Development Financing Corporation, The Aga Khan Fund for Economic Development, The City Bank Limited, IPDC of Bangladesh Limited and Sadharan Bima Corporation. Over the years, the shareholding structure has evolved into IDLC emerging as a 100 percent locally-owned enterprise.

Today, IDLC is a pioneering multi-product NBFi in Bangladesh with 26 branches and 2 booths, and over 642 permanent staff members. The Company offers a wide range of products and solutions comprising loans, deposit and capital market products and services to Corporate, Consumer and SME clients.

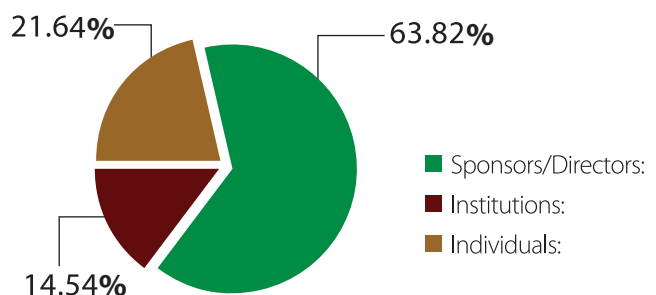
IDLC also operates two wholly-owned subsidiaries in the capital markets through IDLC Investments Limited (providing Merchant Banking services) and IDLC Securities Limited (providing Brokerage services).

KEY MILESTONES

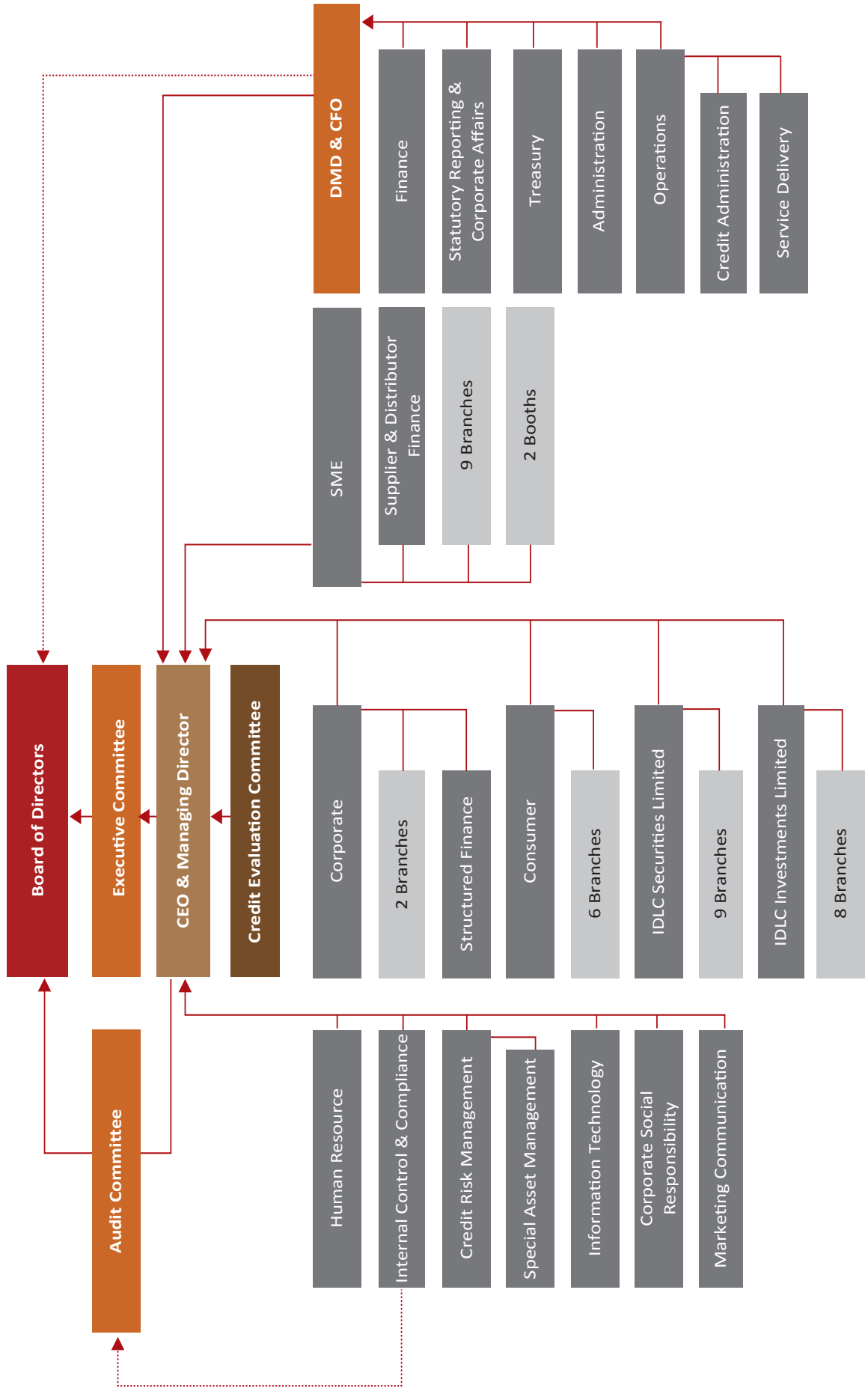
23 May 1985	Incorporation of the Company
22 Feb 1986	Commencement of leasing business
20 Mar 1993	Listed with the Dhaka Stock Exchange Limited
7 Feb 1995	Licensed as a Non-Banking Financial Institution (NBFi) under the Financial Institutions Act, 1993
25 Nov 1996	Listed with the Chittagong Stock Exchange Limited
27 May 1997	Commencement of Home Finance and Short Term Finance operations
22 Jan 1998	Licensed as a Merchant Banker by the Securities and Exchange Commission
15 Jan 1999	Commencement of Corporate Finance and Merchant Banking operations
29 Jan 2004	Opening of the first retail-focused branch at Dhanmondi
22 Nov 2004	Launched Investment Management Services, ‘Cap Invest’
2 Jan 2006	Opening of the first SME-focused branch at Bogra
1 Jul 2006	Relocation of the Company's Registered and Corporate Head Office to own premises at 57, Gulshan Avenue
18 Sep 2006	Commencement of operations of IDLC Securities Limited, a wholly-owned subsidiary of IDLC
14 Mar 2007	Launching of Discretionary Portfolio Management Services under ‘Managed Cap Invest’
5 Aug 2007	Company name changed to ‘IDLC Finance Limited’ from Industrial Development Leasing Company of Bangladesh Limited
16 Aug 2011	Commencement of operations of IDLC Investments Limited, a wholly-owned subsidiary of IDLC
11 Mar 2012	Rebranding initiative undertaken for IDLC

SHAREHOLDING STRUCTURE

As of 31 December 2013, IDLC had a cumulative 160,875,000 shares outstanding, with the following ownership status (in percentage):



OUR ORGANISATIONAL CHART (ORGANOGRAM)





OUR SERVICE OFFERINGS – CATERING TO A HOLISTIC RANGE OF NEEDS AND REQUIREMENTS

Corporate Finance

- Term loan
- Lease finance
- Working capital finance
- Project finance
- Refinancing and special funds
- Corporate advisory services

Structured Finance Solutions

- Fund-raising: Loan/ lease/ private placement of equity/ preference shares/ bond/ foreign currency loan/ refinancing of special funds
- Project/ infrastructure finance
- Advisory services
- Securitisation of assets
- Structured solutions

Small and Medium Enterprise

- SME loan
- SME lease
- Working capital finance
- Abashan loan
- SME Seasonal loan
- Agriculture loan
- Women entrepreneur loan

- Structured loan
- Commercial vehicle loan
- Revolving short-term loan
- SME Sachal loan
- SME Surakha (Life Insurance Coverage)
- Factoring

Consumer Finance

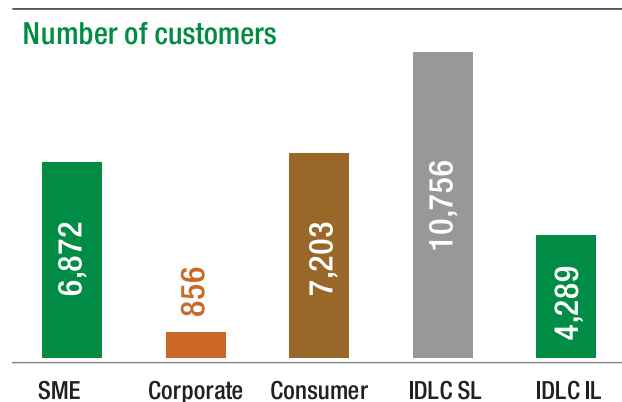
- Deposit schemes
- Cumulative term deposit | monthly/ quarterly/ annual earner deposit | double/ triple money deposit | Short-term deposit
- Home loan
- Car loan
- Personal loan

Capital Markets

- Portfolio management
- Discretionary portfolio management (MAXCAP)
- Margin lending (Cap Invest)
- Investment banking (IPO, RPO, bond issuance, rights shares offering and corporate advisory, among others)
- Research
- Brokerage services

NO OF CUSTOMERS

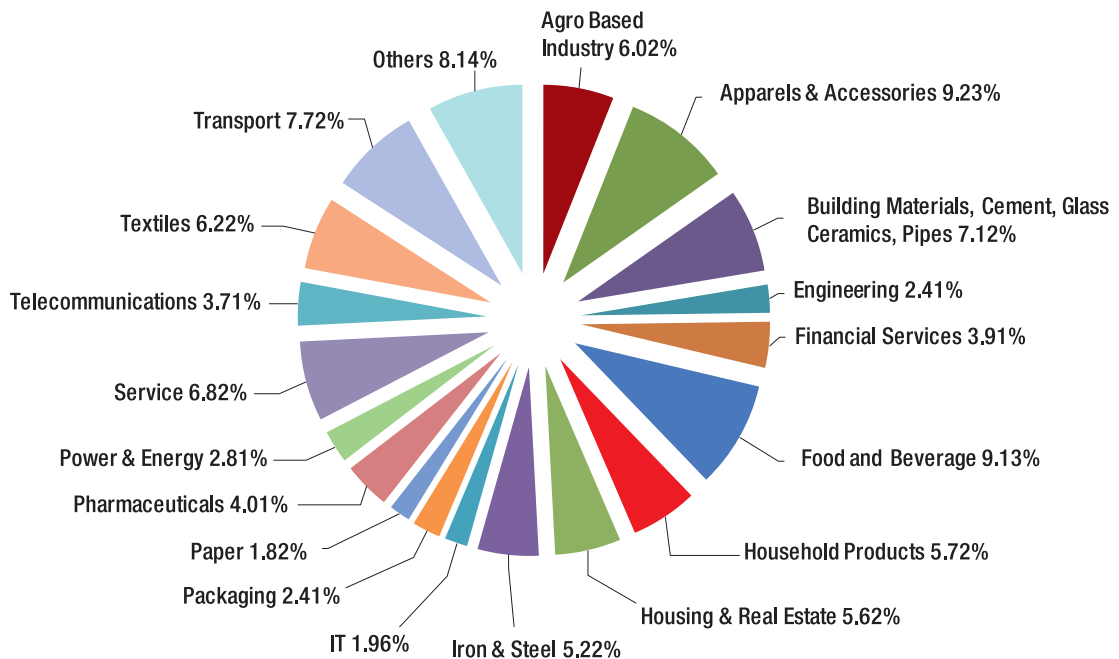
IDLC's customer base across different functions, as of 2013:



SECTORAL EXPOSURE

The following chart represents sector-wise exposure of IDLC's business activities, as of 31 December 2013.

Sectorwise Exposure



MEMBERSHIP

ASSOCIATIONS

Bangladesh Leasing and Finance Companies Association | Asian Financial Services Association | Bangladesh Merchant Bankers Association | Bangladesh Association of Publicly Listed Companies | International Factors Group (IFG)

INSTITUTE

The Institute of Bankers, Bangladesh

CHAMBERS OF COMMERCE AND INDUSTRY

International Chamber of Commerce – Bangladesh | Metropolitan Chamber of Commerce and Industry | Dhaka Chamber of Commerce and Industry | Bangladesh German Chamber of Commerce and Industry

In addition, IDLC is also a member of the UNGC, UNEP FI and CSR Centre in Bangladesh for its sustainability initiatives (page 12), and the Small Business Banking Network (SBBN) for its SME business (page 88).

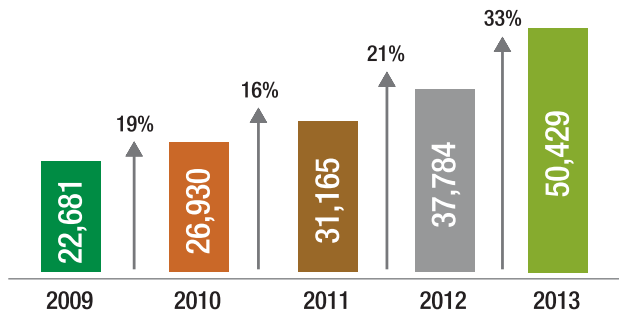
CHAPTER 3

FINANCIAL PERFORMANCE

KEY FINANCIAL INDICATORS

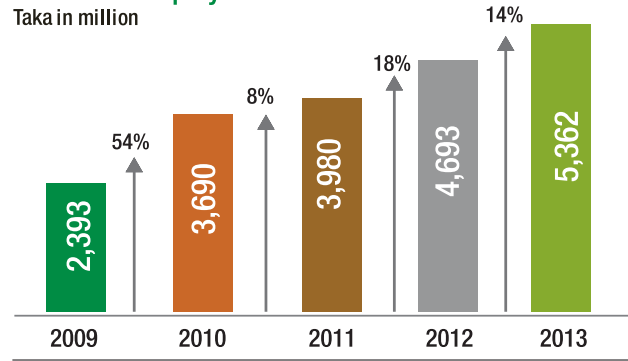
Total assets

Taka in million



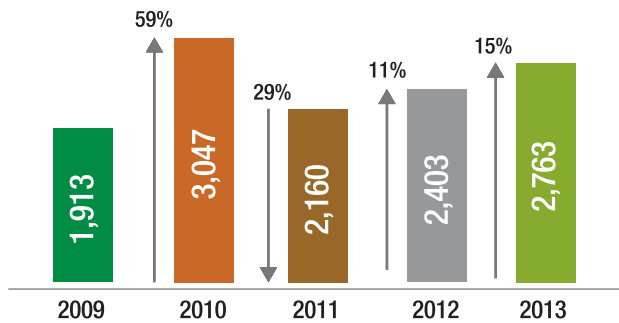
Net worth/ equity

Taka in million



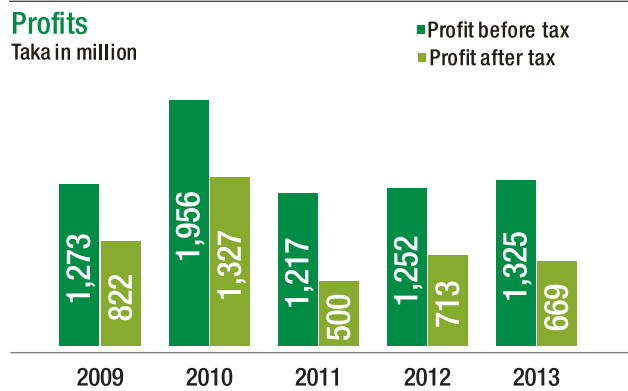
Operating income

Taka in million



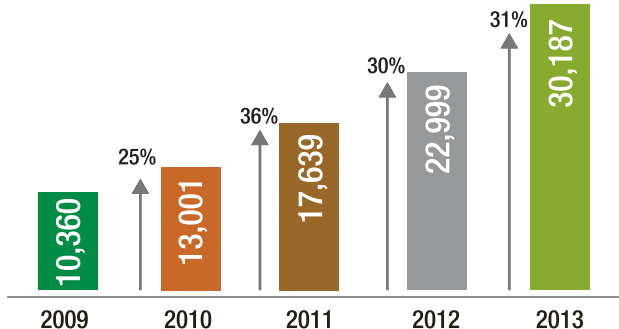
Profits

Taka in million



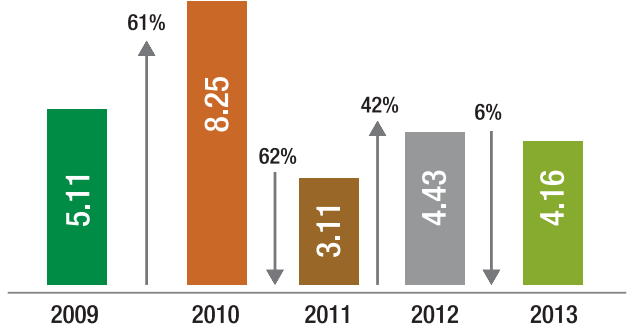
Deposits

Taka in million



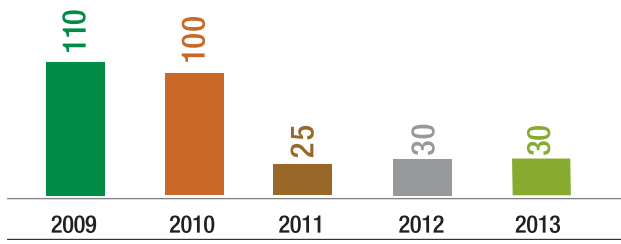
Earnings per share

Taka

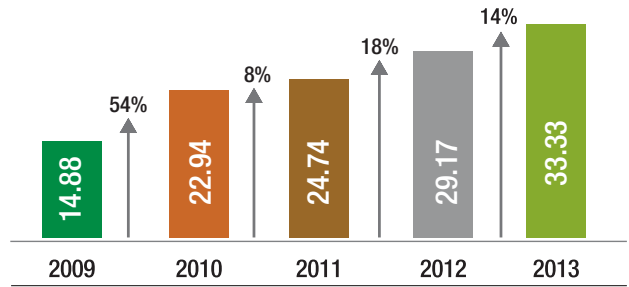




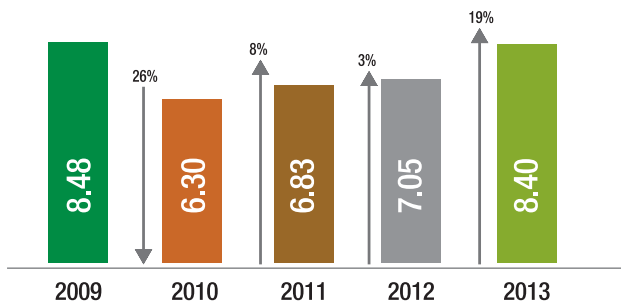
Dividends (including stock dividends) (%)



Net asset value per share Taka



Debt Equity ratio Times

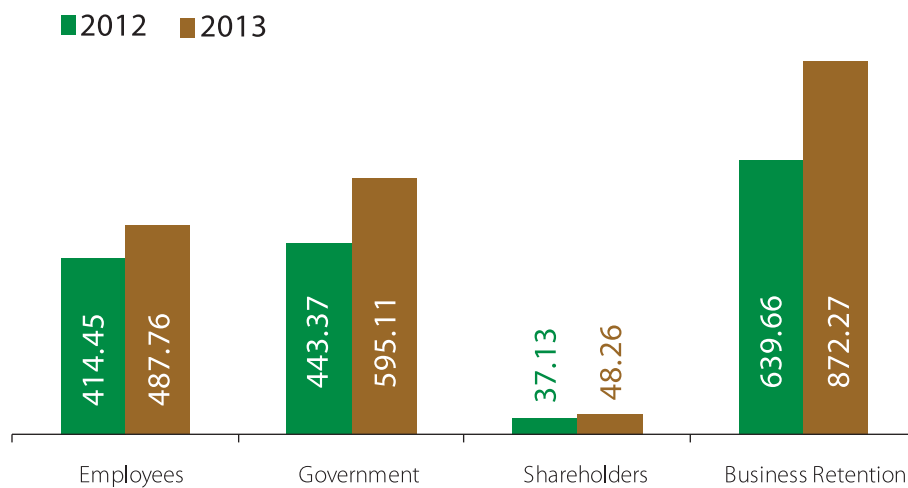


DISTRIBUTION OF VALUE ADDITION

Value addition is the wealth created by IDLC through its financing activities across different business segments. It shows the total worth created and its subsequent distribution to meet certain obligations, and the portion retained for the continued operation and expansion of the Company.

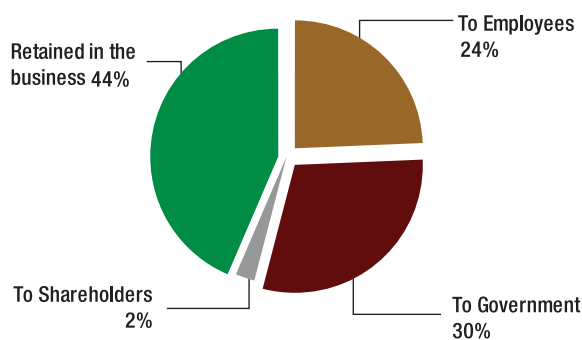
The distribution takes place in the form of remuneration for the employees, taxes paid to the Government, stock dividends paid to the shareholders, and amounts reinvested for business growth and expansion.

Value Addition (in Taka mn)

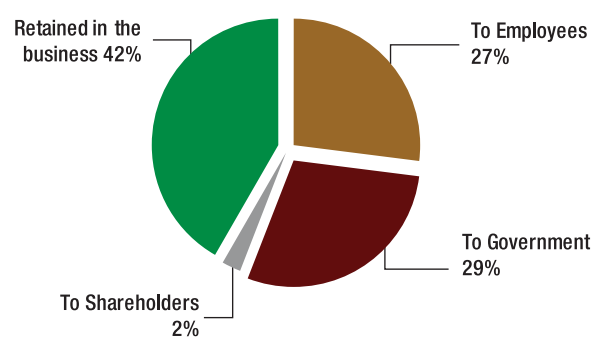


Value addition (in %)

2013

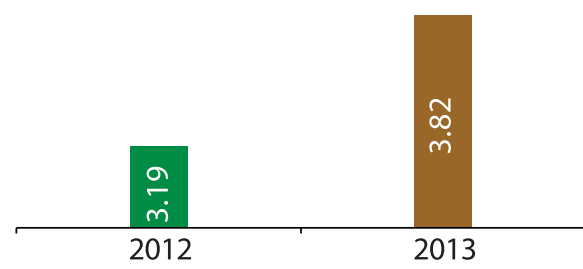


2012



Value Addition per Employee (in Taka mn)

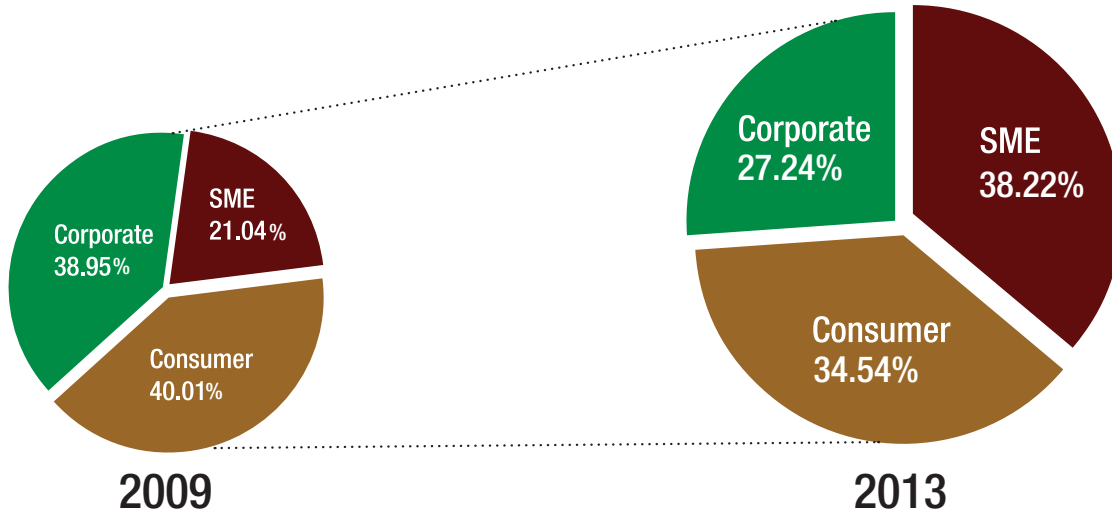
Value addition per employee in 2013 registered a 19.75 percent growth over 2012.





CREATING A BALANCED PORTFOLIO

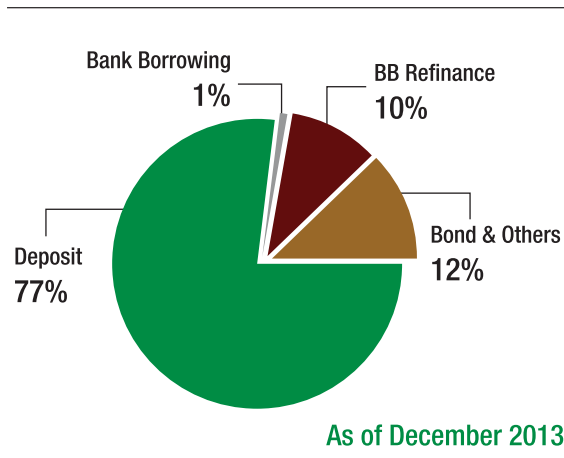
Loans and Advances as a percentage of total customer assets portfolio



MANAGING FUNDS

At IDLC, over the last few years, deposits have continued to remain the prime funding source. Expanding retail market visibility, growing brand equity and awareness, and an extensive product basket have come together to consistently boost deposit growth. As of 31 December 2013, IDLC's cumulative term deposit amounted to Taka 29,064 mn. During the year under review, the deposit basket grew by Taka 7,056 mn and posted a 32.06 percent year-on-year growth, a considerable achievement in a challenging market environment.

Moreover, IDLC continued to reduce its dependence on costlier intermediary funds including conventional bank borrowings and maximised mobilisation under the various refinancing schemes of the Bangladesh Bank, as shown below.



In 2013, deposits contributed 77 percent and Bangladesh Bank's refinance schemes contributed 10 percent to IDLC's total funding portfolio. Bank borrowings stood at only 1 percent of the total funding basket, thereby enabling optimisation of cost of funds.

Moreover, in 2013, IDLC also successfully issued zero-coupon bonds of Taka 1,500 mn and initiated funding from a foreign multilateral agency, which will further ensure a low-cost long-term funding source for the Company.

REFINANCING FACILITIES OF THE BANGLADESH BANK

IDLC actively participates in Small and Medium Enterprise (SME) refinancing schemes, Women Entrepreneur refinancing schemes and agro-refinancing schemes of the Bangladesh Bank. In 2013, the Company received Taka 2,100 mn worth of long-term refinancing from the Bangladesh Bank with the result that the outstanding refinancing balance stood at Taka 3,980 mn, significantly contributing to the lowering of the asset-liability mismatch and the diversification of the funding pool.

CONTRIBUTION TO THE EXCHEQUER

In 2013, IDLC contributed Taka 464.65 mn as Corporate Income Tax to the exchequer. Moreover, Taka 396.77 mn was also deposited as Withholding Tax and VAT, registering a growth of 38 percent over the amount deposited in 2012.

CHAPTER 4

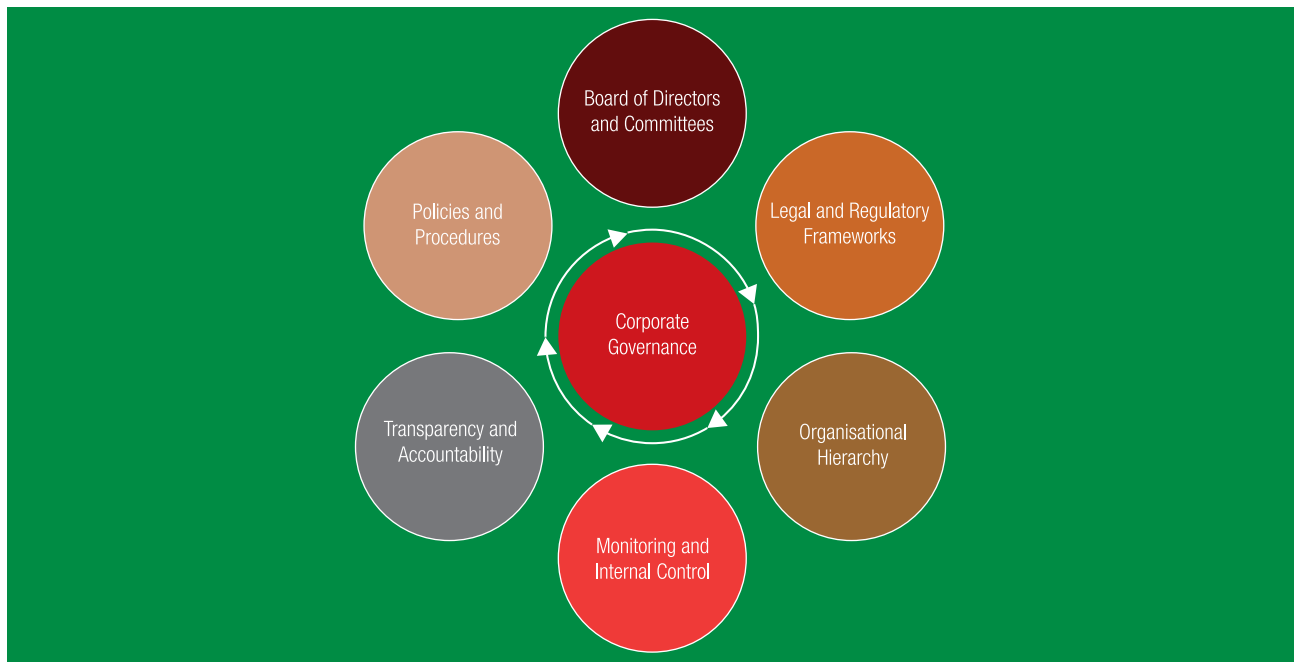
GOVERNANCE AND COMPLIANCE



CORPORATE GOVERNANCE

Sustaining effective Corporate Governance practices remains a key priority of IDLC's Board. To ensure clarity about responsibilities of the Directors towards stakeholders, Corporate Governance has to be dynamic and business-focused on the one hand and rooted in a culture of transparency and accountability on the other. As such, clear structures and processes supported by well-documented policies and practices have been instituted and regularly updated to guide the overall management of the organisation.

IDLC highlights six important areas that revolve around its effective Corporate Governance strategy as shown in the diagram.



IDLC ensures that its Corporate Governance practices comply with all aspects of the Notification No. SEC/CMRRC/2006-158/134/Admin/44 dated 7 August 2012, issued by the Bangladesh Securities and Exchange Commission (BSEC) and those of the DFIM Circular No. 7 dated 25 September 2007, of the Bangladesh Bank. Moreover, independent roles of the Board of Directors, separate and independent roles of the Chairman and Chief Executive Officer, distinct roles of the Company Secretary, Chief Financial Officer and Chief Compliance Officer and different Committees of the Board allows IDLC to create a culture of excellence around its Corporate Governance practices.



IDLC | Fortifying Governance, Ethics and Transparency

Our Code of Conduct guides us in everything we do. Our policies and practices are clearly enshrined in our Code, and each and every member of our Group understands this, and signs to having understood and complied with the essence of our Code. This helps us in upholding the highest standards of Corporate Governance and promotes a deep sense of ethics and transparency that is visible in our day-to-day operations.

FORTIFYING GOVERNANCE, ETHICS AND TRANSPARENCY

The Internal Control and Compliance (ICC) team of IDLC, Jessore Branch, visited Tisha Enterprise, a concern engaged in the fruit trading business, in May 2013.

The enterprise had earlier been provided with a Commercial Vehicle Loan of Taka 1.5 mn under SME Financing, for the purchase of a truck to be used in the transport of goods, and the ICC team visited the facility as part of its branch audit to maintain accountability and transparency in the pre and post disbursement phases.

The ICC team interacted with the proprietor, Mr. Sayed Lutfar Rahman, who was all-praise about IDLC and his experience with the Company over the years.

Like Mr. Rahman, it is our mission to give an impetus to those people who take our country forward and make us proud!

BOARD OF DIRECTORS

The Board of IDLC comprises 11 Non-Executive Directors, including two Independent Directors, and one Executive Director, i.e. the CEO & Managing Director of IDLC.



ANWARUL HUQ
Chairman of the Board
(Nominated by Reliance
Insurance Limited)



RUBEL AZIZ
Director & Chairman,
Executive Committee
(Nominated by The City Bank
Limited)



FAROOQ SOBHAN
Independent Director &
Chairman, Audit Committee



AZIZ AL KAISER
Director
(Nominated by The City Bank
Limited)



MEHERUN HAQUE
Director
(Nominated by The City Bank
Limited)



HOSSAIN MEHMOOD
Director
(Nominated by The City Bank
Limited)



K. MAHMOOD SATTAR
Director
(Nominated by The City Bank
Limited)



MD. KAMRUL HASSAN, FCA
Director
(Nominated by Transcom Group
of Companies)



MD. REZAUL KARIM
Director
(Nominated by Sadharan Bima
Corporation)



**ALHAJ AKRAM HUSSAIN
(HUMAYUN)**
Director
(Nominated by Mercantile Bank
Limited)



**SYED ABU NASER BUKHTEAR
AHMED**
Independent Director



SELIM R. F. HUSSAIN
Ex-Officio



All Non-Executive Directors, other than the Independent Directors, are nominated by their respective organisations. The elected Directors nominate two Independent Directors for the Board. The Directors are then appointed by the shareholders in the Annual General Meeting (AGM). The CEO & Managing Director of IDLC is also appointed by the Board, subject to the shareholders' consent at the AGM.

Responsibilities of the Board of Directors

Stakeholders	Responsibilities reserved to the Board
Shareholders	Approval of business strategy and vision in line with efforts to drive shareholder value creation.
	Approval of business plans, assuring that sufficient resources are available to implement and monitor strategy.
	Approval and monitoring of major investments or divestitures and strategic commitments.
	Determination of the capital structure and dividend policy.
	Approval and monitoring of financial reporting.
	Oversight of risk management, internal control and compliance systems as per the Bangladesh Bank's 'Core Risk Guideline'.
	Recommendation for appointment or removal of external auditors and determination of the remuneration and terms of appointment of the auditors.
	Oversight of shareholder reporting and communication.
	Approval of annual budgets including major capital expenditure proposals.
	Regular review of financial performance and overdue situations.
	Monitoring the adequacy, appropriateness and operations of internal controls.
	Ensuring that technology and information systems are sufficient to operate the organisation effectively and sustain competitiveness.
	Customers
Reinforcement of the corporate culture and core values and remaining an employer of choice.	
Employees	Review and approval of the CEO and Executive Management Team's contractual arrangements, remuneration and benefits.
	Oversight of succession planning for the CEO, Executive Management Team and such other executives as the Board may determine.
Community	Oversight of the management of social, economic and environmental concerns consistent with the delivery of sustainable outcomes for stakeholders and achievement of the Company's vision for an environment free of any injury and/or negative incidents.
	Reinforcement of reputation, brand and community relations.
Directors	Directors' nomination, selection, removal, succession planning and remuneration.
	Review of the size and composition of the Board.
	Review of the Board's performance.

Qualification of the Board Members

IDLC's Board members possess extensive knowledge and experience in the areas of finance, economy, management, business administration, marketing and law to ensure formulation of the right policies and strategies for business expansion and sustainable development and also the implementation of management audits in a balanced form.

Selection and Appointment of New Directors

The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994, and the Articles of the Company. The CEO & Managing Director is appointed by the Board subject to the consent of the shareholders in the AGM and approval of the Bangladesh Bank.

In relation to the selection and appointment of new Directors, the existing Board of Directors has the following duties and responsibilities:

- 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.
- 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.

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

Performance Evaluation

Appraisal of the Board

Both the new and existing Directors are provided with the Code of Conduct for the Board members on general aspects of the Directorship and industry-specific matters. Moreover, the Board is immediately informed of any new rules, regulations and/ or changes in existing regulations. The Board is also always kept updated on any development and changes in the business environment, risk and industry outlook to assist it in carrying out its duties as Directors.

Evaluation of the Board's performance is conducted by analysing the performance of the projects and proposals approved by it. A quarterly review of classified and non-performing loans is always made by the Board to find out deviations and to embrace course corrections, if any.

Appraisal of the CEO & Managing Director

At the beginning of each year, the Board engages in extensive discussions with the CEO & Managing Director and sets financial and non-financial goals for that year. The annual financial budget and job objectives are discussed, reviewed and finalised by the Board at the start

of the financial year. The business and financial targets are evaluated each quarter by the Board against actual achievements. The non-financial achievements are also reviewed by the Board in each quarter. Moreover, a yearly assessment and evaluation of the achievements of pre-agreed targets are made at the close of the year along with deviations and reasons for deviations.

Appraisal of the Management Committee

The CEO and Evaluation Committee conduct a detailed review of the performance of senior executives against these goals on an annual basis at the end of each year.

The CEO is responsible for setting financial targets as well as operational and management goals for the members of the ManCom. Both short-term and long-term goals form part of the performance management of all Senior Executives. Short-term goals are generally directly related to the objectives of the Company, whereas long-term goals are directly linked to the vision of the Company.

Remuneration

Directors' Remuneration

The Directors are not entitled to any remuneration other than attending meetings of the Board and its Committees, as per the DFIM Circular No. 03 dated 24 February 2010.

Remuneration of Senior Executives

Remuneration of all Senior Executives is based on their performance measured against financial and individual targets.

Independent Decision Making

Any Director may seek external, independent or professional advice at the Company's expense. The policy of the Board is that external advice will be made available to all Directors unless the Chairman of the Board determines otherwise. It is expected that a Director will consult with the Chairman of the Board, Managing Director or Company Secretary before obtaining external advice.

Conflicts of Interest

Each Board member endeavours to avoid any conflict of his/ her personal interests with the interests of the organisation while performing his/ her respective duties and responsibilities objectively and effectively.

They need to avoid receiving or allowing immediate family members to receive improper personal benefits from the Company. Also, each Board member has to make a full disclosure to the entire Board regarding any transaction or relationship that could raise any conflict of interest with the Company and accordingly seek the Board's authorisation for such transactions or relationships.

Board Meetings

Meeting of the Board of Directors is mandated to be held at least once every three (3) months. The rest of the Committees hold meetings as and when required.



MANAGEMENT COMMITTEE

The Management Committee (ManCom) is a group elected among the management staff to take responsibility of the governance and strategic direction of IDLC. The role of the Management Committee is to oversee IDLC in accordance with its constitution under the Financial Institutions Act, 1993.



Standing from left

Asif Saad Bin Shams
Head of Credit & Collection

Irteza A. Khan
Head of Consumer Division

M. Ataur Rahman Chowdhury
Head of Operations

Zahid Ibne Hai
Head of SME Division

Sitting from left

Bilquis Jahan
Head of Human Resources

Selim R. F. Hussain
CEO & Managing Director

The Committee is responsible for all aspects of the ongoing operations of IDLC, keeping an eye on the bigger picture; monitoring the strategic plan and whether the goals are being met; and ensuring that current events are in accordance with IDLC's policies and objectives within the overall budget.



Md. Saifuddin
Managing Director, IDLC SL

Md. Moniruzzaman, CFA
Managing Director, IDLC IL

Mir Tariquzzaman
Chief Technology Officer

Mustaq Ahammed, FCA
Head of ICC

H. M. Ziaul Hoque Khan, FCA
Deputy Managing Director & CFO

M. Jamal Uddin
Head of Corporate Division



RISK MANAGEMENT

IDLC defines 'risk' as the level of potential losses or profits foregone due to internal or external factors. Risk is an integral part of the financing business and risk management entails our adoption of several measures to strengthen our ability to cope with the dynamics of a complex business environment in which we operate.

IDLC's approach to risk is grounded on the strong practices of Corporate Governance, intended to strengthen IDLC's enterprise risk management framework and position the Company to manage the changing regulatory environment in an effective and efficient manner. Our comprehensive risk management framework enables us to monitor, evaluate and manage the risks we assume in conducting our day-to-day activities, namely:

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- Business Volume Risk

To introduce proactive risk management procedures in line with international best practices framework, IDLC's Risk Management Forum (RMF) was constituted on 15 April 2013 in accordance with the Bangladesh Bank's DFIM Circular no. 01 dated 7 April 2013. The RMF is headed by the Deputy Managing Director of IDLC, and consists of the respective Heads of the Internal Control and Compliance, Credit and Collection, Operations, Treasury, Finance, Statutory Reporting and Corporate Affairs, Special Assets Management, Information Technology, and Human Resources Departments.

MAJOR FUNCTIONS OF RMF (RISK MANAGEMENT FORUM)

- 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 set by the regulator and/ or by the Company itself
- 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/ III
- Determine the most cost-effective way to minimise risks

- Highlight risks in portfolios and deficiencies of the Company on a timely manner and report the analysis to the Managing Director as well as the Board of Directors with specific recommendations and suggestions
- Review market conditions, identify external threats and provide commensurate recommendations for precautionary measures
- Develop overall information system/ MIS to support the risk management functions of the Company

MAJOR DEVELOPMENTS IN 2013

In 2013, we continued to make significant investments in our infrastructure, processes, methodologies and human resources to ensure that our risk framework is sufficiently robust to support our business aspirations and risk appetite.

In 2013, we have made significant progress in terms of:

- Improving risk management approaches and methodologies
- Refining our understanding of the risks faced by us and their scale against capital allocation
- Working towards compliance with the Green Banking Policy and Environmental Risk Management (ERM) Guidelines issued by the Bangladesh Bank
- Establishing new and enhancing existing policies
- Working towards compliance with BASEL-II
- Improving the quality of data, including forward-looking measures
- Reinforcing our stress-testing capabilities and embedding them across the Group
- Enhancing staff skills by providing training on an ongoing basis

IDLC'S RISK EXPOSURE

Based on our own operational assessment and market perception, we estimate our risk exposure to be as follows:

Risk Type	Risk Rating
Credit risk	Moderate
Market risk	Moderate
Liquidity risk	Moderate
Operational risk	Low
Business volume risk	Low

CODE OF CONDUCT AND ETHICS

At IDLC, our Code of Conduct (the 'Codes') is a general guideline on ethical standards and business conduct. In a dynamic and fast-evolving business environment, it is difficult to comprehend every situation an individual is likely to encounter and document the codes that address such situations. Hence, these Codes do not substitute our responsibility to exercise our judgment and obtain suggestions/ guidance from seniors, peers and subordinates alike on proper business conduct.

IDLC recently revised the Codes to reflect a larger bouquet of issues that are more relevant with the changing business environment. In general, the new Codes include the following:

Code I: Upholding the organisation's vision, mission and core values

Code II: Adhering to the highest ethical standards

Code III: Complying with laws and regulations both in letter and spirit

Code IV: Relationship with and responsibilities towards IDLC:

- a. Company interest above personal interest
- b. Disclosure of conflicts of interest
- c. Disclosure of additional employment arrangement
- d. Disclosure of additional compensation arrangement

e. Responsibilities of the supervisors

f. Expression of opinion

g. Use of social media

Code V: Relationship with and responsibilities towards our customers

Code VI: Protecting business assets and information

Code VII: Respecting others

Code VIII: Misconduct

Code IX: Insider trading:

a. Insider information

b. Trade restrictions on senior management

c. Restrictions on tipping

d. Employee investment

e. Business opportunities

Code X: Control

IDLC employees have an obligation to know and understand not only the guidance contained in these Codes but also the spirit in which they are documented. Therefore, just knowing and understanding the Codes are not enough; our employees are also impelled to comply with the letter and spirit of the Codes and help others do the same as well.

ANTI-CORRUPTION POLICIES AND PRACTICES

At IDLC, we believe that the foundations of sustainable businesses are built on and around compliance. To ensure compliance across the Group (through both audit and non-audit services), the ICC (Internal Control and Compliance) Department was instituted as part of a regulatory directive, with direct reporting to the CEO & Managing Director and the Audit Committee of the Board of IDLC.

The three principal aspects managed by the ICC include:

- Risk Management
- Compliance
- Audit

For managing these, IDLC is focused on:

- A **zero-tolerance policy** to respond to incidences of corruption or malpractice;
- **Risk-based auditing** for stronger risk control and management across branches and departments;
- Prevention of **money-laundering and terrorist financing activities** and the introduction of branch-wise quarterly **AML self-assessments**;
- **Whistle-blowing mechanism**, providing a formal channel for employees to disclose malpractices

within the organisation;

- Engagement of **guest auditors** for extraordinary situations;
- Use of **departmental control function checklists**;
- **Standard Operating Procedures (SOPs)** for each department and function;
- Formation of a **Risk Management Forum**;
- **Select client visits** to ensure that funds are utilised as per the agreed terms and conditions;

STRATEGIES GOING FORWARD

- Creation of UN-sanctioned database in our system;
- Implementation of 'goAML' software in collaboration with the Bangladesh Bank;
- Roll-out of integrity committee functionalities;
- Adoption of green banking checklists in our audit programme;
- Appointment of an IT auditor for ICT audits;
- Continued engagement of a guest auditor, appointed from within our internal pool;
- Creation of an operational loss event database;
- Continued roll-out of AML training.

CHAPTER 5

ENVIRONMENTAL SUSTAINABILITY

Over the recent years, there has been an increasing focus on the implications of environmental issues that challenge developmental efforts. Rising pressure on natural resources, especially in developing countries, can have severe consequences on self-sufficiency, income distribution and future growth potential. Ironically, the poorest developing countries face the threats of global warming and climate change the most, although they contribute little in causing these problems. Although environmental costs associated with various economic activities are being argued, most development economists agree that environmental considerations should represent the significant core of policy development. Thus, achieving environmentally-sustainable growth is synonymous with the very concept of development.

ENVIRONMENTAL AND CLIMATE CHANGE RISKS AND OPPORTUNITIES

Due to its geographic location, Bangladesh is one of the most vulnerable regions to the effects of climate change. Moreover, unplanned urbanisation and industrialisation; lack of compliance to environmental rules and regulations; low awareness levels; and mindless misuse of natural resources are some of the basic reasons behind large-scale environmental destruction.

As a financial institution, IDLC is also susceptible to the effects of environmental and climate change risks, both directly (as a result of its own operations) and indirectly (as a result of its clients' operations). However, the Company effectively views these challenges as a potential opportunity for enhancing future performance in terms of its businesses and CSR activities.

An ever-expanding gamut of environmental rules and regulations and stronger focus on adopting 'green' and environment-friendly projects are compelling lenders to ensure higher compliance in terms of conventional lending. At IDLC, we view this as a new window of opportunity to establish a 'green' portfolio and launch new and innovative products that actively address environmental and climate change issues.

Bangladesh is prone to natural calamities such as cyclones, floods and draughts and these continue to

remain as major constraints to regular business activities in climate-vulnerable areas. At IDLC, as part of our CSR initiatives, we are actively engaged in contributing to minimise the impacts of these natural upheavals. Such initiatives include post-disaster relief, housing and rehabilitation, skills development and alternative livelihood generation, and enhancing disaster-preparedness, among others.

Moreover, awareness creation among stakeholder groups and activities such as tree plantation also help address climate change issues while concurrently providing IDLC the opportunity to contribute to environmental sustainability and community upliftment.

Some of the significant environmental initiatives of 2013 include:

- Green Banking
- Awareness creation on environmental issues
- Tree plantation
- Environment-friendly technologies
- Green Finance (page 92)

GREEN BANKING

Environmental pollution and climate change leading to global warming are among the most-discussed issues worldwide. Mostly caused by rampant and irresponsible human activities, these issues not only affect our economy and living standards but challenge our very existence. Hence the efficient management of these issues is the critical need of the hour.

Bangladesh's geographic location makes it one of the most climate-vulnerable regions of the world. Lack of awareness, poor environmental education and large-scale non-compliance and negligence on the part of the businesses and the public at large are also resulting in steady environmental deterioration. This alarming

situation can only be improved through coordinated efforts between the government, the private sector and individuals. Importantly, banks and FIs are well-positioned and best-placed to mobilise support and supplement these efforts aimed at creating a greener and cleaner environment.

'Green Banking' refers to the financial sector operating with an undiluted focus on the environmental, ecological and social fabrics, targeting the conservation of nature and natural resources. The term broadly encompasses awareness-creation, promotion of environment-friendly projects and practices, and overall carbon footprint reduction from both its financing and in-house



operations. Through Green Banking, banks and FIs are not only required to improve their own standards but play an active role in demanding environmental improvements from their stakeholders as well.

AREAS COVERED

IDLC's Green Banking Policy has been prepared in light of the 'Policy Guidelines for Green Banking' issued by the Green Banking and CSR (GB&CSR) Department of the Bangladesh Bank (GBCSRD Circular No 4) dated 11 August 2013. The objective of this policy is to institutionalise 'Green Banking' across the Company by focusing on the following major aspects:

GREEN BANKING UNIT

IDLC established a Green Banking Unit (GBU) with representation from relevant departments. The GBU is responsible for:

- Design, implementation and evaluation of relevant green banking issues within the stipulated timeframe across the organisation.
- Periodic reporting to the GB&CSR Department of the Bangladesh Bank.

GREEN FINANCE

IDLC expects to progressively increase the share of 'green' financing in its overall portfolio by maintaining a fixed disbursement target every year for various green projects and sectors. Environmental infrastructure projects include renewable energy and/ or energy-efficient projects, clean water-supply projects, establishment of effluent and/ or waste water treatment plants, solid and hazardous waste disposal plants, bio-gas plants and bio-fertiliser plants, among others, and these will be given priority for green financing.

E&S RISK MANAGEMENT IN CREDIT APPRAISAL PROCESS

At IDLC, environmental, social and climate change risks are an integral part of the overall credit risk methodology to assess a prospective borrower from both credit as well as E&S risk perspectives. The Company already complies with the 'Environmental Risk Management (ERM) Guidelines for Banks and Financial Institutions in Bangladesh' dated January, 2011, and will also comply with all subsequent circulars, regulations and/ or guidelines issued by the Bangladesh Bank and other relevant regulatory bodies from time to time.

In addition to national laws and regulations, IDLC has also voluntarily embraced the principles and guidelines of the United Nations Global Compact (UNGC) and the United Nations Environment Programme Finance Initiative (UNEP FI).

GREEN PRODUCTS AND MARKETING

Green marketing refers to the marketing and promotion of products and services that are environment-friendly or positioned and marketed in an environment-friendly

manner. Such efforts not only augment assured environmental benefits but also help enhance awareness among our clientele. New and innovative product offerings inherent in environmental and social benefits will also be designed following international best practices to target the specific needs of our clients.

A separate product committee will also be formed with representation from different business and support units.

CLIMATE RISK FUND

A 'Climate Risk Fund (CR Fund)' will be allocated every year to conduct various economic and CSR activities in the climate-vulnerable areas of Bangladesh prone to flooding, cyclones and draughts.

These activities will include post-disaster rehabilitation, skills and alternative livelihood development, climate adaptability and climate-resilient housing facilities, among others. This fund will be mobilized both in the capacity of CSR investments and business operations without charging additional risk premium.

GREEN OFFICE GUIDELINE

IDLC has prepared a 'Green Office Guideline (GOG)' comprising a set of general instructions to be followed across the organisation. The principal objective of the GOG is to facilitate better management of in-house environmental issues including the responsible utilisation of electricity, water, paper and energy, and maintenance of a cleaner and more hygienic office environment. Regular awareness campaigns will be conducted throughout the year to ensure compliance by both existing and new employees of IDLC.

GREEN BRANCHES

To make its existing and new branches 'green', IDLC will focus on two major areas:

- a) Source reduction and waste minimisation for resources like electricity, water, paper and energy (petrol/ gas/ octane/ diesel)
- b) Adoption of the 3R principle – Reduce, Reuse and Recycle

Utilising more sunlight/ natural light during daytime, installing energy-efficient devices and spring taps/ sensory taps and greater use of recycled paper are some of the areas IDLC will consider going forward.

GREEN TECHNOLOGIES

IDLC is already equipped with 'green' technologies aimed at process improvements and reduced electricity and paper consumption. Server virtualisation; state-of-the-art branch connectivity systems; online operational, approval and payment systems; e-statement generation for employees and clients; process automation; and video conferencing to avoid physical travel are some of the noteworthy achievements of IDLC's IT team.

RESPONSIBLE RESOURCE UTILISATION

IDLC will rollout a campaign across all branches to reduce electricity, water, paper and energy consumption. Branch-specific per capita annual reduction targets will also be set at the beginning of every year. This will facilitate the branches to embrace our 'green' philosophy.

TRAINING AND AWARENESS

Continuous employee training and awareness on green banking and various other environmental and social issues will become an integral part of IDLC's human resource development process. These will also be covered in the orientation sessions for new recruits.

IDLC will also arrange and/ or associate with seminars, workshops and events aimed at improving awareness of

E&S issues by clients and other stakeholder groups and minimising the negative environmental impacts of IDLC's own operations.

GOVERNANCE

There should be a separate Committee, consisting of selected Directors from IDLC's Board, that will be responsible for overseeing the Company's policies, strategies, programmes and initiatives related to Green Banking and environmental management.

IMPLEMENTATION TIMELINE

All activities required under the Green Banking Policy have to be implemented in three phases, not exceeding 30 June 2015.

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM: IMPLEMENTATION IN 2014

IDLC is availing a credit line of USD 20 mn from the FMO, a Dutch Development Bank, for onward lending to its SME clients. As part of this facility, IDLC is required to have in place an Environmental and Social Management System (ESMS).

To implement ESMS, the Consultant will assist IDLC in establishing a culture of environmental and social responsibility, and developing and implementing environmental and social risk management and assessment procedures that are:

- Appropriate for the characteristics and capabilities of IDLC, and its business activities and products, for example, SME lending and lease financing, and
- Responsive to IDLC's obligations to its regulatory authority such as the Bangladesh Bank and development partners such as the FMO.

The overall goal of the E&S procedures is to help IDLC identify customers with potentially high environmental and social risks; enable them to evaluate the E&S performance of such customers through its due diligence and credit appraisal process; and make those customers, especially those who are not complying with local E&S regulations, behave more responsibly through the use of environmental or social covenants in facility agreements, loan or leasing agreements.

The Consultant will assist IDLC to develop sufficient content of ESMS. The ESMS will consist of E&S Policy, E&S Procedures, Nomination and Job Description of key

IDLC personnel responsible for E&S issues, reporting responsibilities and methods of communicating E&S issues with all stakeholders, and specifications related to ESMS regular reviews. Such an ESMS will ensure that IDLC:

- (i) Supports environmentally and socially sustainable development;
- (ii) Improves E&S performance of its customers by making them comply, at least with environmental, health and safety, and labour standards of Bangladesh;
- (iii) Avoids supporting enterprises causing significant environmental and social harm and at the same time supports enterprises which have sound labour practices;

This is increasingly important in view of the recent tragic events in Bangladesh (Rana Plaza building collapse, Tazreen Fashion Factory fire etc.) which has brought unwanted international attention effecting Bangladesh's export sectors such as garment manufacturing. The improved ESMS is expected to reduce IDLC's exposure to environmentally and socially derived risks and liabilities, promote good environmental and human resource management practices both within IDLC and its clients, and improve IDLC's CSR achievements.



ENVIRONMENTAL AWARENESS CAMPAIGN IN SCHOOLS

Environmental challenges in developing countries revolve around such issues as lack of access to clean water and sanitation, air pollution (both indoor and outdoor), deforestation, unhygienic waste disposal, and irresponsible use and exploitation of natural resources. While poorer households lack a credible alternative to such an unsustainable and unhealthy way of life, the more fortunate cannot deny their responsibilities in improving the overall situation.

IDLC believes that awareness is the first step towards responsible personal behavior and the most effective way to create awareness is through children, who are receptive to new ideas and thoughts, unleashing the power of change at the grassroots.

It is with this conviction that IDLC joined hands with LEADS (a social organisation of TRK Consultancy Services) in 2013, towards conducting environmental awareness campaigns across various schools. The initiative has brought to light issues such as environmental pollution and mitigation measures; responsible consumption of natural resources; and the adoption of the 3R principle of Reduce, Reuse and Recycle to minimise wastage, among others, enabling students to comprehend these issues better and also seek sustainable solutions.

The campaign comprises half-day sessions covering presentations, workshops and team-based activities with groups of 50 children. The activities are designed to help them reflect upon their learning and come up with solutions that are feasible and easily implementable in everyday life. To create a cascading effect of these learnings, the students are assigned specific tasks, under supervision of their Class Teacher(s), to share their learning with their classmates and their families and relatives. Also, stickers with responsible messages and tri-colour bins for source-separation of waste materials are also provided with environmental messages for use in the school.

Schools Reached	11
Sessions Conducted	12
Students Covered	610

Till date, IDLC and LEADS have jointly conducted sessions in Udayan Higher Secondary School, Viqarunnisa Noon School and College, Bangladesh International School and College, Agrani Girls' High School, Dhaka Residential Model College, St. Joseph School and College, Jhigatola Government High School, University Laboratory School, Azampur Government Primary School, RAJUK Uttara Model College and Adamjee Cantonment Public School and College.













IDLC | Awakening 'Green Consciousness'

We believe that taking care of the environment today will help in its preservation for centuries to come. Therefore, awakening green and environmental consciousness is the most pressing need of the hour. Our commitment to environmental sustainability is reflected in the fact that we are not only engaged extensively in creating environmental awareness among the masses, but are also keen on managing our own carbon footprint and refraining from financing projects that are potentially harmful for the environment. Till date, number of direct beneficiaries under our various environmental initiatives has reached around 4,000.

AWAKENING 'GREEN CONSCIOUSNESS'

The depletion of natural resources is common in today's fast-moving world. We at IDLC believe that the idea of conservation should be planted right at the beginning of a child's education, and this has been exemplified in the children of LEADS, who not only take small steps towards optimum resource utilisation, but are also an example to the society in which they live.

A shining example is 10-year-old Lamia of Jhigatola Model Government Primary School, who has taken it to heart that the more you save on resources, the more it gets available for the future. Simple steps like switching off the lights and fans when not in use, turning off the gas when not cooking, and closing the taps after use, have contributed manifold in the proper use of available resources in her house and have enabled her family to save money in terms of utility bills. A small feather in her cap - all her friends and even her parents now follow her policy of 0 wastage!

CHALLENGES ENCOUNTERED AND MITIGATION MEASURES

The year 2013 was marred by continuing political unrest across the country which significantly affected every aspect of our daily life. The education system came almost to a stand-still, since schools remained mostly closed throughout the year. Hence getting the schedules from the school authorities for conducting the sessions became a major challenge.

STRATEGIES IN 2014

Prior to starting the campaign across schools in 2014, IDLC and LEADS conducted a workshop titled 'Environment: Our Resource' on 22 March 2014. Over 40 teachers from 20 different schools in Dhaka participated in the workshop.

The objective of the workshop was to share our activities with the teachers, get their suggestions to make the sessions more interactive and enjoyable for the children, and prepare a year-round calendar to conduct multiple sessions in each school.

The concept was much appreciated by all those present in the session, and dates were given for conducting sessions in each school. Moreover, the teachers were also of the opinion to:

- Start their own "Environment Club" to carry forward our message to every student; and
- Inform each subject teacher to spend at least 10-15 minutes each week with their classes discussing issues like responsible resource consumption; minimizing environmental pollution; and innovative ways to reduce, reuse and recycle.



Mr. Selim R.F. Hussain, CEO and Managing Director of IDLC, and Ms. Romina Dewan, Executive Director, LEADS, represented their respective organisations in the workshop.

In 2014, IDLC plans to conduct multiple sessions in each school, covering more students. Moreover, IDLC will also ensure participation by its staff in these sessions and thus engage them in the process of creating awareness among the children.



ENHANCING THE GREEN COVER

IDLC sponsored the plantation of 1,000 saplings at Mirpur DOHS (Defense Officers' Housing Society) in 2013. This is a part of IDLC's ongoing campaign covering initiatives like regular plantation activities, environmental awareness creation among various stakeholder groups, and increasing focus on green financing opportunities with the central objective of reducing our carbon footprint and contributing to a greener and cleaner environment.

The sponsorship amount was handed over at a formal ceremony arranged at IDLC on 31 July 2013. Brig. General Sohail S. Sabir, NDC (Retd.), President of the Mirpur DOHS Porishod, and Mr. Selim R.F. Hussain, CEO and Managing Director, IDLC, represented their respective organisations in the event.



Mirpur DOHS is the newest and largest DOHS area in Bangladesh and IDLC is the first private sector organisation to have partnered with DOHS in such environmental initiatives. IDLC had conducted a plantation activity at Mirpur DOHS in September 2012 as well.

IDLC regularly undertakes tree plantation activities as part of its responsibility to fight the effects of climate change. Till date, IDLC has planted over 10,000 saplings across different parts of Bangladesh and plans to continue this effort in 2014 as well.



SUSTAINABILITY THROUGH TECHNOLOGY

Information and Communication Technology (ICT) is fast-becoming indispensable for financial institutions to ensure smooth operations and efficient service delivery. IDLC is one of the few organisations in Bangladesh to have recognised this need and embraced ICT as a primary tool to achieve excellence in various aspects of everyday operations.

Consequently, the new core banking system Oracle Flexcube Universal Banking Solution (FCUBS) became operational in January 2012, a direct result of significant efforts invested by a team of professionals from all IDLC departments throughout the previous year. This system has enabled the creation of a number of satellite systems to further enhance our operational efficiency and MIS generation capabilities. The success of FCUBS is reflected in the fact that we have completed yet another year of efficient operations on this platform.

With the objective of maximising capacity, strengthening cost efficiency and reducing our carbon footprint, green computing has always remained a key priority at the IDLC Group. Initiatives such as server virtualization and consolidation, video conferencing, adoption of technologies aiming to reduce paper and other resource consumption, and such similar initiatives are playing a major role on this front.

IDLC has invested a total of Taka 27.55 mn during 2012 and 2013 for upgrading IT infrastructure across the organisation.

SERVER VIRTUALIZATION

Leveraging its far-sightedness, IDLC initiated the server virtualization process in 2010 with the result that today, not only the capacity and efficiency of the data centres has increased, but also the Company boasts of several environmental benefits accruing out of this initiative such as reduced electricity consumption and CO₂ emissions, thereby significantly optimising capital expenditure.

The following table summarises these achievements over the past years:

Particulars	2010	2011	2012	2013	2014*
No. of physical servers	28	27	23	20	18
No. of virtual servers (after consolidation)	2	11	29	43	47
Reduction in power consumption (in kWh)	14,000	77,000	203,000	301,000	329,000
Reduction in CO ₂ emission (in tons)	8	44	116	172	188

*Target

Note: Every server virtualized saves 7,000 kWh of electricity and 4 tons of CO₂ emissions per year

CONNECTIVITY

VIDEO CONFERENCING

IDLC's video conferencing facilities connect five major branches with the corporate head office, on an average saving 45,800 km of traveling and 8.71 tons of CO₂ emissions per year. We are now in the process of connecting all branches across the country under this technology.

LYNC

As part of its strategic technology plan for 2013, IDLC implemented the usage of Microsoft LYNC, a cutting-edge communications solution increasing IDLC's capacity to innovate at lower costs. The system has been well-adopted by IDLC personnel as a result of a strong focus on pre-rollout training.

Since LYNC was implemented in early 2013, IDLC benefited from the system throughout the year. Over 200 online meetings are now conducted everyday using LYNC audio/ video conferencing facilities throughout IDLC branches, thus saving traveling time and costs and also reducing carbon emissions.

Collaboration facilities within the system allow employees to work together on presentations and reports. As a result, the necessity of printing multiple copies of such documents has been removed with a significant reduction in paper usage.

Most of the voice calls are also made using LYNC, which has reduced mobile phone usage and IDLC employees are thus less exposed to radiation emanating out of mobile phones.

PAPERLESS OFFICE

Through embracing cutting-edge technology and engaging in continual process improvements, IDLC is fast-moving towards a paperless office.

Being a financial institution, a zero-paper environment is not quite possible, considering various regulatory issues, audit requirements and maintenance of sensitive customer information. However, IDLC uses the term 'paperless' to connote an environment where paper usage is minimised and used only when absolutely necessary.

Besides awareness creation among IDLC staff, some of the major initiatives undertaken till date and planned for 2014 include:

- Automating project approval processes, thereby circumventing the need for printed versions of reports, memos and supporting documents;



- Using concise and compact reporting and application formats, resulting in lower number of printouts;
- Putting both-side (obverse and reverse) printing as a default option in printers;
- Significantly reducing the number of printers across all our branches;
- Collaboration facilities within the system allowing employees to work together on presentations and reports, thus minimising the requirement of multiple printed copies of such documents;
- Limiting the printing of diaries, calendars and greeting cards, thereby significantly reducing paper consumption;

Going forward, to reinforce our focus on moving towards a paperless office environment, we will set specific reduction targets per employee for each branch.

TECHNOLOGY SOLUTIONS GOING FORWARD

- Automation of the HR appraisal process integrated with the HR management system software

- Customer Relationship Management System (CRMS) that automates marketing, sales and services, thus increasing the efficiency of our sales force in terms of lead generation, tracking, information management and collaboration
- Process automation using SharePoint
- Chaser module for customer follow-ups that will help in documenting such activities and generate the necessary MIS
- Automation of salary and commission processing for our sales team
- Comprehensive software solutions for IDLC SL, integrating with multiple exchanges such as the DSE and CSE, among others
- Enhanced integration of i-Trade into the portal, providing customers access to MIS and other notifications in addition to processing orders
- Build a private cloud for leveraging such cloud-based services as files and applications, among others
- An automated credit scoring model across IDLC

RESOURCE CONSUMPTION

The following chart shows IDLC's resource consumption pattern throughout 2013 across all branches.

Particulars	Q1	Q2	Q3	Q4	Total
Electricity consumption (in kWh)	222,286	304,385	329,526	270,796	1,126,993
Electricity consumption (in Taka Mn)	2.1	2.9	3.2	3.2	11.4
Fuel consumption (in Litres)	17,890	18,100	17,170	9,468	62,628
Fuel consumption (in Taka Mn)	1.8	1.8	1.7	0.5	5.8
Water consumption (in Taka Mn)*	0.16	0.83	0.52	0.3	1.81
Paper consumption (in Rims)	950	1,020	916	950	3,836
Paper consumption (in Taka Mn)	0.34	0.37	0.33	0.34	1.38

*Water consumption is difficult to quantify since the billing process is related to the office floor space

REDUCE, REUSE

The nature of IDLC's operations results in major waste materials in the form of waste paper and IT equipments.

IDLC regularly upgrades its IT infrastructure, a significant part of which involves upgrading the PCs and laptops used by its staff. Every year, 2-3 percent of PCs and laptops are replaced with upgraded ones.

The replaced equipments are usually disposed off in the following manner:

- Offered to office attendants, drivers and/ or cleaners free of cost for their personal use;

- Provided to schools/ colleges in rural areas, as part of IDLC's CSR initiative;

To reduce paper usage, IDLC has already initiated a number of ways such as reducing printers and using both-side printing options, among others. Besides, IDLC also encourages the use of draft papers for internal documentation purposes to promote the concepts of 'Reduce' and 'Reuse'.



IDLC | Banking on Green

We realise that 'Green Banking' is synonymous with banking on green. Our efforts over the years have helped us make significant progress in terms of creating a green and sustainable office environment equipped with environment-friendly technologies saving electricity and paper; actively increasing the 'green' share in our portfolio; streamlining our operations to be more environmentally sustainable; and educating our staff on the 'green way of living'. To minimize our carbon footprint, we have planted over 10,000 saplings in the last three years in various parts of the country.

BANKING ON GREEN

Saher joined IDLC as a Management Trainee in 2013. Prior to joining IDLC, her understanding of CSR was limited to initiatives addressing issues related to the environment and the community external to the organisation. However, she now understands that the words 'Green Banking' mean a lot more than just projects addressing external issues. They mean a complete change in the very philosophy of the organisation - starting from environment-friendly products, processes and technologies, to the core values and behaviour of its staff. She now sincerely practices turning off the overhead light and computer monitor while leaving the office, using draft papers for internal uses, and using water only as much as is necessary. Saher now understands that the 'green way of living' is not confined to the office only, but also extends to her personal life where she can play a responsible role in contributing to preserving and nurturing the environment.

Mehbub joined IDLC in February 2014 as the focal point of the Green Banking Desk - newly formed by IDLC to take forward its Green Banking agenda. Mehbub is now actively working with the business units to design and develop products that are 'green' and environment-friendly, and bringing in projects adopting energy-efficient technologies to increase IDLC's share of 'green' portfolio, and make its operations more responsible and sustainable.

CHAPTER 6

COMMUNITY COMMITMENT



DEVELOPMENT THROUGH PARTNERSHIP

At IDLC, we refer to 'development' as a physical reality as well as a state of mind that combines the three aspects of economic, social and institutional processes, leading to a better lifestyle. The three objectives of development include:

- Increasing availability and widening distribution of basic life-sustaining resources such as food, shelter, health and protection;
- Raising living standards, which include higher income levels, provision for more jobs, better education and greater attention to human and cultural values;
- Expanding the range of economic and social choices available to individuals;

With this in mind, our 2013 development focus was aimed at skills development and livelihood generation/enhancement opportunities for the marginalised, better education and healthcare facilities for the underprivileged children, and supporting the cause of 'Development' through necessary interventions.

Moreover, for large-scale projects, IDLC also embraced a 'multi-stakeholder partnership approach' in 2013 with a number of entities including business houses and development organisations, NGOs and public entities.

INTRINSIC BENEFITS OF PARTNERSHIP

a) **Creating business value and social and environmental benefits:**

Such partnerships possess the potential to deliver measurable business, social and environmental benefits, resulting in reduced cost and risk, positive impact on employee and community health and well-being, reduced environmental impacts, creation of new markets, and enhanced brand value across the Company's products and operations. This creates a strong competitive advantage for all the partners.

b) **Leveraging skills and perspectives not available in the organisation:**

Such partnerships actively help create a platform for sharing ideas and expertise, thus enriching resources and maximising capacity utilisation.

c) **Building respect and credibility:**

When a partnership between entities representing public, private and/ or development sectors deliver the desired tangible results, it improves the image and credibility of all the concerned organisations.

d) **Providing independent validation:**

Partnerships with NGOs and/ or development organisations can provide an independent 'third-party' validation of a company's claim of delivering project-specific environmental and social benefits.

e) **Helping achieve a long-term vision:**

Partnerships addressing long-term issues accelerate momentum to achieve the best possible results.

Some of the significant community empowerment initiatives undertaken in 2013 include:

- Developing skilled manpower for the RMG sector
- Model Village Project
- Community partnerships for enhanced education and healthcare benefits for the underprivileged
- Blanket distribution among the poor
- Empowering women
- Philanthropic contributions

DEVELOPING SKILLED RESOURCES FOR THE RMG SECTOR

In a country burdened with overpopulation, it is nothing short of an irony that lack of skilled manpower is one of the major challenges faced by businesses and industries today. IDLC believes that in addition to focusing on skills development and capacity building, new avenues for employment should also be created to attract individuals into a larger number of non-traditional means of livelihood earning. A coordinated effort from both public and private sectors is the need of the hour and is crucial to address this issue.

With a view to shrink the skills demand–supply gap, IDLC is actively exploring and identifying sustainable measures for skills development and alternative livelihood opportunities, leading to community empowerment.

IDLC organised a discussion session under the banner of ‘Partnership for Sustainable Development’ in September 2012, bringing together stakeholders from both public and private sectors, as well as representatives from different RMG (Ready-Made Garment) companies in IDLC’s client portfolio. The broad objective of this kind of platform was to address various issues in devising a “Sustainable Model” for skills development and livelihood generation, ultimately contributing to community empowerment.

Following this session, IDLC partnered with the following organisations last year for skills development of the marginal and the underprivileged, with the intent of placement in the RMG industry as machine operators.

Project Stakeholders and their Responsibilities

Stakeholders	Responsibilities
Fareast Knitting and Dyeing Industries Limited (Industry Partner and Co-sponsor)	<ul style="list-style-type: none"> Sponsoring 80 percent of the project cost, including fabric support during training programmes; Facilitating industry visits by trainees and on-the-job training; Facilitating training on non-technical aspects; Conducting necessary medical tests to determine age of the trainees*; Assessment of competency levels achieved;
TVET Reform Project, ILO Bangladesh (Technical Consultant)	<ul style="list-style-type: none"> Providing training venue through arrangement with the Directorate of Technical Education (DTE), Government of Bangladesh; Training of the trainers; Training module development; Arranging training machineries worth over Taka 3.28 mn, with funding from the European Union; Regular visit to training centre to discuss and resolve various issues to improve efficiency of the training programme;
Gazipur Technical School and College (Training Provider)	<ul style="list-style-type: none"> Providing institutional training; Arranging accommodation and other facilities for the trainees, with funding from Fareast and IDLC; Arranging industry visits for the trainees; Regular follow-up with the trainees during OJT and employment; Joint competency assessment of the trainees with Fareast officials;
CARE Bangladesh, with support from Shiree (Community Partner)	<ul style="list-style-type: none"> Sourcing trainees from North Bengal; Collecting required documents like birth certificate and National ID card; Initial orientation and counseling before sending them to Gazipur; Periodic visits to GTSC to have sessions with the trainees;
IDLC Finance Limited (Concept adoption, Co-sponsor, responsible for monitoring and documentation, and common contact point and coordinator across Stakeholders)	<ul style="list-style-type: none"> Project concept development and partner identification; Sponsoring 20 percent of the project cost; Acting as the common contact point for all stakeholders; Monitoring; Management of project expenses and documentation; Regular visit to GTSC and Fareast to have discussions with the trainees and management; Preparation of project completion reports for all stakeholder groups;

* Minimum age requirement is 18



Project Phases

Phase 1: Trainee Selection and Orientation in North Bengal

Sourcing

Trainees are sourced from the most impoverished regions of North Bengal by CARE Bangladesh. This region has been selected due to a lack of industrialisation creating unavailability of formal job opportunities.

Male-Female Ratio

Female trainees are preferred considering the worker demographics of the RMG sector in Bangladesh, as well as to ensure larger and more active participation in the region's overall economic and social development. Moreover, in consideration of the recent unrest in the RMG sector, most of the employers are now in favour of hiring female workers.

The female participation ratio was gradually raised during the 1st and 2nd batches; however, the 3rd and 4th batches (currently running) consists of all-female trainees.

Selection Criteria

Besides geographic area, the selection criteria for trainees also include their age, educational background and demographic aspects. Detailed background checks are undertaken to understand the level of education and family profile of the candidates and preference is given to those who have completed at least some years of formal schooling and are probably the only major/ potential bread-earners of the family. However, as part of our learning experience from the first two batches, we are not preferring trainees who have completed SSC/ HSC level education, since they do not intend to work as machine operators after completion of the training and often tend to go for higher education.

Also they have to be from an age group between 18-30 years. It is to be noted that to determine actual age of the trainees, a medical check-up is conducted at Fareast factory prior to starting the technical training at Gazipur.

Orientation

Trainees undergo a mandatory orientation programme and counseling organised by CARE Bangladesh before they are relocated to Gazipur. This programme is critical for them on account of the following reasons:

- To actively prepare them for the socio-cultural change they will face during training and subsequent employment away from their homes and families;
- To understand their commitment levels to not only complete their training, but continue working at the Fareast factory;
- To remove any doubts they may have regarding their future earning capabilities, work environment, and health and safety standards in the factory.

Expenses related to these sessions are reimbursed by Fareast and IDLC.

Phase 2: Institutional Training at Gazipur

During Phase 2, trainees undergo a two-month institutional training at Gazipur Technical School and College (GTSC). The training module has been developed by the TVET Reform Project of ILO and they are also responsible for training the trainers at GTSC to enable them to conduct the programme in the right way. Moreover, the required training machineries have been provided by ILO with funding from the European Union.

Minimum Training Hours

The trainees receive six-hours of training everyday for six days a week, to meet the minimum criteria of ILO and thus make them eligible for receiving a completion certificate at the end of the training programme.

Stipends and Accommodation

The trainees receive a fixed stipend and are provided with accommodation during their training at GTSC, funded by Fareast and IDLC.¹

Association of Fareast during Institutional Training

In addition to co-sponsoring the training sessions, Fareast also extends its support in the following areas during the institutional training:

- Providing cut fabrics for the training programmes;
- Periodic visits by HR and Compliance officials of Fareast to GTSC to orient trainees on various non-technical issues like workplace rules and regulations, factory environment, worker rights, wage policy, health and safety standards, fire and earthquake policy etc., among others;
- Providing technical persons to judge competency levels attained;
- Accommodating the trainees during industry visits;

Industry visits

Trainees are taken on industry visits to the Fareast factory twice during the institutional training for them to get a real life feel of the factory environment.

Phase 3: On-the-Job Training (OJT) at Fareast Factory

After successful completion of institutional training, trainees are moved to the Fareast factory for a one-month On-the-Job Training (OJT). This training is necessary to familiarise the trainees with the industrial set-up and to expose them to the production lines, industry work-pace and functioning and collaborating with co-workers.

Stipends and Accommodation

The trainees receive a fixed stipend during the OJT as well, and are provided with accommodation facilities near the Fareast factory, with funding from Fareast and IDLC.

¹ In addition to the stipends and accommodation facilities, costs related to orientation programmes at North Bengal; transportation costs of the trainees; remuneration to GTSC officials; purchase of training materials other than fabrics; costs related to industry visits and other associated expenses are also taken care of by Fareast and IDLC.

Phase 4: Assessment, Certification and Recruitment

After completion of the OJT training, the trainees are jointly assessed by GTSC and Fareast officials, and subject to satisfactory assessment, are provided with a certificate commemorating successful completion of the skills training programme. Concurrently, they are also provided

with appointment letters to join at various grades of machine operators at Fareast, as per the competence levels achieved.

After recruitment, CARE and GTSC keep in touch with the trainees for at least two months to ensure they work with Fareast.



"I am delighted to see the participation of Fareast Knitting and Dyeing Industries in the garment worker training programme initiated jointly by IDLC and TVET, ILO.

It has always been my dream to see the heavily burdened population base of Bangladesh turn into a powerhouse of trained resources. This can help the nation

come out of poverty and no stone should be left unturned to try and achieve this.

Imagine 160 million skilled resources available to power not only this nation but also other countries that do not have this resource. This is only possible by educating and/ or technically training as many resources as possible.

In our own humble way, we are trying to do just that. Bringing in unskilled persons from the poorest parts of the country and training them to be international-standard workers. I wish to see this programme work successfully and would seek the continued participation, assistance and involvement of all parties concerned.

Let's work together to create as many skilled persons as possible in Bangladesh."

-Asif Moyeen

Managing Director
Fareast Knitting and Dyeing Industries Limited

PROJECT MANAGEMENT

A Management Committee meeting is arranged at least once every two months, with participation of all stakeholder groups, to resolve various issues related to the training programme to improve efficiency and manage costs.

At the same time, regular sessions are arranged with the trainees to keep their morale high to lower dropout rates.

PROJECT RATIONALE

- Socio-economic transformation of the underprivileged, especially women
- Availability of skilled manpower to progressively encourage industries to relocate to other belts
- Goodwill creation for the industry among foreign buyers
- Skilled workers justifying higher salaries (the minimum basic salary in the RMG sector has been raised to Taka 5,300 from 1 December 2013)

- Formal orientation and better awareness of factory rules and regulations among the trained recruits
- Enhanced commitment of workers towards their employers
- Workers climbing the value chain to join directly as operators instead of first enrolling as helpers and then working their way up

PROJECT OUTCOME AND FUTURE PLAN

- 47 persons employed from the 1st and 2nd batches;
- 41 persons undergoing training in the 3rd and 4th batches;
- Each trainee drawing, on an average, salaries of Taka 7,000 - 10,000 per month;

A total of 12 batches will be completed till 2015, as per MoU dated 30 May 2013 signed by all stakeholders.









Addressing Challenges

Challenges encountered	Addressing these challenges
Coordination among multiple stakeholders responsible for different activities and located across different geographic regions	IDLC serves as the one-point contact among all stakeholders to enhance accountability and ensure efficient flow of information across all concerned
During training, many unforeseen costs/ situations arose that were not earlier anticipated	The 1st batch practically served as a learning ground for all stakeholders and such cost items and situations were accounted for in the subsequent batches
Continued resistance among some trainees regarding relocation	<p>The following orientation and counseling technique is being conducted from the 2nd batch onwards:</p> <ul style="list-style-type: none"> ■ Initial orientation and counseling by CARE Bangladesh in North Bengal; ■ Continued orientation and motivation by GTSC and IDLC officials during institutional training; ■ Inspirational examples and motivation provided by the Management, HR and factory officials of Fareast during the OJT training; and ■ Sharing sessions with previous trainees now successfully employed in the RMG sector;
Family issues of some of the trainees, hindering the progress of the training programme	It has been decided that those facing family problems would be given a 7-day leave to go back and solve the issue. If not solved, that person will be temporarily dismissed from the training (to avoid disruption for others) and if interested, will be considered for the subsequent batch
Unrest in the RMG sector	Such an occurrence is completely unpredictable and beyond the control of anyone. Hence the disruption of the training programme during such situations is unavoidable



STRATEGIES GOING FORWARD

- Templatised and replicate similar models across other geographic regions, engaging technical schools and colleges elsewhere
- Securing industry partners like Fareast to take more batches under their wings following the same model

- Tapping geographic areas other than North Bengal and focusing on climate-vulnerable regions
- Exploring the potential for starting a common training facility for the RMG sector, catering to the needs of many industry players
- Seek funds from development organisations and/ or foreign buyers for large-scale replication of the project

MODEL VILLAGE PROJECT

In partnership with VSO Bangladesh, IDLC has adopted a 'Model Village' approach targeting the Sadarpur village in Mithapukur, Rangpur. The approach is based on three basic strategies: capacity building, knowledge management, and resource mobilisation and institutional linkages.

Capacity building: To raise awareness among volunteer-based organisations on community-led development, skills development and resource mobilisation for project implementation.

Knowledge management: To ensure active participation of local volunteers in monitoring and evaluation of projects and to develop ways to disseminate lessons and best practices assimilated on the Model Village approach.

Resource mobilisation and institutional linkages: To enable local volunteers link with government service providers for sustainable development and mobilise local resources to optimise results under the model village approach.

VSO (Voluntary Service Overseas) is a UK-based development organisation working to create an enabling environment for the poor and the marginalised, especially women, adolescent girls and boys, adibashis, unemployed youth, Dalits, PLWHA and/ or disabled people. The organisation helps them benefit from economic growth and social development. In this regard, VSO Bangladesh has adopted a number of villages in the northern, southwestern and Chittagong Hill Tracts regions, conducting development activities through the placement of international volunteers and mobilising local Youth Club members and community residents.

GUIDING PRINCIPLES OF THE MODEL VILLAGE PROJECT

- Affirming gender equality;
- Ensuring meaningful participation of the youth and promote youth-adult partnership opportunities;
- Engaging a broad spectrum of stakeholders through family and community involvement in the model villages;
- Adopting a multi-sectoral approach;

- Assuring quality of the programme and other interventions;

SPECIFIC PROJECT ACTIVITIES

Major activities initiated in 2013 at Sadarpur include:

- Capacity building of the Youth Club and the Citizen Community;
- Health camp for community members;
- Imparting training to Youth Club members on basic accounting practices by the IDLC staff;
- Establishing an IT centre and practice for general IT use;
- Homestead tree plantation;
- Training on set-up and operations of biogas plants;
- Preparation and use of compost fertilisers for vegetable cultivation; and
- Installation of bins in local markets;

CAPACITY BUILDING OF YOUTH CLUB AND CITIZEN COMMUNITY

Developing know-how of the youth and senior volunteers was one of the priority areas under this project. In 2013, most of the Youth Club and Citizen Committee members participated in sessions focused on leadership development, IT training, English language coaching and training on basic accounting theories and practices.

These sessions helped develop leadership qualities and communication capabilities among the youth and citizens alike. In turn, they successfully organised a number of events for better healthcare and capacity development of the community members.

Moreover, the Youth Club, referred to as the Bazlur Rahman Youth Club, has also received land as donation for the construction of the Youth Club office in Sadarpur village.

HEALTH CAMP

A health camp was organised at Sadarpur on 24 May 2013 for the local community members, especially those who do not have access to basic healthcare services.

The health camp focused on the following two aspects:

- Blood typing
- Consultation on primary healthcare issues

Besides international and local volunteers, the event was facilitated by the staff members of VSO Bangladesh and PJKUS (Pairaband Jubo Kollan Unnayan Shangastha), a local NGO responsible for the overall coordination and implementation of the project.

HIGHLIGHTS OF THE HEALTH CAMP

Health specialists	Doctors and technicians from the Rangpur Medical College and Mithapukur Health Complex
International volunteers	<ul style="list-style-type: none"> ■ Ms. Diane Wood, Midwife Advisor [United Kingdom] ■ Mr. Phillip Humphreys, Management Advisor [United Kingdom] ■ Mr. Gamini Thevarapperuma, Livelihood Advisor (Sri Lanka) ■ Ms. Iulia Tencariu, Community Mobilisation Advisor (Romania)
National volunteers	10 members of the Sadarpur Youth Club
Beneficiaries	Around 150 community members from the Sadarpur village
Outcome	<p>(i) Blood typing for 100 individuals:</p> <ul style="list-style-type: none"> ■ Male: 52 ■ Female: 38 ■ Children: 10 <p>(ii) Consultation on primary healthcare for 45 individuals:</p> <ul style="list-style-type: none"> ■ Male: 15 ■ Female: 20 ■ Children: 10
Overall male-female ratio	Male: 54 percent Female: 46 percent





TRAINING YOUTH CLUB MEMBERS ON BASIC ACCOUNTING PRACTICES

A one-day orientation session on basic accounting practices was conducted on 28 June 2013 with the active participation of 32 volunteers from the Bazlur Rahman Youth Club. The materials were prepared and the session was conducted by IDLC staff from the Finance and SME Departments while logistic support was provided by members of the club, VSO and PJKUS.

The main objective of the session was to enable the Youth Club members to record daily transactions related to their various activities. Following the session, the Youth Club accumulated a fund to open a bank account.



“The initiative was very good. All the village people, VSO personnel and other concerned persons, especially the training participants, were very much responsive, co-operative and friendly. It was an excellent opportunity for me to work with them. I tried my best to share my knowledge with the Youth Club members, and I believe they will be able to utilise the lesson in future. I felt proud on being a part of this programme. It was an excellent experience for me.”

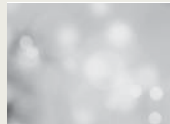
– Md. Asaduzzaman Khan
Manager, Finance Department
IDLC Finance Limited





IDLC | Developing Skills, Empowering Communities

Skills development is perhaps the single-most important tool that can generate livelihoods, thus enabling the creation of not just progressive but productive societies. Leveraging our core knowledge and expertise, we have actively engaged in various skills development programmes, covering over 200 beneficiaries representing the underprivileged and marginal section of the society.



DEVELOPING SKILLS, EMPOWERING COMMUNITIES

The modern world is run by technology. From the smallest work to the biggest jobs, we are dependent on computers.

Keeping this in mind, IDLC worked closely with partner organisations VSO Bangladesh and PJKUS to enhance capacity and skills of the youth in the Sadarpur Model Village in Rangpur, by providing them training on basic computer literacy, English language, and basic accounting systems under IDLC's Model Village Project.

Apart from providing financial support, IDLC also donated five desktop computers to implement the project through the Bozlur Rahman Youth Club at Sadarpur.

Along with 24 other youths, 20-year-old Moushumi also participated in the computer training programme. She was delighted to get her hands on the machines, as the poverty-stricken area has little or no electricity, let alone computers. With guidance from the international volunteer groups placed at Sadarpur, she is now learning MS Word, Excel and PowerPoint which is helping her prepare her resume, write job applications and make calculations.

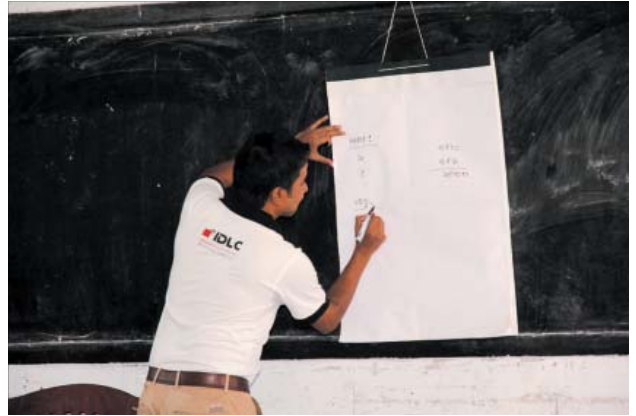
We hope that through this youth building initiative, the life of Moushumi and the others will become better, and this initiative will contribute to the economic and social upliftment of the youth group, as well as that of the community.

35-year-old Roshida Begum is all smiles now. Her latest plantings of red amaranth, gourd, papaya and bean have just blossomed.

With the support of IDLC, VSO and PJKUS, Roshida received training on making compost and was initially given 5 kg of seeds of different vegetables to grow.

Today, not only does she sell some of the compost she produces, but also sells the vegetables she grows in her small yard.

Over the years, this has helped her meet her family's food requirements and has also given her an opportunity to earn. We are proud of her, as her efforts have borne fruit, and she can now afford to send her two children to school.





ESTABLISHMENT OF AN IT CENTRE AND PRACTICE ON GENERAL IT USE

IDLC provided five desktop computers to the Youth Club to set-up an IT centre at Sadarpur village. In addition, IDLC also provided a bouquet of training modules to facilitate learning. This initiative has opened a new avenue for the youth at Sadarpur, especially girls, by giving them the opportunity to develop their IT skills.

A team of IT training facilitators including VSO International and local volunteers and PJKUS members facilitated general training on the use of IT for 50 Youth Club members in two sessions. The session focused on preliminary operations of MS Word, Excel and Power Point with which they can do basic calculations and develop their CVs to apply for jobs. Being from an area with intermittent availability of electricity, this experience was a matter of much surprise and joy for them.

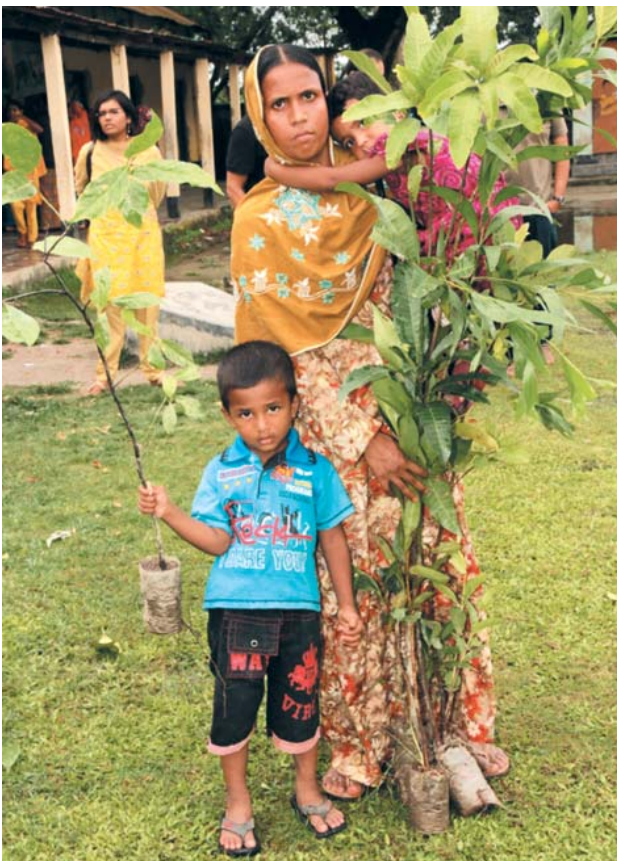


The IT centre has been set-up temporarily in a vacant room at the BRM Girls' High School at Sadarpur. It will later be transferred to the Bazlur Rahman Youth Club office, which is currently under construction.

HOMESTEAD TREE PLANTATION

One thousand saplings were distributed among 57 marginal households of the village. Besides increasing awareness regarding the benefits of tree plantation, this initiative has also added to the livelihood stream by selling fruits (local varieties including mango, guava, olive and jackfruit) or timber of the full-grown trees (varieties including mahogany and akash moni).





TRAINING ON SET-UP OF BIOGAS PLANTS

A training programme was arranged for the Youth Club members on the establishment, operation and maintenance of biogas plants. Grameen Shakti will conduct the training sessions after setting-up the biogas plants by Q2 of 2014. Site selection and placement of construction materials have already been completed.





The Youth Club members are already working to raise awareness among community residents to increase the use of biogas for daily cooking. Three families have been selected from the village to demonstrate the benefits of this model.

PREPARATION AND USE OF COMPOST FERTILISERS FOR VEGETABLE CULTIVATION

The Sub-Assistant Agriculture Officer (SAAO) from the Department of Agriculture Extension (DAE) facilitated a

practical orientation session for 50 farmers in two batches at Sadarpur. The orientation focused on developing skills of the farmers for organic fertiliser preparation and providing them with useful information for better use of fertilisers for vegetable and crop cultivation.

The training has enhanced farmer awareness on the health and nutritional benefits of using organic fertilisers. They have also received and cultivated vegetable seeds including red amaranth, papaya, bean and bottle gourd at the farmhouse levels, which is meeting the needs of their families, as well as allowing them to earn by selling vegetables.

WASTE BINS IN THE LOCAL MARKETS

To raise awareness for a clean and green environment within the community, four permanent waste bins have been installed at the local markets of Khordomuradpur and Sadarpur model villages. Youth club volunteers are raising awareness among the locals to use the bins and keep the marketplace clean and hygienic.

VALUE CREATION

Human capital enhancement through:

- Improved healthcare facilities for the poor and vulnerable communities;
- Enhanced community capacity building through skills training on alternative livelihoods, especially for women and girls;
- Enhanced ability to cope with different socio-economic challenges, climate-change and disaster;
- Continued experience sharing, thus embedding innovative developmental activities;
- Committed adoption of better environmental practices through tree plantation, utilisation of biogas plants, and responsible waste disposal and management;

Financial capital enhancement through:

- Access to additional and alternative income generation opportunities;
- Enhanced savings practices, especially from secondary income sources, thereby enabling families to plan for the long-term;

Social capital enhancement through:

- Greater trust, cohesion, team-spirit and respect for others among the community members;
- Awareness of the benefits of a self-help society solving its own challenges and problems;
- Greater participation of women in community-based organisations, decision-making and income-generating activities, leading to women empowerment;

BLANKET DISTRIBUTION

Winter is the coldest season in Bangladesh. During the three months of December, January and February, the country faces a series of cold waves and the temperature drops to as low as 30°C in some regions. People at the bottom of the income pyramid suffer the most and many die as a result of cold-related illnesses.

To stand by these individuals and demonstrate its commitment to the society, IDLC distributes blankets and warm clothes every year in areas most affected by the extreme cold. In 2013 as well, the Company distributed 2,650 blankets among the worst-hit communities in various areas of North Bengal, Jessore and Chittagong.

NORTH BENGAL

Due to their geographic location, the districts of Bangladesh's northern region are the most susceptible to extreme cold. Consequently, North Bengal was IDLC's prime focus in terms of blanket distribution. The Company distributed 2,000 blankets in four districts of North Bengal – Kurigram, Nilphamari, Rangpur and Lalmonirhat with the assistance of different local NGOs and Shiree, a DFID project working for the extreme poor.

KURIGRAM

Kurigram is one of the coldest areas by virtue of its location in the northern-most corner of the country. IDLC distributed 850 blankets in different areas of Kurigram including Gunaigach, Tabokpur, Poschim Kaludanga and Doldolia in Ulipur and Belgacha in Kurigram Sadar.

The distribution was conducted jointly with Mahideb Jubo Somaj Kallayan Somity (MJSKS), a local NGO working for the marginalised. The Director of MJSKS, UNO-Kurigram Sadar and the respective UP Chairman and members were present at the distribution programme at Belgacha. In Gunaigach, Deputy Director-MJSKS, UNO-Ulipur, Upazila Chairman-Ulipur and the respective UP Chairman and members were present. The respective UP Chairman, UP members and other distinguished guests were also present at the programme at Doldolia, Tabokpur and Poschim Kaludanga.

RANGPUR

With the assistance of Practical Action Bangladesh, IDLC distributed 400 blankets in Rangpur. The distribution process was conducted at Jaldhaka, a remote region in Rangpur where a majority of the population is extremely poor. IDLC officials, along with members of Practical Action and Jhanjira Samaj Kallyan Sangstha (a local NGO) and the Union Parishad Chairman, members and local distinguished guests, participated in the distribution programme.

NILPHAMARI AND LALMONIRHAT

IDLC distributed 750 blankets each in Nilphamari and Lalmonirhat in association with Care Bangladesh. The areas in Nilphamari included Kakina, Chawra, Laxmichap and Khoksabari Union Parishads, while in Lalmonirhat, the distribution points were at Sarpukur, Saptibari, Polashi and Chalbala Union Parishads.

JESSORE

Jessore is another of IDLC's focus areas for blanket distribution. In 2013, the Company distributed 500 blankets among the marginalised across different locations of Jessore Sadar.

IDLC officials, together with its SME customers from Jessore region, participated in identification of the beneficiaries and distribution of blankets. This was the Company's active initiative to engage its stakeholders in its community assistance programmes.

CHITTAGONG

In Chittagong, 150 blankets were distributed to street dwellers. The distribution was jointly conducted by IDLC staff in Chittagong and Youth's Voice, a city-based volunteering organisation.



North Bengal



Jessore



Chittagong





ACCESS TO EDUCATION AND HEALTHCARE FOR UNDERPRIVILEGED CHILDREN

Education and health represent the basic objectives of development. While education is essential to develop capacity for self-sustaining growth and development leading to a satisfying and rewarding life, health is central to well-being and enhanced productivity. Hence, both education and health are fundamental to expanding human capabilities and reflect the true meaning of development. And IDLC believes that children, especially the underprivileged group, should be given equal access to basic education and healthcare benefits.

Hence IDLC has partnered with the following organisations working with the underprivileged children's group, and supports their cause on a regular basis.

SEID TRUST

IDLC has been a partner of SEID Trust for the past eight years. SEID Trust is one of the largest voluntary non-government organisations in Bangladesh for underprivileged children with physical and mental disabilities, including autism. It works for the rights and social mainstreaming and inclusion of these children and provides them with the necessary education, healthcare facilities and vocational training. The Trust currently operates four centers across Dhaka with over 400 children.



In 2013, IDLC extended its assistance by embracing responsibility for education, healthcare and other needs of 15 children for yet another year.

LEADS

Livelihood Education and Development Services (LEADS) is a social organisation working for providing better



educational facilities to underprivileged children. The principal agenda of LEADS comprises increasing primary education enrollment and to ensure that children complete their education by giving them the much-needed after-school tuition support. Based in Dhanmondi, Dhaka, the organisation currently looks after 52 children from various government primary schools.

IDLC is supporting LEADS' efforts by sponsoring 15 children which includes bearing expenses for their education, healthcare and therapy needs and skills development activities.

Besides these, IDLC had also sponsored various educational materials for the children, and provided first-aid kits and water filters to their families in the past.

PLAN FOR 2014

Besides sponsoring education of the LEADS children, IDLC plans to provide them access to earn their living as well, at the end of their educational life. IDLC believes that primary education followed by vocational training is the right measure for a country like Bangladesh with a large number of 'educated but unemployed' youth.

Hence we have plans to provide vocational training to those children of LEADS who are not willing to go for higher education after completion of Class Eight, and are interested to earn a living for their families or start a business of their own. IDLC is already negotiating with a number of such organisations offering vocational training facilities to such adolescent groups, and also placing them as apprentices in different organisations or providing them the seed money to start their own business.

FAMILIES FOR CHILDREN

'Families for Children' is an orphanage based in Uttara, Dhaka. It houses over 150 children of varying ages, and provides them the much-needed education and other opportunities to help them become established in their lives.







IDLC's engagement with this organisation was through a day-long event during which members of our Management Committee and our colleagues from the Consumer Division spent an entire day with the children. IDLC gave them various games and sporting items as well as general knowledge and story books. We plan to remain engaged with the organisation over the long-run as well to provide them the much-needed support to offer better facilities to these children.

STRATEGIES GOING FORWARD

IDLC plans to engage a larger number of staff members in working with these organisations for enhancing employee commitment to the community and increase the levels of engagement. Moreover, IDLC plans to engage with a number of student bodies that will also provide us the much-needed volunteer support to replicate such initiatives on a larger scale.

CREATING JOBS

IDLC accelerates economic growth through the creation of jobs, both directly and indirectly.

As of 31 December 2013, there was a total of 1,000 staff, both permanent and contractual, and IDLC paid Taka 593 mn as salaries and allowances in 2013 alone, and created new jobs for 108 people across the organisation.

Moreover, IDLC facilitates indirect employment generation by offering financing to its Corporate and SME clients, thus accelerating their growth and expansion, and subsequent recruitment, as well as through CSR projects targeting Community Empowerment, as detailed above. Through the CSR projects, till date, IDLC has created permanent employment for 47 people.



IDLC | Focused on Education

We believe that education is the bedrock of the society. Just the way a seed has the potential to grow into a mighty oak, a well-nurtured mind also represents the seed of societal progress and development. Our efforts have led us to provide education for over 80 children, boys and girls combined, over the past three years.



FOCUSED ON EDUCATION

12-year-old Shima had always seen the four corners of the house in which she worked as a help. Life beyond home, let alone education, was far from imagination.

Today, as a LEADS student receiving financial support from IDLC, Shima does not only go to school but loves to study as well. Enrolling with LEADS from the first grade, she has learnt a lot over the years. Not only has she excelled in education, but has also been a good overall student, with polite manners and a helpful nature. LEADS also provides Shima with healthcare facilities.

We are proud to be of assistance to her and many other such students who make the most of the opportunities they get!

EXTENDED RESPONSIBILITIES

In addition to long-term projects, IDLC also engages in various philanthropic activities throughout the year.

Supporting the Bangladesh Thalassaemia Hospital

IDLC regularly arranges blood donation programmes across different branches, in participation of its staff and other stakeholders and in partnership with Bangladesh Thalassaemia Hospital.

In February 2013, a donation event was arranged at IDLC's Chittagong branch, while in March 2014, 24 bags of blood were collected through a similar event at IDLC's Dilkusha branch. This year, IDLC has plans to arrange two more collection programmes in its Gulshan and Bogra branches.



IDLC also contributed Taka 100,000 to the Hospital, assisting them in accumulating funds for purchasing an ambulance to facilitate the blood collection process.



Supporting the victims of Rana Plaza

IDLC staff donated a day's salary to the Prime Minister's Relief and Welfare Fund to help the victims of the Rana Plaza incident, the biggest such tragedy in the history of Bangladesh's RMG sector.

Donations

IDLC contributed Taka 2,000,000 to the Prime Minister's Relief and Welfare Fund in May 2013. The purpose of the contribution was to strengthen the capacity of the fund to effectively respond during times of natural and national calamities.

IDLC donated Taka 100,000 to the Sandhani Bangladesh Medical College Unit for enhancing their blood refrigeration capacity.

IDLC provided financial assistance for the treatment of a cancer patient.

EMPOWERING WOMEN

Globally, women tend to be less privileged than men, being more deprived in terms of education, health, livelihood opportunities and freedom in all its forms. Also, women are primarily responsible for child rearing and statistics from around the developing world have proved that mothers tend to spend a significantly higher portion of their income for the benefit of their children than fathers do. Thus, they provide them much more than just the basic necessities to sustain. Hence, the biggest impact on development can only be achieved if a society actively invests in and empowers its women.

IDLC addresses women empowerment from a four-pronged perspective:

- Providing the much-needed access-to-finance for the development of women in business;
- Capacity development of existing and upcoming women entrepreneurs;



- Sustainable livelihood generation through skills development of underprivileged women;
- Empowerment of IDLC's female staff across the organisation;

ACCESS-TO-FINANCE

With its SME businesses, IDLC actively supports the development of women entrepreneurs with the much-needed access-to-finance, otherwise limited under the formal banking network. Our Women Entrepreneur Loans, combined with the refinancing facilities availed from the Bangladesh Bank, provides us the unique opportunity to play an active role in providing women entrepreneurs a boost in their businesses and careers.

More information on this initiative has been detailed in the section 'Access-to-Finance for Women Entrepreneurs' (page 91).

CAPACITY DEVELOPMENT

Besides offering financing facilities, IDLC is firmly committed to capacity creation and enhancement for women entrepreneurs, offering them various services and consultations in terms of skills development, market linkages, networking and promotional opportunities, among others.

In 2013, IDLC also participated in a Women Entrepreneur Fair organised by the Bangladesh Bank, highlighting the products of one of our women entrepreneur clients. Continuing with this trend, IDLC will arrange and participate in multiple workshops, seminars and fairs to promote women leadership in businesses across the country.

At present, we are in discussion with IFC to develop a 'Women in Business (WIN)' segment. This initiative encompasses a six-month project whereby IFC will assist IDLC in improving its gender portfolio by training women in business. This activity is oriented to demonstrate that providing loans to women-owned SMEs can be a profitable business.

IFC's WIN programme aims at strengthening private sector development by focusing on the role of women as business leaders, entrepreneurs, employees, consumers and economic stakeholders. Progressively, this will enable women-owned enterprises to increase their capacity to access financial services from IDLC. This component will also facilitate IDLC in developing value propositions and financial solutions for women entrepreneurs.

SUSTAINABLE LIVELIHOOD GENERATION

A healthy and balanced economic development requires active participation from both male and female members of the community. Unfortunately, as in most developing countries, this is not true in Bangladesh as women are

largely excluded from activities that lead to economic development and their financial independence.

Therefore, IDLC's major focus is aimed at skills development and sustainable livelihood generation for female groups from marginal segments of the society. Details have been provided under chapters titled 'Developing Skilled Resources for the RMG Sector' and 'Model Village Project' on pages 57 and 64 respectively.

EMPOWERING IDLC'S FEMALE STAFF

At IDLC, we are committed to the development of our female staff and this philosophy is visible in everything we do across the organisation. We fundamentally believe that women are torchbearers of the society and initiatives directed at their capacity-building and holistic development have a strong trickle-down effect with benefits percolating across the community. We organised several activities and programmes that help our women staff not only realise their goals, ambitions and potentials but enhance their quality of life as well.

LADIES FORUM

With a growing number of female employees in our workforce, it is becoming increasingly important to address various issues and deal with special concerns related to them in an effective and efficient manner.

With this in mind, IDLC launched an exclusive 'IDLC Ladies Forum (IDLCLF)' whose members include all female employees of the Company. IDLCLF's composition/hierarchy is mentioned below:

- President: Ms. Bilquis Jahan, Head of Human Resources
- Executive Committee: Comprising 12 female employees representing different divisions and branches of the Group
- Secretary: Ms. Zurat Haque, Head of CSR
- Members: All female employees of the Group

IDLCLF provides female employees the opportunity to network within their peer groups and offers a common platform to share and raise various issues and problems including discrimination, harassment, negative attitude/biases and any other concerns that may affect them within the organisation. These insights will enable the Group Management to better understand and address these issues and develop strategies accordingly.

Moreover, the forum also arranges special sessions focusing on issues affecting performance of working women, work-life balance, child care and female healthcare, among other issues. Two sessions were arranged in 2013:



'Career opportunities and work-life balance for female employees', conducted by Ms. Syeda Rizwana Hasan, Advocate, Supreme Court of Bangladesh and renowned environmentalist and Chief Executive of the Bangladesh Environmental Lawyers' Association (BELA).



'Health benefits of breastfeeding for new mothers and newborn babies', conducted by Dr. Rukhsana Haider, Chairperson, TAHN Foundation.



CHAPTER 7

INCLUSIVE BUSINESS



PROMOTING SMALL AND MEDIUM ENTERPRISES (SMEs)

Small and Medium Enterprises (SMEs) represent the growth drivers of an economy. However, considering the different nature and requirements of these businesses, financing these have largely been avoided or restricted by the financial sector in the past.

Then again, with changing economic trends, banks and FIs are now increasing their focus on this particular segment considering their immense growth potential and prospects. Customised products and services are being effectively designed to meet the dynamic needs of SME clients. Researchers estimate the presence of approximately six million SMEs in Bangladesh, making up 75 percent of the domestic economy, while accounting for 80 percent of industrial employment and 25 percent of the total workforce.

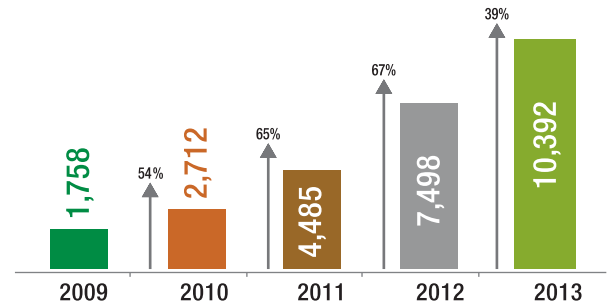
IDLC established its SME unit in 2006 through conventional term loans, lease and working capital facilities. However, progressive success gave the Company an impetus to diversify the SME product basket and eventually allowed it to enjoy an aggressive growth phase over the past seven years, making it among the top five financial service providers to SMEs in Bangladesh.

Performance highlights of IDLC's SME Segment:

- Segment status within company: Largest
- Portfolio: Financing products to a large bouquet of SMEs
- Disbursements over the past five years (2009-13): Taka 26,845 mn
- Loan book as on 31 December 2013: Taka 14,334 mn
- Growth in loan book over 2012: 40.83 percent
- Percentage of the overall loan book as on 31 December 2013: 38.22 percent
- Turnover (gross) in 2013: Taka 2,347.71 mn
- Contribution to Company turnover (gross) in 2013: 35.03 percent
- Contribution to Company PBT in 2013: 30.48 percent
- Total number of relationships: 6,638 clients; 7,041 accounts
- Asset growth: CAGR of 49.40 percent in the last five years - the fastest in the industry

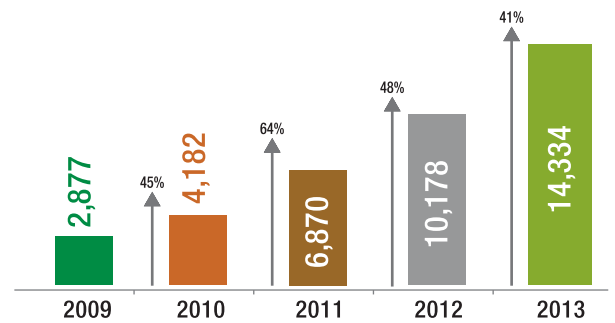
SME Disbursement

Taka in mn



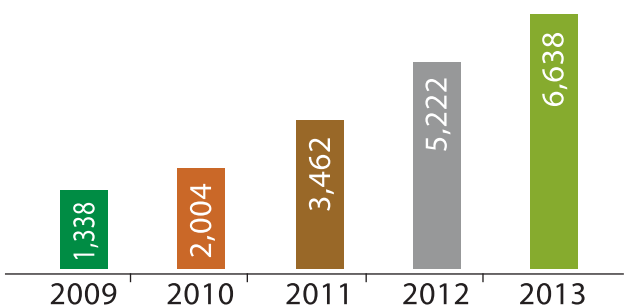
SME Assets

Taka in mn



No of Active Customers in SME

in SME



SUCCESS FACTORS

One area where we have continuously focused on is developing innovative and customised financial products and solutions for our clients, prioritising their unique needs and requirements. For customisation, our four priority considerations have been seasonality, geographic location, business opportunity and gender sensitivity. For this, our modus operandi has mainly been demand

assessment of SMEs, research on market and economic indicators, discussion with prospective clients and adherence to the local laws and regulations.

Drivers of Success

- (i) Quick turnaround time
- (ii) Careful customer selection
- (iii) Strong internal processes and MIS
- (iv) Customised repayment schemes
- (v) Dedicated relationship managers for medium segment clients and direct sales executives for small segment clients
- (vi) One-stop solutions for all client needs

Considering the seasonality of certain businesses and their consequent liquidity, one of our major initiatives has been the customisation of repayment solutions for our clients. Hence, we replaced the conventional EMI (Equal Monthly Installment) practice with structured repayment schedules and introduced the innovative SME seasonal loans.

Yet again, our market intelligence helped us identify a crucial need of many booming industrial belts of Bangladesh – that of inadequate accommodation and lodging facilities for those who drive these industries. To address this issue, we came up with the ‘Abashan’ loan scheme, a specialised facility offered to local landowners for the construction of residential and commercial complexes for rental purposes.

We have also devised the revolving short-term loan facility that allows SMEs to avail financing as and when required. This product enables them to manage their cash flows more efficiently and make the most out of their business opportunities, thus generating higher profitability.

Moreover, we promote women empowerment by offering the much-needed access-to-finance to prospective and existing women entrepreneurs. Our ‘Women Entrepreneur Loan’ facility offers the most attractive terms and conditions for women to grow and advance their business. We also avail refinancing facility of the Bangladesh Bank to offer term loans to women entrepreneurs at reduced market rates. Cumulative refinancing received till date amount to Taka 2,103.70 mn, making IDLC one of the largest participants in such refinancing facilities of the Bangladesh Bank and other low-cost fund providers. We are also working with multilateral agencies such as the DFID, UKAID Bangladesh, and IFC to develop capacities of women entrepreneurs and increase their access to appropriate and market-based SME services.

FACTORS AFFECTING THE INDUSTRY

SECTORAL DRIVING FORCES

- Stable GDP growth of the Bangladesh economy in the past few years resulting in growing consumer demand and leading to the emergence and growth of different enterprises
- Booming private sector driving demand for medium-term financing
- Sector-specific incentives offered by the government and other multilateral agencies
- Refinancing schemes offered by the Bangladesh Bank and other development-oriented organisations
- Reduced dependence on imports due to higher local production and corresponding higher demand for credit

MAJOR TRENDS

- Political instability
- Lack of adequate infrastructural development
- Seasonal demand-supply patterns
- Monetary policies of the government impacting the cost of funds
- Perception of foreign buyers towards Bangladeshi exporters

KEY STRATEGIES OF IDLC

The primary goal of IDLC in terms of its SME operations is to maintain the overall portfolio quality, which is among the best in the country today. Key strategic interventions in this area of operation include the following:

- Considering frequent political unrest in the country significantly impacting small and medium enterprises, a more conservative approach will be adopted if the situation does not stabilise over the coming days.
- IDLC will continue to focus on designing innovative products and processes and enhance its distribution network in the face of rising competition from banks and FIs entering this business. As one of the market leaders and pioneers in SME financing in Bangladesh, we enjoy an advantage over others. Moreover, in 2014, we are planning to establish four more SME branches in the country’s major districts and introduce a ‘Customer Relationship Management’ software to enhance our service delivery capacity.
- IDLC extensively utilises the refinancing schemes offered by the Bangladesh Bank and other development organisations including the ADB Fund,



EGBMP (IDA) Fund and JICA TSL Fund, among others. One of our key goals is to ensure seamless continuity of our operations even without the presence of such facilities.

- IDLC has adopted a proactive approach towards delinquency management. We have introduced a new wing christened 'Central Collection and Monitoring Cell (CCMC)', comprising a dedicated team for bringing on board a more proactive approach towards collection. Moreover, our SME team is also implementing a credit scoring model for more effective loan appraisal.
- IDLC expects to continue its focus on capacity building and enhanced access-to-finance for women entrepreneurs.
- IDLC has always focused on the retention of high-performing personnel. Our HR policies and culture are directed at keeping our employees motivated and happy.

DEVELOPMENT INITIATIVES FOR SMES

In 2013, our major emphasis has been on customer engagement, capacity enhancement and improving our service capabilities. We organised several roundtable meetings with different entrepreneur groups, thus facilitating the creation of backward and forward linkages for their supply chains. We have also introduced more customer-friendly processes that include lesser documentation, easy processing and expert advisory services. Moreover, training on basic accounting practices was also conducted across different business clusters.

In addition, some of our major initiatives in collaboration with local and global networks and development agencies have been provided below.

SMALL BUSINESS BANKING NETWORK

IDLC is a member of the Small Business Banking Network (SBBN), a global industry-building initiative to enhance capacity, competency and willingness of financial institutions to serve small and growing businesses in under-served communities. Besides IDLC, two other banks from Bangladesh are also part of this network.

In 2012, SBBN conducted an analysis of IDLC's SME operations, highlighting the current state of development of small business banking practices of IDLC and subsequently identifying future opportunities. In most of the 35 parameters, IDLC scored higher than average. Currently, we are in the process of availing relevant services from SBBN for capacity development and higher efficiency for our SME operations.

Moreover, we regularly participate in webinars to gain valuable knowledge and expertise on a wide variety of SME related issues. Some of the top performers in our SME team have also attended advanced training courses offered by SBBN.

INTERNATIONAL FACTORING GROUP

IDLC is the only member of the International Factoring Group (IFG) from Bangladesh, which allows us to gain knowledge and expertise on international best practices in terms of factoring operations.

'BUSINESS FINANCE FOR THE POOR IN BANGLADESH' PROGRAMME

DFID/ UKAID, Bangladesh, has initiated the 'Business Finance for the Poor in Bangladesh (BFP-B)' programme, specifically targeting micro and small enterprises (MSEs) that are currently not served by the formal financial sector but are credible potential borrowers with solid business ideas and activities. IDLC is negotiating with DFID to increase access to appropriate market-based business services for SMEs and enhance product offering, delivery channels and business model innovation.

BUSINESS GROWTH IN THE PLASTIC INDUSTRY

IDLC is working with the SME Foundation, Bangladesh, to stimulate growth of SME businesses in the plastic industry. Our specific target comprises strict compliance by plastic manufacturers in terms of waste disposal methods.

PUBLICATION OF CREATIVE AND KNOWLEDGE-BASED COLLATERAL

IDLC, along with two other banks, disbursed start-off loans to publishers for bringing forth creative and knowledge-based documents under the refinance scheme of the Bangladesh Bank. A total of Taka 8.4 mn was disbursed to six entrepreneurs, of which IDLC alone disbursed Taka 6.5 mn to two entrepreneurs.



An inauguration ceremony of these books was arranged by the Bangladesh Gyan O Srijonshil Prokashok Shomity on 19 February 2014, and Dr. Atiar Rahman, Governor, Bangladesh Bank, was present as the Chief Guest.



IDLC | Promoting SME Development

SMEs (Small and Medium Enterprises) represent an integral part of the country's national economy. We not only enable them to access cost-effective capital, but also create platforms to help them take their business ahead. Disbursement under our SME segment in the last five years has reached Taka 26,845 mn, while assets managed have witnessed a CAGR of 49.40 percent over the past five years - the fastest in the industry.

PROMOTING SME DEVELOPMENT

Nababpur is Dhaka's busiest machine-tools trading centre. Rostum Ali, the proprietor of family-run 'Famous Hardware and Central Hardware and Tools', was wondering what to do with his business, which was suffering from declining sales, fierce competition from Chinese manufacturers and shrinking profits. Owing to the small size of his business, he could not bargain effectively with his local suppliers to earn a good margin on the products that he was selling and could not offer his customers a competitive price. To his dismay, importers of similar products from China were slowly eating away his market share. He had only one way of resolving the impending business crisis: expansion by importing directly from China.

The big question: How would he fund his expansion?

The simple answer: IDLC!

With the first round of financing of around Taka 2.5 mn from IDLC, Rostum expanded his inventory base to a significant level and started offering newer products to his clients. He began importing directly from Chinese manufacturers and with business gaining momentum, he made good profit margins. Within a year, with the help of another round of financing amounting to Taka 5 mn from IDLC, he opened a third outlet, Unique Trading.

His businesses today generate a cumulative annual sales of Taka 80 mn. This exponential growth from a humble turnover of Taka 4.3 mn was made possible due to the financing support of IDLC. With about 25 percent of his inventory being imported, IDLC's financing enables him to avoid inventory piling at ports and therefore minimises the additional cost burden.

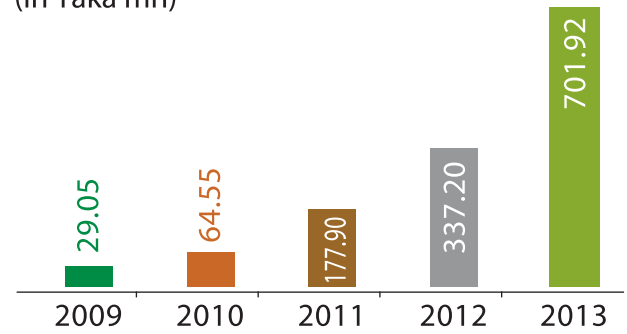
Rostum is now a happy and successful businessman with 22 people working under him. A proud owner of three trading outlets, he is the perfect epitome of IDLC's 'financing happiness' philosophy!

ACCESS-TO-FINANCE FOR WOMEN ENTREPRENEURS

Since introducing the 'Women Entrepreneur Loan' facility in 2008, the number of such customers has reached a significant 587 with total disbursements amounting to Taka 701.92 mn in 2013, representing a solid 108 percent disbursement growth as compared with the last year.

IDLC also subscribes to the refinancing schemes offered by the Bangladesh Bank for women entrepreneurs. As such, we have been able to finance women entrepreneurs at low interest rates. Till date, total refinancing availed under WEL facility amounted to Taka 84.14 mn since 2009, representing 6.42 percent of the total disbursement amount under this facility over the corresponding period.

Women Entrepreneur Loan (in Taka mn)



INFRASTRUCTURE PROJECTS

Bangladesh's socio-economic environment is one of the key factors that drives business in the country. Despite being one of the members of the LDC Group, remarkably, the country's GDP growth remains consistent even in the face of an unstable political environment, corruption and Corporate Governance issues, among others. However, being an emerging economy, Bangladesh is continuing on its growth trajectory and hence, industrial and large project financing has become one of the key drivers of this national transition.

With growing urbanisation in recent decades, demand for large infrastructure projects – transport, communications, water and energy, among others – is increasing rapidly. Large-scale financing is required for such projects, creating opportunities for IDLC both in terms of fund-raising and direct financing, thus enabling us to actively participate in the country's economic growth and business development. Public-Private Partnership (PPP) projects also play a vital role in driving demand for syndicated finance for large infrastructure projects.

As a Participating Financial Institution (PFI) offering specialised facilities (like IPFF), paired with our strong rapport with foreign currency lenders such as the World Bank Group, Asian Development Bank (ADB), DEG, FMO and KfW, among others, we are in a unique position to structure diversified and specialised financing modules suitable to such large-scale projects.

Over the years, our prime focus for such projects has been in the spaces of energy, construction, hospitality and public utility, among others.

In 2013, IDLC raised a cumulative Taka 15.28 bn for the hospitality and construction sectors comprising such projects as:

- Establishment of a five-star hotel under the reputed Le Meridien brand by Best Holdings Limited, a concern of the Metro Group, and under management contract of Starwood Hotels and Resorts Worldwide Inc.;
- Establishment of a billet casting plant by BSRM Steel Mills Limited, the largest and most respected industrial conglomerate in the country's steel sector;
- Establishment of an automated brick project under Tradexcel Auto Bricks Limited by Aftab Group Limited, one of the largest local conglomerates of Bangladesh;

Moreover, IDLC's Investment Banking team acted as the Issue Manager for the IPOs of Paramount Textile Limited and Matin Spinning Mills Limited from the RMG sector, amounting to Taka 840 mn and Taka 1,261 mn, respectively. It also conducted road shows for the IPO of Energypac Power Generation Limited under the book-building method and completed private placement of equity, amounting to Taka 1,205 mn and Taka 60 mn respectively for Energypac Power Generation Limited and Tosrifa Industries Limited, representing the power generation and RMG sectors of Bangladesh.

In addition, IDLC also provided corporate advisory services to Runner Automobiles Limited for raising Taka 1,050 mn through FDI (Foreign Direct Investment).



GREEN FINANCE

As a responsible corporate, it is critical for us to remain engaged with projects that are environment-friendly and non-polluting, and that support sustainable livelihood opportunities. Within our various business segments, we actively scout for financing opportunities for such 'green' projects that enable us to enhance our pride of association as well as strengthen the prestige of our brand.

As a Company that prides in being environmentally and socially responsible, IDLC's major focus areas in this respect include, among others, improving energy-efficiency in brick manufacturing; installation of ETSPs and waste/ water recycling plants; and promoting alternative and renewable energy projects, including solar home systems and biogas plants. Moreover, we are also focusing on actively increasing awareness among our client groups regarding such green projects and the various environmental and social concerns related to their business.

Some of IDLC's major projects in this regard have been detailed below.

ENERGY-EFFICIENCY IN BRICK MANUFACTURING

Traditional brick projects are the largest contributors of Greenhouse Gases (GHG) in the country, accounting for 38 percent of total air pollution or around 9.81 mn tonnes of CO₂ emission per annum. The Government of Bangladesh, DOs and other multilateral agencies strongly endorse restructuring Bangladesh's brick sector through the promotion of newer and more energy-efficient brick kiln (EEKs) technologies.

IDLC is increasingly focusing on promoting green and energy-efficient technologies in brick manufacturing, among other sectors. The Company has embraced an integrated approach of creating awareness among brick kiln owners regarding the benefits of adopting energy-efficient technologies and, as a step further, arranging the necessary funds for this purpose for eligible projects. Thanks to several initiatives of the Bangladesh Bank and JICA, we are also in a position to offer low-cost financing to traditional brick kilns wanting to convert to energy-efficient technologies.

WORKSHOP WITH BRICK-FIELD OWNERS

IDLC participated in a workshop titled 'Increasing capacity and awareness of brick-field owners on environment-friendly and energy-efficient brick manufacturing', on 15 June 2013, at Mirzapur, Tangail. Besides sharing the latest and best technologies to increase efficiency and environmental benefits for the brick fields, IDLC also elaborated on its various financing activities and highlighted its role in extending support towards

projects adopting green technologies. The workshop was arranged by the CASE (Clean Air and Sustainable Environment) project of the World Bank, under implementation of the Department of Environment (DOE). Clean Energy Alternatives Inc., Xian Research and Design Institute, and Bangladesh Brick Manufacturing Owners Association were also among the organisers. Over 60 brick field owners attended the workshop.



To rope in technical expertise for such projects, IDLC has also signed a MoU with Clean Energy Alternatives Inc. (CEA) in March 2013. CEA is a US-based organisation offering consultancy services for the adoption of clean and new environment-friendly technologies in different sectors, with particular focus on brick manufacturing.

FINANCING ENERGY-EFFICIENCY IN BRICK MANUFACTURING

IDLC arranged a syndicated loan facility of Taka 291.67 mn for Tradexcel Auto Bricks Limited, an Aftab Group concern, to set-up an energy-efficient automatic tunnel kiln brick project in Gazipur. The project has the capacity to manufacture 30 mn pieces of bricks per annum. In addition to raising funds from a number of banks and FIs, IDLC's own participation amount was Taka 100 mn.



The tunnel kiln technology is one of the most efficient technologies available in the sector, ensuring low carbon emissions and thus qualifying the project for carbon credits. IDLC is also exploring the possibility of registering this project under the CDM (Clean Development Mechanism).

IDLC also extended finance of Taka 15.21 mn to a modern and environment-friendly brick manufacturing concern in Natore. The factory has a production capacity of around 60,000 bricks per day and the project cost is around Taka 130 mn. The client has also signed an Emission Reduction Transfer Agreement with IIDFC (a Financial Institution in Bangladesh) for selling carbon credits via the UNDP.

PANIGRAM RESORT LIMITED

IDLC is arranging a syndicated term loan and working capital facility of Taka 450 mn for Panigram Resort Limited (PRL), an environment-friendly and socially-responsible boutique eco-resort and spa, the first of its kind in Bangladesh. Located over 40 bighas (13 acres) at Hakimpur village in Jessore district, Panigram offers state-of-the-art facilities showcasing the bounteous nature and the rich cultural heritage of Bangladesh.



In addition to enjoying the serene countryside, other major attractions will be bicycle rides, guided tours across local archaeological sites and the Sundarbans (the largest mangrove forest in the world), indoor and outdoor sports, swimming, fishing, farming, cooking, pottery classes, and yoga and meditation, among others.

The project is sponsored by renowned corporate houses of Bangladesh including, among others, the A.K. Khan Group, Bay Development Limited and Alliance Group. The hotel will be operated for the first two years by La Paz Group, a globally renowned hospitality advisor for developing and managing similar resorts worldwide. Besides arranging the syndicated loan facility, IDLC is also one of the project financiers.

SOLAR HOME SYSTEMS

IDLC joined hands with IDCOL, a market leader in the private sector energy and infrastructure financing space in Bangladesh, with the objective of increasing access to finance for businesses that offer alternative energy solutions, specifically solar projects. An MoU was signed between the two parties in this regard on 24 July 2013.



Under this arrangement, IDLC will receive advisory services from IDCOL to design and launch specialised financial products for equipment suppliers to participating organisations (POs) under IDCOL's SHS (Solar Home System) programme, thus capitalising on its expertise of being positioned as one of the pioneers in the Supplier Finance Services in Bangladesh.

IDCOL's SHS programme is one of the largest and most successful renewable energy programmes in the world. In Bangladesh, IDCOL has covered 6 percent of the country's entire population with SHS and expects to finance 4 mn such systems by 2015.



GREEN FINANCE DESK

To actively pursue green and environment-friendly projects, IDLC has recently formed a dedicated Green Finance Desk. The Green Finance Desk will be responsible for identifying prospective sectors to take forward the Company's green finance agenda, maintain liaison with the Bangladesh Bank and other DOs and multilateral agencies to channel low-cost funds to clients for implementing such green projects, ensure compliance with all applicable environmental rules and regulations for existing as well as new projects, and coordinate with all departments to ensure timely implementation of the activities detailed in IDLC's Green Banking Policy, as per requirements of the Bangladesh Bank.

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

Prior to engaging in large-scale infrastructure and manufacturing projects, IDLC's Structured Finance Department, with the help of external consultants, conducts a comprehensive Environmental and Social Impact Assessment (ESIA). The ESIA focuses on identifying possible adverse impacts on the environment and surrounding communities resulting from project activities and formulates feasible mitigation measures that are part of the project cost.

ESIAs are generally required for investments involving greenfield projects or significant expansion or modification programmes of an existing facility, before the authorisation of the proposed development. It may also require consultation with those groups that are expected to be affected by the project and prescribe procedures for notifications, public disclosure of the draft ESIA and public review and comments.

RIO PRINCIPLES

This is in line with Article 15 of the Rio Principles that states that in order to protect the environment, the 'Precautionary Approach' has to be widely applied, comprising a full-fledged scientific research or such measures should be employed which may describe the harmful effects on the public or the environment. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation and in case of any damage, the concerned group will be held liable.

SUPPORTING HOME OWNERSHIP

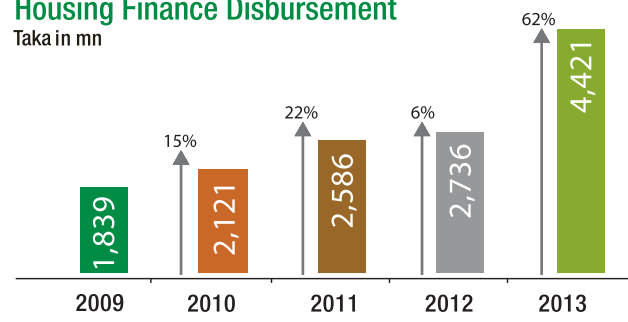
Home Ownership is an important indicator of a stable and prosperous community. At IDLC, we offer borrowers (including NRBs) a diverse range of facilities, enabling them to realise their dreams of owning a home. IDLC is among the market leaders in the country's home loan sector with its January 2014 disbursements surpassing that of all major market players.

In 2013, total Home Loan disbursements amounted to Taka 4,421 mn, registering a growth of 61.61 percent over the same period last year, and contributing 87.70 percent to the total 2013 disbursement of the Consumer Division. Also, the home loan asset size reached Taka 11,308 mn in 2013, registering a growth of 35 percent over the same period last year.

With this, in 2013 alone, IDLC enabled over 1,500 families own their life's most important asset – a home.

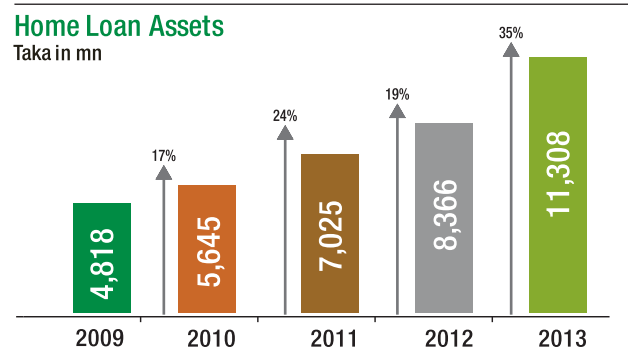
Housing Finance Disbursement

Taka in mn



Home Loan Assets

Taka in mn



Performance Highlights of 2013

- Participation in the four-day REHAB Summer Fair, 2013, which provided an ideal platform for IDLC to showcase its wide range of products, especially home loan facilities, to target customers. This event also helped reinforce the Company's robust presence in the home loan market of Bangladesh.
- Product and service communication sessions with real estate developers, including Quantum Properties, Rupali Garden Grihayan Limited, Sarker Builders and Developers Limited, and Assure Builders Limited.

- Distribution of 'Registraloan' e-brochures among 908 developers across Bangladesh. Registraloan is the first-of-a-kind loan product in Bangladesh that facilitates apartment buyers in meeting property registration costs.
- Sessions arranged on home loan services for the top management and officials of the BTI and Building

for Future Limited, leading real estate companies of Bangladesh.

- Training sessions for staff under the banner of 'Bangladesh Bank Guidelines and our requirements for Real Estate Finance'.

CUSTOMER SERVICE AND CLIENT ENGAGEMENT

IDLC's Structured Finance Department arranged a seminar titled 'Syndication Financing in Bangladesh – Past, Present & Beyond' in February 2014, in participation of key stakeholders related to Syndication Financing, including banks and FIs acting as lead arrangers and Participating Financial Institutions, as well as sponsors and regulators.



The seminar aimed to bring the relevant stakeholders in a single forum to discuss various prospects, challenges and opportunities related to loan syndication in Bangladesh, and agree on individual and joint action plans to improve delivery of the syndication deals. In addition to a presentation by IDLC, a roundtable discussion was also conducted with the participants.

In keeping with its pledge to offer innovative financial services to its customers, IDLC recently introduced an 'SME Welcome Pack' for its new SME customers.



Mr. Sukamal Sinha Chowdhury, former General Manager, SME and Special Programmes Department of the Bangladesh Bank, attended the launching ceremony along with other senior officials of the Bangladesh Bank and IDLC.

Introduction of the SME loan application forms aimed at making SME loan applications simple and more customer-friendly.

Launching of 'Customer Relationship Management' guidelines for the Consumer Division and subsequent training to relevant members.

Placement of complaint/ suggestion boxes across all branches for customers to share their feedback and suggestions to improve IDLC's service delivery standards, and to lodge complaints, if faced with any dissatisfaction.

Seminar on cancer and spinal diseases with Parkway Pantai (Mount Elizabeth Hospital, Singapore), arranged by the Consumer Division for the platinum clients of IDLC and their spouses. Renowned senior consultants of oncology, neurology and urology from Parkway and Mount Elizabeth Hospital, Singapore, attended the session and shared important information with those present.

Distribution of seasonal fruits to high net-worth clients of the Consumer Division.

Film shows for valued clients of the Consumer Division.

SMS greetings on Bengali New Year sent to all Consumer division customers.

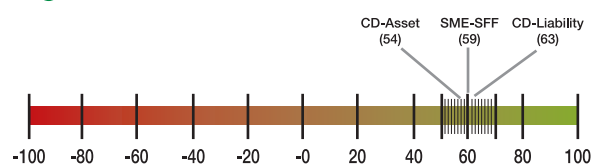
NPS SURVEY

In 2013, IDLC's SME and Consumer Divisions carried out the 'Net Promoter Score (NPS) Survey' among 4,550 of its clients. NPS, developed by Fred Reichheld, Bain & Company and Satmetrix, is a tool to measure 'Customer Loyalty', and is globally recognized to measure the Company's share of 'Promoters' over its 'Detractors'.

Against a global industry average of +24 for financial services, IDLC's SME-SEF has scored an NPS of +59, while the Liability and Asset segments of the Consumer Division have earned NPSs of +61 and +56 respectively.

IDLC will leverage on this significant achievement and will

Range of Net Promoter Score



continue to use NPS as a measure of customer experience and satisfaction over its products and services. The confidence thus gained will help IDLC achieve its vision to 'be the best financial brand in the country'.



FINANCIAL INCLUSION

For IDLC, 'Financial Inclusion' refers to our contribution, both through our business activities and CSR initiatives, to improve the ability of an individual, household or group to access appropriate financial services or products at affordable costs.

Our Financial Inclusion programmes focus on the following areas:

Access, whereby we facilitate access of our target groups to affordable and appropriate financial products and services. Our network of 26 branches and 2 booths in all major locations across the country serves this very purpose. Moreover, in 2014, we have plans to open 4 more branches in different regions outside Dhaka.

Affordability, whereby we ensure availability of financial products and services at affordable costs that are in line with our target groups' ability to pay back. Refinancing facilities availed from the Bangladesh Bank for our SME clients, especially women entrepreneurs, as well as low-cost funds availed from different multilateral organisations, are examples of our commitment in this regard.

Appropriateness, whereby we customize our products and service offerings to meet unique needs of our diverse client groups. We have come a long way from

'lease financing' with which we started operations 29 years back, and we now have a diversified basket of products and services across all the business segments – Corporate, SME, Consumer and Capital Markets. Moreover, maintaining customer privacy remains our top priority.

Consumer Financial Inclusion, whereby we share with them product information and help them understand which products and services are best suited to their needs. IDLC's Business Units regularly conduct sessions, as well as participate in various events throughout the year, to create awareness among both existing and potential client groups regarding products and service offerings appropriate for them. Moreover, from the CSR Department, training sessions are conducted across underprivileged youth groups on both financial and non-financial issues to help them in their future job fields.

Innovation and Diversification, whereby we are actively investing time and resources to not only come up with innovative and diversified product solutions, but also to improve efficiency and provide the best possible services to our clients at all times.

Quality, whereby we focus on all the above issues, as well as service delivery capacity of each and every member of IDLC to ensure the best customer experience at all times.

CHAPTER 8

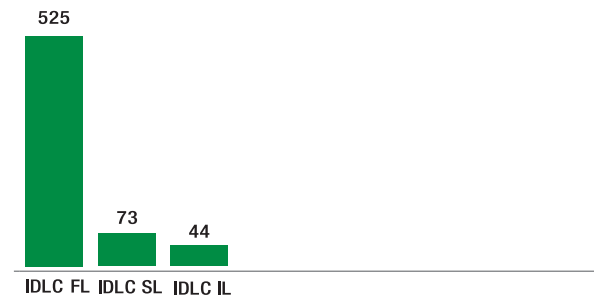
EMPLOYEE WELFARE



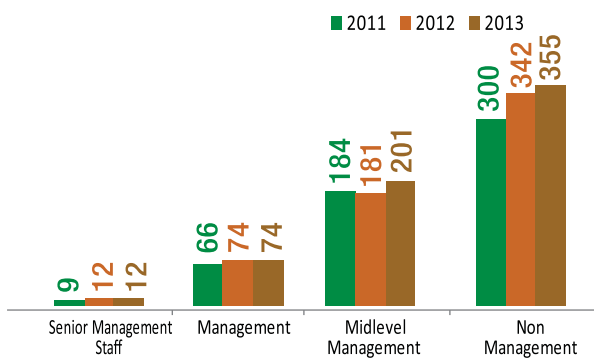
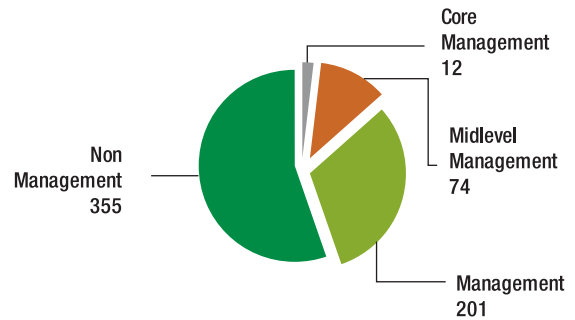
MAJOR INDICATORS OF HR MANAGEMENT

Staff Strength

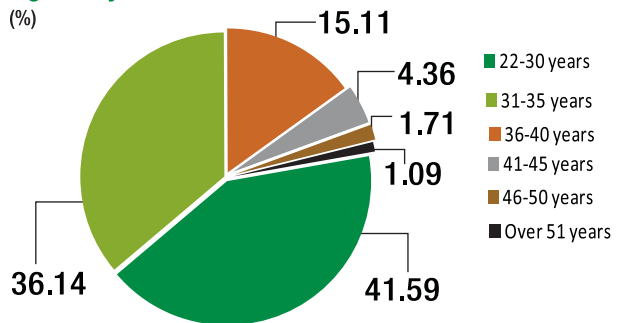
Staff Strengths as of 31 December 2013



Employment Category

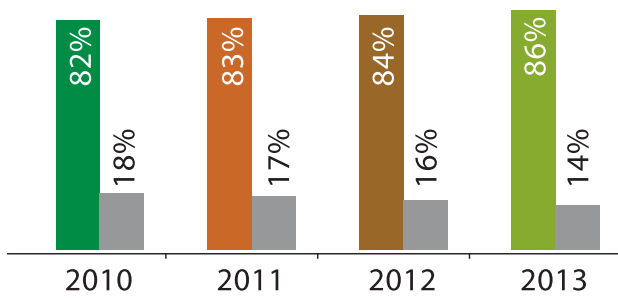


Age analysis (%)

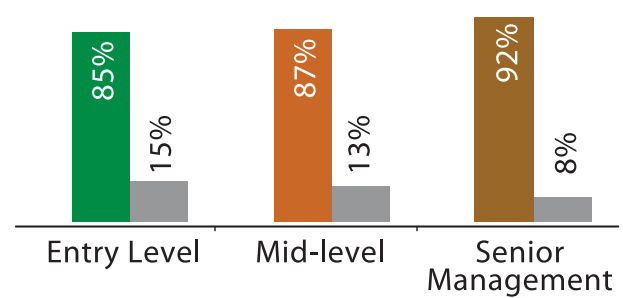


Female Participation in Workforce

Female Participation in Workforce

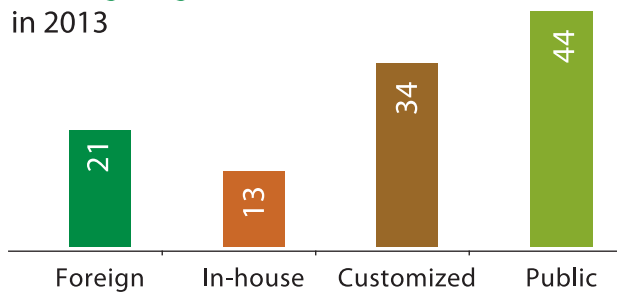


Female Participation across Management Positions

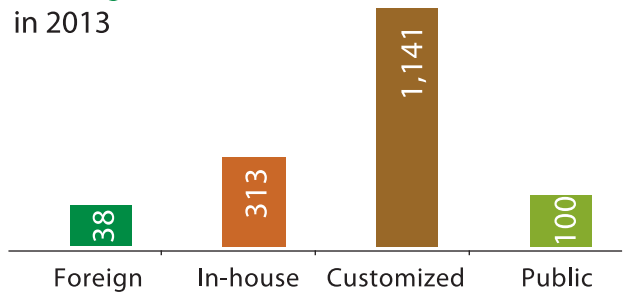


Development and Productivity

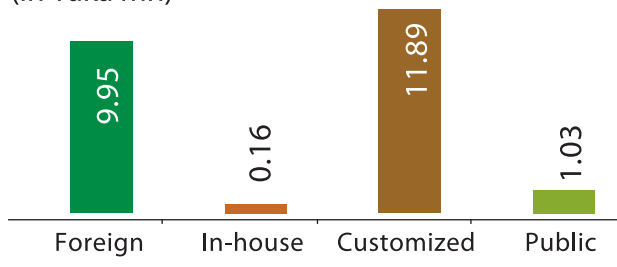
Training Programs in 2013



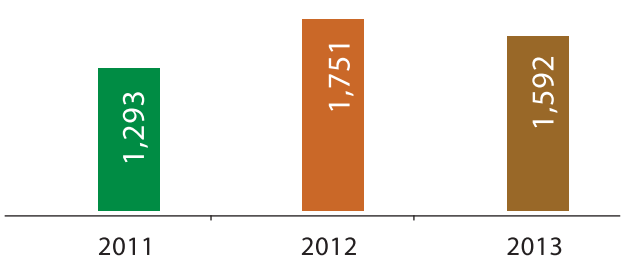
Training Attendees in 2013



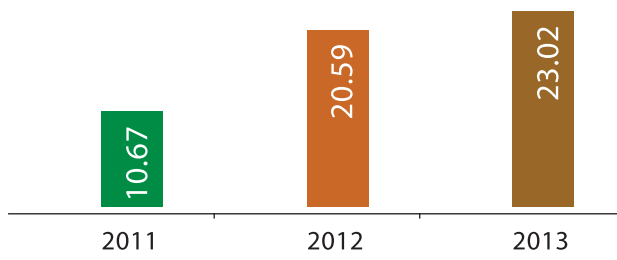
Training Investment in 2013 (in Taka mn)



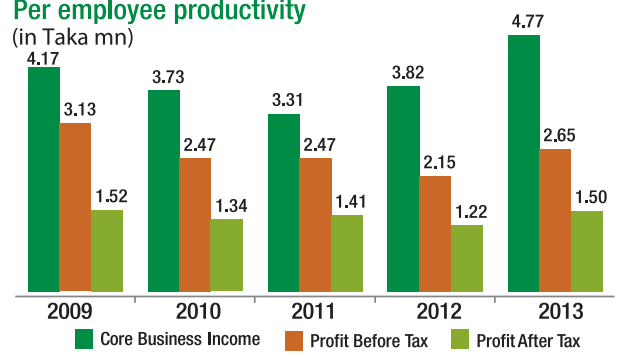
Growth in Training Participants



Investment in Training (in Taka mn)

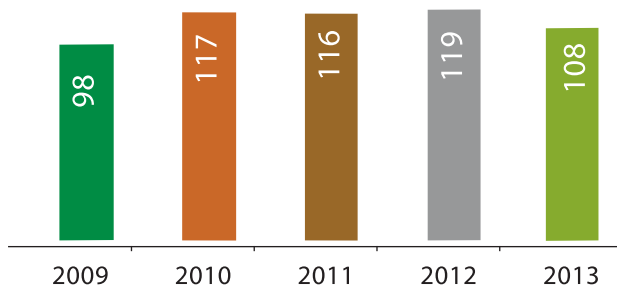


Per employee productivity (in Taka mn)



Recruitment Status

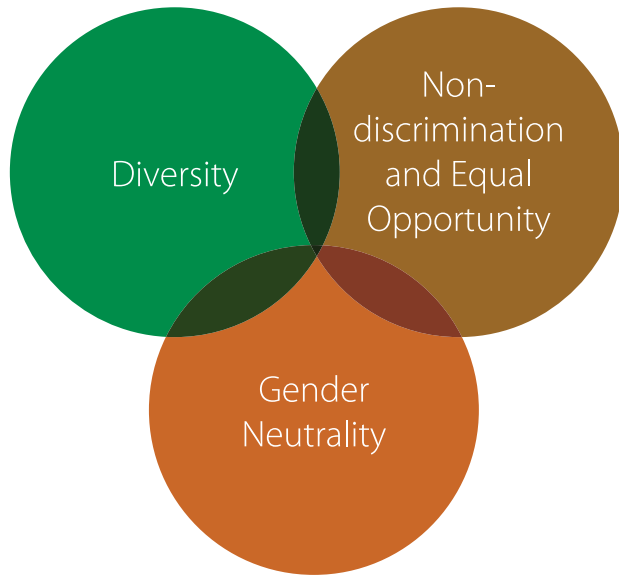
Recruitment Status





CORE PHILOSOPHIES OF HR MANAGEMENT

The core philosophies of IDLC's HR management policies and practices rest on three broad aspects:



DIVERSITY

The management of diversity is a core element of IDLC's long-term strategy. Not only is this exercised in terms of age, gender, religion and ethnicity, it is also propagated via the inclusion of different educational and professional backgrounds to add new dimensions and perspectives in our culture and practices. This directly adds to our marketplace competitiveness. We also believe that managing a diverse workforce is the key to respond to the varying needs of our diversified customer base.

Owing to the geographic limitation of our operations, our diversity management policies are focused on the people of Bangladesh only. However, we continue to prioritise recruitment from our respective places of operations, thus promoting cultural diversity and inclusion across the organisation while providing equal access to job opportunities to individuals from multiple backgrounds and geographic regions.

NON-DISCRIMINATION AND EQUAL OPPORTUNITY

The concept of non-discrimination and equal opportunity or meritocracy refers to the act of awarding important jobs and/ or roles to those 'most qualified' for the task without any prejudice in terms of age, gender, race, religion and ethnicity or any other physical or characteristic attributes. With this view in mind, we prioritise selection and recruitment of the best-suited candidates for different roles across the organisation.

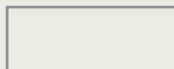
Non-discrimination at all levels of human resource management has been integrated in IDLC's core values and is a part of the employee Code of Conduct. We consider meritocracy and performance as the most important criteria during recruitment and evaluation.

In addition to avoiding individual characteristics which may trigger potential discrimination, IDLC is also opposed to any tradition, policy, idea or practice that may lead to any form of discrimination, whether actual or perceived.

GENDER NEUTRALITY

To live up to our commitment of non-discrimination and equal opportunity, IDLC's major focus continues to be centered around gender neutrality. Towards this end, we strive to achieve a better balance between male and female staff across our organisation, particularly at the managerial and decision-making levels, with a strong commitment of the Board and the Management Committee in this regard. We are particularly keen on developing female colleagues within the organisation for better gender balance, rather than external hiring. We also strive to continue to eradicate unconscious and unintentional biases that may be directed at female employees.

However, we do not resort to any preferential system such as the 'Quota' system or the 'Affirmative Action' policy to increase female participation across the workforce. Ensuring staff quality remains our top priority and female participation is encouraged without compromising on this core aspect or without engaging in any practice that may be perceived as 'Reverse Discrimination' in itself.



IDLC | Empowering Women

We strongly believe that women represent a 'value-added multiplier' of the society. Empowering women is equivalent to empowering a family, which in turn is equivalent to empowering a community and a nation. As a step towards women empowerment, we have created a unique 'Women Entrepreneur Loan' facility to encourage and support women in business; and funds disbursed under this segment reached Taka 701.92 mn in 2013, registering a growth of 108 percent over the same period last year.

EMPOWERING WOMEN

Fahima Akhter's story is the story of guts, will and determination.

Fahima is the owner of Hridoy Enterprise, a plastic toy manufacturing company. Established in 2006 as a small-scale enterprise with a capital of Taka 0.5 mn, in a small corner of her house, a hand-machine and a handful of labourers were her only associates.

With sheer grit, she ensured that her toys found a way into the market. But to be a step ahead of competition, she realised that she had to manufacture better quality products at reasonable prices. In 2010, Fahima came to know about IDLC's SME loans and applied for a lease finance of Taka 0.6 mn to establish an injection moulding machine. The loan was approved immediately and with the incorporation of the equipment, her annual sales almost doubled.

Seeing an increase in demand for her toys, Fahima then applied for another lease finance loan in 2012, which amounted to Taka 1.2 mn, to purchase another injection moulding machine. This augmented her annual sales by 60 percent.

To maximise production and capacity utilisation, she thereafter took a loan of Taka 1.5 mn as working capital, at the end of 2013. Today, with 12 labourers working in her factory, her company's yearly sale is in excess of Taka 25 mn!

IDLC's relationship with Hridoy Enterprise extends over four years. The capital injected in 2006 has today crossed over Taka 10 mn. IDLC is proud to be associated with Fahima and looks forward to strengthen its ties further with her as also with many other women entrepreneurs it supports.

"IDLC has grown exponentially over the years. To sustain this momentum, the Company is putting ever-increasing focus on the expansion of its core business functions. And this can only be gained with strong teams across all segments of Corporate, SME, Consumer and Capital Market operations.

As such, for the past few years, IDLC has resorted to recruitment of only frontline staff, compared to the support units, and further improve the current tooth-to-tail ratio of 2.7:1 (for every 3 (approx.) business persons, there is 1 in the support unit).

However, during recruitment, most female candidates opt for a position in the support unit, as they do not want to cope with the immense pressures of business target achievements and regular visits outside the office. As a result, although the Board and Management of IDLC have the intention of growing our female pool, it is facing a gradual decline without any conscious bias imposed by IDLC.

At the same time, it is to be noted that our primary focus is always on the quality of our human resources, regardless of their gender, and we do not resort to any quota system to increase female participation at the expense of the quality of our HR pool."

Bilquis Jahan

Head of Human Resources
IDLC Finance Limited

HR AND COMPENSATION COMMITTEE

IDLC's HR and Compensation Committee is a forum for discussing various HR-related issues. The committee's principal role and function is to assist the HR Department in developing and administering a fair and transparent procedure for setting a policy on the overall human resource strategy of the Company.

The responsibility of the Committee is to ensure equal opportunity and transparency in terms of:

- Suitable recruitments
- Compensation on the basis of merit, qualification and competence
- Adequate training and development facilities
- Performance appraisal and promotion based on individual performance and contribution

In 2013, IDLC Group paid Taka 593 mn as salaries and allowances to its staff.

WORK ENVIRONMENT

At IDLC, we strive to promote a workplace environment where diversity is embraced, where employee evaluation is based on merit and performance, and where colleagues treat each other with respect and dignity. We

offer challenging prospects to young and competent professionals, seek to make career development opportunities widely available, and encourage employees to attain both professional and personal goals. Simply put, we strive to continue being a company that attracts the best people who want to work with us.

HIRING PRACTICES

Our diversity commitment includes multiple aspects such as gender, age, religion, ethnicity, background and cultural orientation, and physical characteristics including disability. IDLC does not believe in quota systems or special preferences to fulfill its ambition of having a diverse workforce and increasing female participation, since quality of our human resources remains at the core of our business. Moreover, we prefer local hiring to fill in important positions across the Company's different branches; however, such recruitment is subject to proper assessment of the candidate following standard hiring procedures.

We do not fulfill our commitment to a diverse workforce by simply increasing the head-count; rather we work closely with our external head hunting agencies, helping them understand our diversity priorities and ensuring access to the widest possible pool of talent. Rather than just expanding minority representation in our workforce, we strive to foster an organisational culture with shared values and beliefs.



CAPACITY DEVELOPMENT

TRAINING PROGRAMMES

IDLC actively invests in the growth and development of its most important asset – its employees. We organise training programmes and workshops throughout the year, suiting specific needs of our employees for both their personal and professional development. In 2013, we invested Taka 23.02 mn in organising different training programmes and workshops, participated by 1,592 employees.

The training sessions focused on a wide variety of topics, including general training on basic banking operations, professional salesmanship, business etiquette and professional excellence, Flexcube product development, product application processes, credit risk management and customer relationship management, among others, as well as advanced and specialised training that address critical efficiency and performance-related issues.

IDLC also conducted a session with all its pool-car drivers on basic road safety issues in 2013.





JOB ROTATION

IDLC strongly encourages job rotation among its employees across the organisation, especially those in the managerial category. This thought process has been formalised across the Group, and all Management Trainees are subject to a rotation period of at least six months.

INTERNSHIP PROGRAMMES

IDLC offers extensive internship programmes to fresh graduates from the country's leading public and private universities. Interns undergo a three-month training programme with different business and support units and are eligible to apply for a permanent position in the Company at the end of the period and subject to available vacancies.

Such programmes provide them the opportunity to familiarise themselves with the corporate culture and work environment while developing competitive skills for future careers.

SUCCESSION PLANNING

IDLC has a strong succession planning structure to ensure leadership continuity, as well as to avoid extended vacancies in key decision-making and operational roles due to resignations, new career opportunities and/or demise. Suitable candidates are identified for key positions through careful selection and appraisal methods and are progressively groomed, helping them perform their responsibilities in line with the organisation's mission, goals and strategies.

STAFF MANAGEMENT

PERFORMANCE EVALUATION

An effective performance management process with non-discrimination and equal opportunity is critical to our long-term success.

In addition to end results involving target achievement/completion of job objectives, the entire process of achieving targets is also equally important for us to evaluate staff on the basis of competency, and moral and ethical standards. Comprehensive feedback is provided to each employee regarding their expectations on pay and promotion while also highlighting each individual's strengths and areas on which they need to work.

Starting from 2013, IDLC has switched to job objective-based performance appraisal system for all employees in managerial positions and gradually, the same appraisal method will become applicable across the entire organisation. Moreover, towards ensuring stronger transparency and efficiency, the Company is in the process of automating the entire appraisal system, requiring supervisors to complete the process online. This will help in proper record maintenance and MIS generation, as and when required.



GRIEVANCE MANAGEMENT AND COUNSELING

IDLC focuses on prompt and impartial resolution of employee grievances, resulting from any discrimination and/ or deprivation. The Company always makes it a point to reassure employees that they will be treated fairly at all times and if faced with an unwanted situation not corresponding to the core values of the organisation, employees are always at liberty to inform the management, as mandated in the relevant policies. Employees are assured that their complaints are addressed without delay and judiciously by ManCom members.

Our whistle-blower policy is one such notable attempt by IDLC to handle employee grievances more effectively. Moreover, proper counseling is also offered to employees in the event of such grievances.

HEALTH AND SAFETY

WORKPLACE SAFETY

The nature of our activities exposes our employees to the minimum occupational health and safety risks. However, we maintain a safe, healthy and hygienic work environment at all branches of the IDLC Group. Sufficient lighting and other utilities, air-conditioning and separate toilet facilities are ensured. All our branches are adequately equipped with fire-fighting equipments, and fire drills and fire safety training are held at regular intervals to prepare employees in the event of any fire hazard. Moreover, we also provide medical check-up facilities every two weeks at our major branches.

MATERNITY BENEFITS

IDLC's female staff is entitled to maternity benefits and paid leave facilities, which has been extended to six months from four months earlier. Moreover, the Company is exploring the possibility of offering daycare centre facilities to employees with newborn babies and/ or pre-school aged children. Till date, the retention rate following maternity leave has been 100 percent across the Company.

EMPLOYEE HEALTH MANAGEMENT

IDLC provides comprehensive life and hospitalisation insurance coverage to its employees. Moreover, health awareness sessions are also organised with third-party service providers on a regular basis.

IDLC conducts vaccination programmes against Hepatitis B and Cervical Cancer for its employees and their family members. Regular awareness sessions are also arranged for our staff members.

FLEXIBILITY

WORK-LIFE BALANCE

IDLC is keen to help its employees strike the balance between their personal and professional lives. Although working from home is not a suitable option considering the nature of our operations that involves dealing with sensitive customer information on a regular basis, IDLC employees enjoy favourable and reasonable working hours so that they can ensure a balance between their professional and personal life and interests. The IDLC management hosts a flexible approach towards the overall working hours and leave facilities availed by our staff.

PLACEMENT

While placing its staff across departments, IDLC not only considers their preferred roles, but also their preferred location of operation across different branches. IDLC is also flexible in terms of inter-department and/ or inter-branch transfer of its staff, as per their needs and suiting the requirements of the position.

EMPLOYEE BENEFITS

At IDLC, major facilities covered by our benefit schemes include performance bonus, insurance coverage, welfare fund and loan facilities (such as housing loan, transport loan and personal loan). Company contributions include transport maintenance support scheme, furniture and household equipment allowance, education support scheme and annual recognition scheme.

To encourage greater participation by all female employees, we provide such facilities as flexible working hours, maternity benefits and transportation facilities to home after late working hours, among others.

STAFF ENGAGEMENT

LIFE AT IDLC

IDLC is focused on its employees as well as on the business and overall social environment. Throughout the year, we arrange different events including employee birthday celebrations, family days, picnics, celebrations on the birth of a child, iftar party, barbeque party and sports events that help create strong bonding among employees.

We also arrange team building sessions and off-sites that enhance employee commitment and sense of belongingness towards the Company. Additionally, IDLC also fulfills its Corporate Social Responsibility for community and societal uplift by engaging its staff.

EMPLOYEE EVENTS IN 2013

The 'Sales Night' for the Consumer Division was arranged in 2013 for the second time, which saw participation of IDLC's management committee members, Consumer team and other stakeholders, along with their spouses. Marked with various performances by our staff, this event was a good opportunity to strengthen bonds with both our internal and external stakeholders.



IDLC conducted a number of sales campaigns throughout 2013, including 'Fortune Earner Campaign', 'CD Champs' and 'Mission: Invincible'. The best performers were rewarded through formal events.



In addition to rewarding the best performers, IDLC also launched a new sales campaign in February 2014.

VTS WITH GRAMEENPHONE LIMITED

IDLC has partnered with Grameenphone Limited, the largest telecom operator in Bangladesh, to offer Vehicle Tracking Services (VTS), a value-added service to all customers and employees of the IDLC Group at a special price. Subsequent training was also provided to IDLC employees on the use of the VTS service.



An SME sales conference was arranged in September 2013 to recognise and reward outstanding individuals and the collective performance of the IDLC SME team. This was an ideal platform to share achievements of the top performers and the success mantra of various teams.



ORIENTATION

All new recruits at IDLC undergo a thorough orientation session to comprehensively understand our core business and support functions. Usually, this session is conducted after two to three months of their working with IDLC and this helps them relate closely with our functions, strategies and objectives.

MOTIVATION

To ensure continued performance and high morale among our employees, IDLC uses rewards and activities such as spot awards, team-building programmes, and corporate and family events such as picnic, family day and corporate night, among others.

COMMUNICATION

Our employee engagement mechanism includes internal communication and employee volunteering initiatives. Emails are circulated on a regular basis, updating employees of IDLC's recent initiatives/ achievements, Bangladesh Bank regulations, and changing money markets, among others. A soft copy of the MBR (Monthly Business Review), IDLC's monthly publication, is also circulated among all employees.

VOLUNTEERING

As part of employee volunteering initiatives, IDLC employees are involved in the arrangement of various events across the Group as well as engaging with different CSR activities through idea sharing and/ or active participation.

CHAPTER 9

ACCOUNTABILITY THROUGH STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT

IDLC has faced several challenges in designing and implementing practical and need-based CSR initiatives. Some of these include:

- Lack of awareness among majority of the people regarding the true essence of CSR;
- Limited CSR budget, acting as a constraint in undertaking large-scale projects;
- Limited expertise and networking in various field-level activities;

Towards actively addressing these issues, IDLC engaged with the following stakeholder groups in 2013:

Stakeholder Groups	Rationale for Selection
Regulators	<ul style="list-style-type: none"> ▪ Receive guidance on CSR strategies and project ideas ▪ Share innovative projects with other banks and FIs ▪ Gain mileage among other banks and FIs
Core Management	<ul style="list-style-type: none"> ▪ Integrate CSR and Sustainability issues in policies and strategies across all functions and departments ▪ Trickle the impact and commitment down the ladder, across the execution team
Employees	<ul style="list-style-type: none"> ▪ Create staff awareness on CSR issues ('walk the talk') ▪ Generate new and diverse ideas ▪ Leverage staff expertise in community-based projects and knowledge-sharing ▪ Create greater motivation among the workforce
Clients	<ul style="list-style-type: none"> ▪ Overcome budget constraints by adopting a cost-sharing approach for projects jointly undertaken with clients ▪ Benefit from client's specialised knowledge and expertise ▪ Gain better mileage, trust and respect among client groups
DOs/ NGOs	<ul style="list-style-type: none"> ▪ Leverage on the expertise of the DOs/ NGOs ▪ Implement tried-and-tested and successful project models, instead of formulating new ones
Community	<ul style="list-style-type: none"> ▪ Tap the potential of the underprivileged sections of the community ▪ Actively engage in women empowerment ▪ Contribute to the economic and social freedom of the underprivileged

APPROACHES FOR ENGAGEMENT: 2013 AND BEYOND

REGULATORS

IDLC is accountable to the Green Banking and CSR Department (GB&CSR) of the Bangladesh Bank for its activities under Green Banking and CSR. IDLC maintains a good rapport with its officials. Their guidance and advice plays a significant role in shaping our green banking and CSR strategies and activities.

Going forward, IDLC will continue to enhance engagement levels with Bangladesh Bank officials and invite them in major CSR programmes and events for them to share their valuable feedback.

CORE MANAGEMENT

The CSR Department provides monthly updates to the Management Committee on the implementation status of existing CSR projects, outcome and challenges encountered, status of budget utilisation, and future

plans. This allows sharing of management perceptions and suggestions, devising measures to overcome constraints and challenges, and approving necessary funds for undertaking various CSR initiatives. Moreover, this provides the scope to actively integrate CSR and Sustainability considerations in formulating department-specific strategies and activities, thus rolling out CSR across the whole organisation.

In 2014, a major management decision has been the rollout of Green Banking and ESMS across IDLC, which will enhance greater environmental and social compliance across IDLC's core operations.

EMPLOYEES

Employee awareness and engagement remains a top priority for IDLC. In 2013, the Company embraced a number of strategies to ensure greater staff awareness and participation in its CSR events.

- CSR sessions conducted in orientation programmes for new recruits



- Two-day CSR attachment for Management Trainees during their rotation period
- Regular updates of CSR activities shared with IDLC staff through emails
- Higher staff participation to conduct community-based CSR programmes

In 2014, IDLC has undertaken the additional step to engage staff from different branches for its various CSR events and engage them for communicating updates with their colleagues in their respective branches.

CLIENTS

In 2013, IDLC focused on a 'Partnership Approach' with one of its major corporate clients. The collaboration focused on adopting projects beneficial to the client's core business and also aligned with IDLC's CSR commitment. Details of the project have been provided in the section titled 'Developing Skilled Resources for the RMG Sector' (page 57).

Considering the successful outcome of this initiative, IDLC intends to embrace a similar approach in 2014 as well. This measure has the potential to help the Company overcome budget constraints, benefit from the partner's specialised expertise and strengthen the community brand equity.

DOs/ NGOs

In 2013, IDLC focused on a "Partnership Approach" with various DOs and NGOs, bringing on board specialised

expertise of the partners involved. This allowed IDLC to outsource certain activities to those with proven expertise, including short-listing geographic areas, selecting beneficiary groups, identifying areas of intervention, and field-level monitoring and coordination on a daily basis, among others.

Moreover, IDLC implemented some projects following established and successful models, instead of reinventing the wheel.

IDLC also attended various workshops, seminars and multi-party dialogues arranged by these DOs/NGOs.

COMMUNITY

IDLC responded to its community commitment by addressing two major aspects: skills development and sustainable/ alternative livelihood generation. Two of IDLC's major projects in 2013 revolved around this approach: skills development of underprivileged citizens from North Bengal and subsequent employment in the RMG sector, and the Model Village Project targeting capacity building among the youth groups and community residents. Details of these projects have been provided in the sections 'Developing Skilled Resources for the RMG Sector' and 'Model Village Project' in pages 57 and 64 respectively.

IDLC will continue activities under these two projects in 2014 as well, and will also initiate a number of new projects focused on vocational training for the underprivileged children groups.

TOPICS RAISED THROUGH STAKEHOLDER ENGAGEMENT

Issues that were prioritised throughout IDLC's engagement with its stakeholder groups include the following:

Priority Issues	Relevant Stakeholder Groups	Projects addressing these Issues
Skills Development	Clients; DOs/ NGOs	Developing Skilled Manpower for the RMG Sector; and Model Village Project
Livelihood Generation	DOs/ NGOs; Community	
Enhanced Opportunities for Underprivileged Group	Regulators; Employees; DOs/ NGOs	Developing Skilled Manpower for the RMG Sector; Model Village Project; liaison with organisations like SEID Trust and LEADS; and Blanket Distribution
Awareness Buildup	Regulators; Core Management	Employee awareness sessions on CSR and Sustainability; staff engagement in various CSR projects; Environmental Awareness sessions across schools; IDLC Ladies' Forum
Multi-party Approach	Core Management; DOs/ NGOs	Developing Skilled Manpower for the RMG Sector; Model Village Project; Environmental Awareness sessions across schools; Blanket Distribution
Improved E&S Performance	Regulators; DOs; Core Management	Adopting the Green Banking Policy of the Bangladesh Bank; ESMS implementation across IDLC
Policy Level Changes	Regulators	Adopting the Green Banking Policy of the Bangladesh Bank
Reporting*	Core Management; Regulators	Publication of a standalone Sustainability Report; submission of quarterly Green Banking Report and half-yearly CSR Statement to the Bangladesh Bank

Note: IDLC Management is also considering External Assurance for its Sustainability Report in future, adding to its credibility and acceptability in the international arena

CSR PROGRESS REPORT

Progress in 2013 vis-à-vis previous years.

Particulars	Current Status	Future Plan
Dialogue session in September 2012 with the RMG sector, NGOs and DOs and the public sector regarding skills development and sustainable livelihood generation for the underprivileged	Initiation of training programme on 1 June 2013; and completion of two batches The 3rd and 4th batches are now undergoing training (page 57);	12 batches to be completed till 2015;
Initiation of Environmental Awareness Campaign for school students, jointly with LEADS, in October 2012	11 schools have been covered till date; A workshop has also been arranged on 22 March 2014, participated by school teachers to formally bring the schools on board and coordinate sessions in their respective schools in a structured manner (page 42);	20 initial and 20 follow-up sessions targeted in 2014;
Regular plantation activities across areas including University of Dhaka; Satchari, Sylhet; Mirpur DOHS and different educational institutions	Plantation of 1,000 saplings at Mirpur DOHS in 2013 (page 50);	Homestead and roadside plantation programmes planned in Mymensingh and Chittagong in 2014;
Streamlining environmental management across IDLC by conducting carbon footprint analysis of three branches on a pilot basis in 2012	Development of Green Banking Policy for IDLC (page 39); Formation of Green Banking Unit, development of a dedicated Green Banking Desk, and rollout of Green Banking activities (page 40);	Implementation of activities required under the Green Banking Policy, to be completed by June 2015;
Introduction of Environmental Risk Management (ERM) guidelines in our Credit Assessment Process and voluntary adoption of a checklist based on UNGC Principles in 2012	Implementation of Environmental and Social Management System (ESMS), starting from March 2014 (page 41);	
Environment-friendly technologies such as server virtualisation and video conferencing, reducing both power consumption and CO ₂ emission.	Continuous upgrade of the IT infrastructure through process automation, improved connectivity, and lower paper requirement (page 51);	Continuous investment in IT infrastructure and operational processes;
Partnership with LEADS and SEID Trust for providing better opportunities to the underprivileged children	Sponsoring 15 children each from SEID Trust and LEADS (page 76); Day-long event with 'Families for Children', an orphanage based in Uttara, Dhaka (page 76);	Continuing partnerships with SEID Trust and LEADS; Sponsoring vocational training facilities for children of these organisations;
Blood donation programme for the Bangladesh Thalassaemia Hospital	Programmes arranged at IDLC's Chittagong and Dilkusha branches (page 81);	2 more blood donation programmes planned in 2014;
Distribution of blankets and warm clothes to the marginalised	Distribution of 2,650 blankets and warm clothes in various areas of North Bengal, Jessore and Chittagong (page 73);	Similar arrangements will be made in 2014 as well; however, the beneficiary groups will change;
Distribution of computers to three schools in Jessore	Computers provided to the Youth Club of Sadarpur Village, Rangpur, to set up an IT centre to facilitate computer lessons by the Youth Club members (page 70);	A policy will be formed to donate old PCs from IDLC to different schools for the underprivileged children;



Particulars	Current Status	Future Plan
Employee vaccination	2nd batch completed in February 2014 (page 106);	3rd batch will start in 2014, along with an awareness session;
Staff awareness and engagement in CSR activities	<ul style="list-style-type: none"> ▪ Management Trainees working with the CSR department for two days during their rotation period; ▪ CSR orientation sessions for new recruits at IDLC; ▪ CSR sessions with sales team members of the Consumer Division; 	Engaging IDLC staff in different CSR events

BENEFICIARIES OF IDLC'S SUSTAINABILITY INITIATIVES

Since 2011, IDLC, through its CSR activities focusing on community engagement and environmental development, has directly benefited more than 13,000 people.

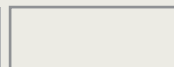
Projects	Direct Beneficiaries
Developing Skilled Resources for the RMG Sector (2012 till date)	88
Model Village Project (2012 till date)	
Primary Healthcare Awareness	145
IT training for Youth Club members	50
Accounting training for Youth Club members	32
Training on the preparation of organic fertilizers	50
Homestead tree plantation	228
Community plantation at Satchari in 2012 (750 households, and a minimum of 4 members per household)	3,000
School Programmes (2012 till date)	610
SEID Trust (beneficiaries since 2011)	50
LEADS:	
Providing educational and healthcare materials (35 children and their family members)	140
Sponsorship (in 2013)	15
Shishu Bikash Chhaya (in 2012)	17
Day-long event at Families for Children (in 2013)	150
Blanket distribution in North Bengal, Jessore and Chittagong (2011 till date)	9,100
Blood donation programme (2011 till date)	190
One-on-one contributions	2
Total no of Direct Beneficiaries	13,867

It is to be noted that through its business operations, IDLC has helped start new businesses/ expand existing ones, and thus indirectly contributed in creating thousands of jobs over the past three decades.



IDLC | Contributing to a Healthy Nation

Bangladesh is an impoverished country and it is our responsibility to make a meaningful difference in terms of envisioning a society that has access to the basic healthcare facilities. Towards achieving this goal, we support initiatives that are focused on the health, hygiene and well-being of the underprivileged group, especially children; arrange regular blood donation campaigns; and have also organized several health check-up camps in the rural areas with limited availability of healthcare facilities - covering over 500 beneficiaries. In addition, we invest heavily in providing healthcare benefits and insurance coverage to our staff and their families for their continued well-being.



CONTRIBUTING TO A HEALTHY NATION

We believe that health is the first stepping stone towards a productive and prosperous life.

The children at LEADS, IDLC's long-term community partner, and their families, are provided with basic healthcare amenities to sustain their livelihoods and protect them from diseases and illnesses.

13-year-old Kakoli of Jhigatola was one of the many recipients of a medical kit and a water-purifier provided by IDLC. Not having to boil water everyday, Kakoli's mother is now tension free, because filtered water is available at the click of a button!

The medical kit has also helped little Kakoli and her neighbours, who turn to her for Savlon for cuts and sores.

A proud result of our small efforts, there has been lesser complaints of water-borne illnesses!

CHAPTER 10

COMPLIANCE



GRI CONTENT INDEX

This document has been prepared following the Global Reporting Initiatives (G3.1) Indicator Protocols and its Financial Sector Supplement.

IDLC has self-declared this Report to be conforming to Application Level “B”.

Report Application Level	C	C+	B	B+	A	A+
G3 Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
G3 Management Approach Disclosures	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach disclosed for each Indicator Category	Report Externally Assured
G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

For attaining Application Level “B”, i.e. the second level of GRI Reporting, we have reported our progress against specific performance indicators detailed below, while making Management Disclosure against each mentioned category.

Status of Compliance against Performance Indicators

Performance Indicators	Coverage		
	Addressed	Not Addressed	NA
Economic Performance Indicators	8	2	0
Environmental Performance Indicators	12	10	11
Social Performance Indicators – Labor Practice and Decent Work	9	2	4
Social Performance Indicators – Human Rights	4	8	0
Social Performance Indicators – Society	10	2	0
Social Performance Indicators – Product Responsibility	7	1	2
FS Supplement – Product and Service Impact	4	3	0
Compliance Status	54	28	17

*Including Financial Sector (FS) Supplements

The compliance status has been presented using the following indicators:

●	Addressed
○	Not Addressed
NA	Not Applicable for IDLC

Detailed compliance status has been provided in the GRI Content Index below.

GRI Content Index

	Global Reporting Elements	Status	Segment Title	Page
Strategy and Analysis				
1.1	Statement from the most senior decision-maker of the organisation (example CEO, Chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy.	●	Statement of the CEO and Managing Director	1
1.2	Description of key impacts, risks and opportunities.	●	Statement of the CEO and Managing Director	1
			Key Impact Areas and Opportunities	5
			Risk Management	36
Organisational Profile				
2.1	Name of the organisation	●	IDLC Finance Limited	
2.2	Primary brands, products and services	●	Our Service Offerings	20
2.3	Operational structure of the organisation	●	Our Organisational Chart (Organogram)	19
2.4	Location of the organisation's headquarters	●	Bay's Galleria (1st Floor), 57 Gulshan Avenue, Gulshan 1, Dhaka 1212	
2.5	Number of countries where the organisation operates	●	Bangladesh	
2.6	Nature of ownership and legal form	●	Public Limited Company	
2.7	Markets served	●	Branch Network	-
2.8	Scale of the reporting organisation	●	IDLC Profile	15
			Shareholding Structure	18
			Key Financial Indicators	23
2.9	Significant changes during the reporting period in terms of size, structure and ownership	●	Reporting Parameters	3
			Shareholding Structure	18
			Key Financial Indicators	23
			Major Indicators of HR Management	98
			Branch Network	-
2.10	Awards received in the reporting period	●	Awards and Recognitions	133
Report Parameters				
3.1	Reporting period	●	1 January 2013 – 31 December 2013	
3.2	Date of the most recent previous report	●	April 2013	
3.3	Reporting cycle	●	Annual	
3.4	Contact point regarding the report or its contents	●	Zurat Haque Head of CSR IDLC Finance Limited Tel: +880-2-8834990, Ext 178; Cell: +880-1713-047-075 Email: zurat@idlc.com	
3.5	Process for defining report content	●	Reporting Parameters	3
3.6	Boundary of the report	●	Reporting Parameters	3
3.7	Any specific limitation on the scope of the report	●	Reporting Parameters	3
3.8	Basis for reporting on subsidiaries that may affect comparability from period-to-period	●	Reporting Parameters	3



	Global Reporting Elements	Status	Segment Title	Page
3.9	Data measurement techniques and the basis of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	All data has been collected from respective departments and/ or stakeholders, along with supporting documents. The data has been compiled either based on actual information, or based on estimations, the basis of which has been provided along with each data/ information. IDLC has followed the GRI Guidelines throughout this report, as is required for conforming to application level "B".	
3.10	Explanation in terms of any restatement of information provided in earlier reports	●	No such restatement has been made.	
3.11	Significant changes from previous reporting periods in terms of scope, boundary or measurement methods applied in this report	●	Reporting Parameters	3
3.12	GRI Content Index: Table identifying location of Standard Disclosures in the report	●	GRI Content Index	116
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the external assurance provider(s).	●	IDLC has not sought any external assurance for its sustainability reports till date. It is currently self-declaring the Application Levels of the Sustainability Report, as per the GRI Application Level Criteria. However, IDLC Management is keen on availing external assurance for its Sustainability Report going forward, adding value to the quality of the report.	
Governance, Commitment and Engagement				
Governance				
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	●	Chapter 4: Governance and Compliance	27
4.2	If the Chair of the highest governance body is also an executive officer	●	Board of Directors	31
4.3	For unitary board structure, the number of members of the highest governance body that are independent and/ or non-executive members	●	Board of Directors	31
4.4	Mechanism for shareholders or employees to provide recommendations to the highest governance body	●	Board Meetings and Annual General Meetings	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)	●	Performance Evaluation	33
			Remuneration	33
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	Conflicts of Interest	33

	Global Reporting Elements	Status	Segment Title	Page
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	●	Qualification of the Board Members	33
			Selection and Appointment of New Directors	33
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	Sustainability Position Statement	
			Our Brand – deeply trusted and widely recalled	17
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. Include frequency with which the highest governance body assesses sustainability performance.	●	Corporate Governance	28
			Responsibilities of the Board of Directors	32
			Independent Decision-making	33
			Governance (Green Banking)	41
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	Performance Evaluation	33
Commitment to External Initiatives				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation (Article 15 of the Rio Principles introduced the precautionary approach. A response to 4.11 could address the organisation's approach to risk management in operational planning or the development and introduction of new products).	●	Risk Management	36
			Green Banking	39
			Environmental and Social Management System	41
			Environmental and Social Impact Assessment	94
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	●	Principles of UNGC and UNEP FI	
			Millennium Development Goals (MDGs)	
			Green Banking Policy of Bangladesh Bank	-
			ERM Guidelines of Bangladesh Bank	
4.13	Memberships in associations (such as industry associations) and/ or national/ international advocacy organisations in which the organisation: <ul style="list-style-type: none"> ▪ Has positions in governance bodies ▪ Participates in projects or committees ▪ Provides substantive funding beyond routine membership dues, or ▪ Views membership as strategic 	●	Global Initiatives promoting Sustainability	12
			Memberships	21
			Small Business Banking Network (SBBN)	88
			International Factoring Group	88



	Global Reporting Elements	Status	Segment Title	Page
Stakeholder Engagement				
4.14	List of stakeholder groups engaged by the organisation	●	Stakeholder Engagement	109
4.15	Basis for identification and selection of the stakeholder groups	●		
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group.	●		
			NPS Survey	95
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	●	Topics raised through Stakeholder Engagement	110
Disclosure on Management Approach				
	Economic Performance	●	Key Impact Areas and Opportunities	5
	Environmental Performance			
	Labour Practice and Decent Work			
	Human Rights			
	Society			
	Product Responsibility (including Product and Service Impact Disclosure)			
PERFORMANCE INDICATORS				
Economic Performance Indicators				
Economic Performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	Key Financial Indicators	23
	EC1-FS: Commentary added to the value generated by the organisation's community investment programmes and breakdown of community investment by theme.	●	CSR Investments	13
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	●	Environmental and Climate-change Risks and Opportunities	39
			Green Banking	39
			Green Finance	92
EC3	Coverage of the organisation's defined benefit plan obligations.	●	Employee Benefits	106
EC4	Significant financial assistance received from government.	●	Refinancing Facilities of the Bangladesh Bank	26
Market Presence				
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	●	IDLC's entry level wages are in line with the industry best practices	

	Global Reporting Elements	Status	Segment Title	Page
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	○		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operations.	●	Hiring Practices	103
			Placement	106
Indirect Economic Impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.	●	Infrastructure Projects	91
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	○		
Environmental Performance Indicators				
Materials				
EN1	Materials used by weight and volume	NA		
EN2	Percentage of materials used that are recycled input materials	NA		
Energy				
EN3	Direct energy consumption by primary energy source	●	Resource Consumption	52
EN4	Indirect energy consumption by primary source	○		
EN5	Energy saved due to conservation and efficiency improvements	●	Green Branches	40
			Green Technologies	40
			Sustainability through Technologies	51
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	●	Green Products and Marketing	40
			Green Finance	92
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	○		
Water				
EN8	Total water withdrawal by source	NA		
EN9	Water sources significantly affected by withdrawal of water	NA		
EN10	Percentage and total volume of water recycled and reused.	NA		
Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●	No such areas are under ownership/ lease/ management of IDLC	



	Global Reporting Elements	Status	Segment Title	Page
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	●	In 2012, IDLC had conducted a homestead plantation programme, planting 7,500 saplings across 750 households in and around the protected forest areas of Satchari, Habiganj, Sylhet. The plantation was conducted with the objective of reducing direct and indirect dependence of the households on the protected forest resources for everyday living and to earn their livelihood.	
EN13	Habitats protected or restored	○		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	○		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	●	IDLC poses no such operational risks either directly or indirectly	
Emissions, Effluents and Wastes				
EN16	Total direct and indirect greenhouse gas emissions by weight	●	Resource Consumption	52
	EN16-FS: Commentary added to invite reporting on greenhouse gas emissions relating to business travel.	○		
EN17	Other relevant indirect greenhouse gas emissions by weight	○		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	●	Green Branches	40
			Green Technologies	40
			Enhancing the Green Cover	50
			Sustainability through Technology	51
EN19	Emissions of ozone-depleting substances by weight	○		
EN20	NO, SO, and other significant air emissions by type and weight.	○		
EN21	Total water discharge by quality and destination	NA		
EN22	Total weight of waste by type and disposal method	○	Reduce, Reuse	52
	EN22-FS: Commentary added to specify primary types of waste streams being paper and waste IT for financial institutions	●		
EN23	Total number and volume of significant spills	NA		
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	NA		
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	NA		

	Global Reporting Elements	Status	Segment Title	Page
Products and Services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	●	Green Products and Marketing	40
			Green Finance	92
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	NA		
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	●	IDLC has never been subject to any such charges.	
Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations	NA		
	Significant environmental impacts of transporting members of the workforce	○		
Overall				
EN30	Total environmental protection expenditures and investments by type	●	CSR Investments	13
Social: Labour Practices and Decent Work Performance Indicators				
Employment				
LA1	Total workforce by employment type, employment contract and region, broken down by gender.	●	Major indicators of HR Management	98
LA2	Total number and rate of new employee hires and employee turnover by age group, gender and region	●	Major indicators of HR Management	98
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	●	Employee Benefits	106
LA15	Return to work and retention rates after parental leave, by gender.	●	Only maternity leave is provided at IDLC, and the retention rate is 100 percent.	
Labour/ Management Relations				
LA4	Percentage of employees covered by collective bargaining agreements.	NA		
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	●	Minimum notice period of one month, mentioned in employee contracts.	
Occupational Health and Safety				
LA6	Percentage of total workforce represented in formal joint management – worker health and safety committees that help monitor and advise on occupational health and safety programmes.	NA		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	NA		



	Global Reporting Elements	Status	Segment Title	Page
LA8	Education, training, counseling, prevention, and risk control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	●	Employee Health Management	106
LA9	Health and safety topics covered in formal agreements with trade unions.	NA		
Training and Education				
LA10	Average hours of training per year per employee by gender and by employee category.	○		
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	○		
LA12	Percentage of employees receiving regular performance and career development reviews.	●	100 percent of our staff	
Diversity and Equal Opportunity				
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screenings, and actions taken.	○		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	○		
Non-discrimination				
HR4	Total number of incidents of discrimination and corrective actions taken.	●	No such incidence has been recorded/ reported yet.	
Freedom of Association and Collective Bargaining				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or be at significant risk, and actions taken to support these rights.	○		
Child Labour				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	○		

	Global Reporting Elements	Status	Segment Title	Page
Forced and Compulsory Labour				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	○		
Security Practices				
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	●	Security Personnel at IDLC are generally outsourced and they do not receive any such training.	
Indigenous Rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	●	No such incident has taken place as a direct and/ or indirect result of IDLC's operations.	
Assessment				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/ or impact assessment.	○		
Remediation				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	●	Grievance Management and Counseling It is to be noted that no major grievance has been reported yet to the concerned authority.	106
Social: Society Performance Indicators				
Local Communities				
SO1	Percentage of operations implemented with local community engagement, impact assessments, and development programs.	●	Developing Skilled Manpower for the RMG Sector	57
			Model Village Project	64
	FS13: Access points in low-populated or economically disadvantaged areas by type	●	Branch Network	-
	FS14: Initiatives to improve access to financial services for disadvantaged people.	●	Climate Risk Fund	40
			Developing Skilled Manpower for the RMG Sector	57
Model Village Project			64	
Branch expansion to help more people access our financial services.				
SO9	Operations with significant potential or actual negative impacts on local communities.	○		
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	●	This issue is usually addressed for large-scale projects through Environmental and Social Impact Assessment by appointing third-party consultants. However, detailed recommendations from such reports have not been covered in this report.	
Corruption				
SO2	Percentage and total number of business units analysed for risks related to corruption.	●	Anti-corruption Policies and Practices	37



	Global Reporting Elements	Status	Segment Title	Page
SO3	Percentage of employees trained in the organisation's anti-corruption policies and procedures.	●	Anti-corruption Policies and Practices	37
SO4	Actions taken in response to incidents of corruption.	●	IDLC follows "Zero-Tolerance" policy in case of charges of corruption. Such incidents may lead to immediate termination of the accused staff, if found responsible.	
Public Policy				
SO5	Public policy positions and participation in public policy development and lobbying.	○		
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●	No such contributions have been made by IDLC	
Anti-competitive Behavior				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	No such issue/ lawsuit has been faced by IDLC till date	
Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	IDLC has not been charged with any such fines/ non-monetary sanctions till date	
Social: Product Responsibility Performance Indicators				
Customer Health and Safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	NA		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	●	IDLC has not been party to any such non-compliance	
Product and Service Labeling				
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	NA		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of customers.	●	IDLC has not been involved in any such non-compliance	

	Global Reporting Elements	Status	Segment Title	Page
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	Customer Service and Client Engagement	95
	FS16: Initiatives to enhance financial literacy by type of beneficiary.	●	Customised training programmes for IDLC staff	104
			Training to Youth Club members on basic Accounting Practices	66
			Financial Inclusion	96
Marketing Communications				
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing, communications, including advertising, promotion and sponsorship.	○		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	●	IDLC has not been party to any such non-compliance till date.	
Customer Privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	No such complaint has been made against IDLC till date Moreover, IDLC has also placed complaint/ suggestion boxes across all branches for customers to share their feedback and suggestions to improve our service delivery standards, as well as to lodge any complaints against IDLC's conduct of operations.	
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	IDLC has not been party to any such non-compliance till date.	
Product and Service Impact Performance Indicators (FS Supplement)				
Product Portfolio				
FS6	Percentage of the portfolio for business lines by specific region, size (example micro/ SME/ large) and by sector.	●	Sectoral Exposure	21
			Creating a balanced Portfolio	26



	Global Reporting Elements	Status	Segment Title	Page
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	●	Key Financial Indicators (Disbursement – Lease and Term Loan; Disbursement – Consumer Division)	23
			Promoting Small and Medium Enterprises	86
			Access-to-Finance for Women Entrepreneurs	91
			Infrastructure Projects	91
			Supporting Home Ownership	94
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	●	Green Finance	92
Audit				
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	●	Compliance to the ERM (Environmental Risk Management) Guidelines of the Bangladesh Bank, incorporated in our credit appraisal process, is examined during our regular audit activities. Moreover, going forward, there will be audit components in terms of implementation of the Green Banking Policy and ESMS, both by internal and external auditors.	
Active Ownership				
FS10	Percentage and number of companies held in the institution’s portfolio with which the reporting organisation has interacted on environmental or social issues.	○		
FS11	Percentage of assets subject to positive and negative environmental or social screening.	○		
FS12	Voting policies applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting.	○		



IDLC | Caring for the Underprivileged

We strive to create an equitable society where underprivileged children are nurtured, nourished and educated so that they can be potentially channeled into the mainstream. We have partnered with a number of organizations in this regard, namely SEID Trust, LEADS, Shishu Bikash Chhaya and Families for Children - reaching over 350 children with the benefits of better education and healthcare facilities.



CARING FOR THE UNDERPRIVILEGED

At IDLC, we are of strong belief that any disability can be overcome, that acceptability and inclusion can create wonders.




SEID Trust, one of IDLC's long-term community partners, provides holistic education, treatment and care to children with disabilities. 11-year-old Sumona of Dhaka has been our protégé over the years. The Trust, with financial support from IDLC, has provided for her pre-primary and special education, vocational training, physiotherapy, counselling and conveyance. She was also sent for a hearing test and was provided with a hearing aid.

Having been assessed with multiple disabilities including speech and hearing impairment along with intellectual disability, today, Sumona can read, write, draw and dance; and has been enrolled into a mainstream school in 2014. Her vocational training included candle-making and sewing, and now she has become financially independent by earning from her skills.




Sumona made us proud when one of her drawings found her way to the Prime Minister's office and garnered much appreciation from the Prime Minister herself!



COMMITTING TO THE MDGs

IDLC, in its own capacity, contributes to the achievement of seven of the eight MDGs through its various CSR and Sustainability initiatives.

Millennium Development Goals (MDGs)	Relevant Projects/ Initiatives of IDLC
 <p>ERADICATE EXTREME POVERTY AND HUNGER</p> <p>The first of the United Nations Millennium Development Goals is to eradicate poverty and hunger. Extreme poverty, absolute poverty, or abject poverty is stated as 'a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information.'</p>	<p>Developing Skilled Resources for the RMG Sector (page 57);</p>
 <p>ACHIEVE UNIVERSAL PRIMARY EDUCATION</p> <p>The second goal is to 'ensure that by 2015, children everywhere, boys and girls alike will be able to complete a full course of primary schooling.' Currently, there are more than 75 mn children around the world of primary school age who are not in school. In Bangladesh, that number is 5.6 mn, as per a recent survey by the UNICEF and UNESCO.</p>	<p>Access to Education and Healthcare for Underprivileged Children: LEADS (page 76);</p>
 <p>PROMOTE GENDER EQUALITY AND EMPOWER WOMEN</p> <p>Gender equality refers to the view that men and women should receive equal treatment and should not be discriminated against based on gender. The Goal seeks to create equality in law and in social situations such as in democratic activities and securing equal pay for equal work. Empowerment of women refers to increasing their economic, political, social, educational, gender and spiritual strength.</p>	<p>Empowering Women (page 81);</p> <p>Access-to-Finance for Women Entrepreneurs (page 91);</p> <p>Developing Skilled Resources for the RMG Sector (page 57);</p>



Millennium Development Goals (MDGs)	Relevant Projects/ Initiatives of IDLC
 <p>Child mortality refers to the death of infants and children under the age of five. In 2012, 6.6 mn children under the age of 5 died, as compared with 6.9 mn children in 2011. Many deaths in the third world go unnoticed since many poor families cannot afford to register their babies in the government registry. The fourth Goal encompasses reduction of child mortality.</p>	<p>NA</p>
 <p>Maternal health is the health of women during pregnancy, childbirth and the postpartum period. It encompasses the healthcare dimensions of family planning, preconception, prenatal and postnatal care in order to reduce maternal morbidity and mortality. It also includes education, health promotion, screening and other interventions among women of reproductive age to reduce risk factors that might affect future pregnancies.</p>	<p>Maternity Benefits (page 106); IDLC Ladies' Forum (page 82);</p>
 <p>Human Immunodeficiency Virus infection/ Acquired Immunodeficiency Syndrome (HIV/ AIDS) is a disease of the human immune system caused by infection with HIV. Malaria is a mosquito-borne infectious disease transmitted via a bite from an infected female Anopheles mosquito. The sixth Goal deals with the eradication of these diseases.</p>	<p>Employee Health Management (page 106);</p> <p>[IDLC prioritises health concerns relevant for Bangladesh, and hence major focus is given on the prevention of Hepatitis B and Cervical Cancer through both awareness sessions and vaccinations.]</p>

Millennium Development Goals (MDGs)	Relevant Projects/ Initiatives of IDLC
 <p>The seventh Goal is concerned with environmental sustainability. Sustainability requires the reconciliation of environmental, social equity and economic demands, which are also collectively referred to as the three pillars of sustainability or the 3Es.</p>	<p>Green Banking (page 39); Sustainability through Technology (page 51); Enhancing the Green Cover (page 50); Environmental Awareness Campaign in Schools (page 42); Green Finance (page 92); Environmental and Social Impact Assessment (page 94); Environmental and Social Management System (page 41);</p>
 <p>The last Goal deals with communal, economic and cultural harmony, which fosters global cooperation for a sustainable future.</p>	<p>Membership with UNGC, UNEP FI and SBBN – global partnership for Sustainable Development (page 12); Developing Skilled Resources for the RMG Sector – multi-party partnership (page 57); Model Village Project – partnership with VSO Bangladesh (page 64); Access to education and healthcare for underprivileged Children – partnership with LEADS and SEID Trust (page 76); [Focusing on the benefits of partnership – both local and global]</p>

AWARDS AND RECOGNITIONS

Achievements, 2013

- 'DHL-Daily Star Best Financial Institution Award for 2012', on 31 May 2013;
- First position under the category of 'Financial Service Sector' and second position under the category of 'SAARC Anniversary Award for Corporate Governance' in the 13th ICAB National Awards for 'Best Presented Annual Reports 2012', on 21 December 2013;
- ICMA Award for the 'Best Corporate in the Non-Banking Financial Institution', on 12 January 2013;
- SAFA Award 2011 as 'Winner in Financial Services Sector' and 'Overall Winner' in all sectors of SAARC countries, on 22 March 2013;

SAFA (South Asian Federation of Accountants) Best Presented Accounts Awards

IDLC received the SAFA Best Presented Accounts Award for 2005, 2006, 2007, 2009, 2010 and 2011

ICAB (The Institute of Chartered Accountants of Bangladesh) National Awards

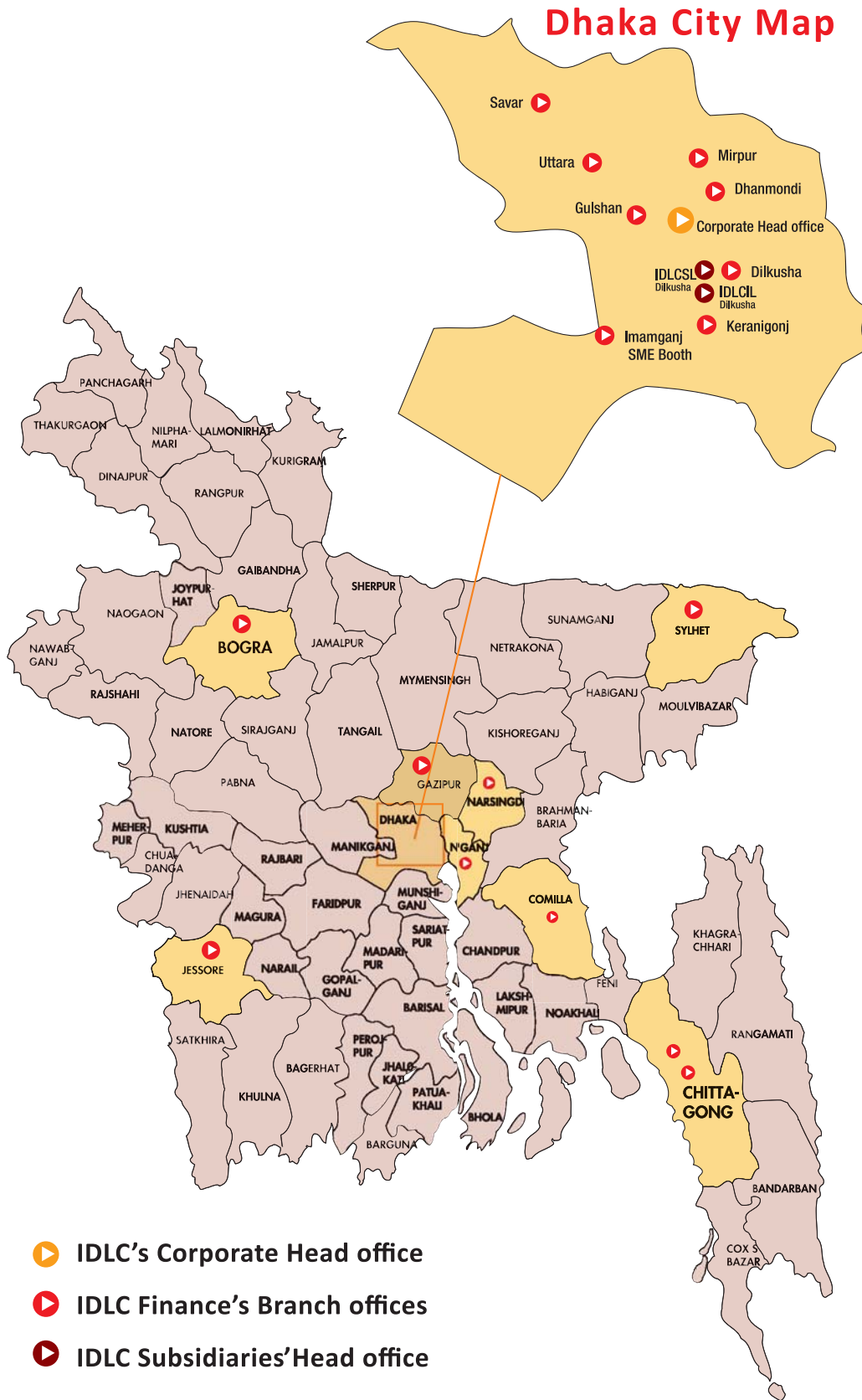
IDLC received the ICAB National Award for the best published Annual Accounts and Reports for 2004, 2006, 2007, 2009, 2010 and 2011

ICMAB (The Institute of Cost and Management Accountants of Bangladesh) Awards

ICMAB Best Corporate Award 2010 | ICMAB Best Corporate Performance Award 2008 | ICMAB National Best Corporate Award 2007

'COMMWARD Excellence in Communication 2009' and 'Superbrands' recognition in 2009

Location of the Corporate Head Office and branches of the IDLC Group



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