IPDC FINANCE

Sustainability Report

Unbound Ambition

Green Transformation

2024

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1 About This Report

The Sustainability Report of IPDC Finance PLC. provides an enterprise-wide view of our environmental, social and governance (ESG) performance and how sustainability is embedded across our strategy, products, operations, risk management, and innovation. It covers the calendar year 2024. The report reflects our commitment to responsible finance, transparent disclosure, and long-term value creation for our customers, employees, investors, communities, and other stakeholders.

Reporting Period

All information and performance metrics disclosed in this report pertain to the period January 1, 2024 to December 31, 2024, unless otherwise specified. Historical comparisons and baselines are provided where relevant.

Scope & Boundary

This report covers IPDC's operations in Bangladesh across our core business lines and platforms:

Business Lines: Corporate, CMSME, and Retail lending.
Geography: Activities conducted within Bangladesh.

Any exceptions, exclusions, or boundary changes are noted in the relevant sections.

Standards & Frameworks Used

We prepare this report to align with;

- **IFRS S1:** General Requirements for Disclosure of Sustainability-related Financial Information and
- **IFRS S2:** Climate-related Disclosures to enhance comparability, decision-usefulness, and credibility.

Materiality Determination

Our materiality assessment integrates stakeholder input, strategic priorities, regulatory expectations, and sector-specific ESG risks and opportunities.

Data Governance & Quality

We apply robust data governance to ensure the accuracy, completeness, and consistency of disclosures:

- **Data Sources:**
Operational systems, finance and risk repositories, HR and supplier systems, product platforms (including digital), and validated external data where relevant.

- **Controls & Validation:**
Cross-functional review by Finance, Risk, Sustainability, and relevant business units.

- **Limitations:**
Certain datasets (e.g. financed emissions) may be subject to data availability constraints, estimation, or industry-method refinements.

- **Restatements:**
Where prior-year figures are recalculated, reclassified, or corrected, we indicate as such.

- **Continuous Improvement:**
We are strengthening data lineage, audit trails, and digital ethics KPIs (e.g., fairness, explainability) across our platforms.

Assurance & Review

The content of this report has undergone internal review by the Sustainable Finance Committee and other members from senior management, with oversight from governance forums responsible for sustainability, risk, and compliance. Future enhancements to assurance scope will prioritize decision-useful, material metrics.

Safe Harbor & Forward Looking Statements

This report contains forward looking statements reflecting our current plans, expectations, and assumptions regarding strategy, targets, products, risk management, climate pathways, and digital initiatives. These statements are subject to risks and uncertainties, including changes in macroeconomic conditions, customer behavior, regulatory requirements, data availability, climate scenarios, and technology trends. Actual outcomes may differ materially. Forward looking statements do not constitute guarantees of future performance and are provided for transparency and stakeholder engagement.

Accessibility, Feedback & Contact

We aim to make this report clear, comparable, and accessible. Navigational indices, and dashboards are provided,where applicable, to help stakeholders quickly assess performance and impacts.

Feedback: We welcome stakeholder feedback to continuously improve the quality and relevance of our disclosures.

Contact Point:

Name	Ms. Jumaratul Banna	Mr.Akif Chowdhury
Designation	Head of Sustainable Business	Sustainable Business Coordinator
Email	jumaratul.banna@ipdcbd.com	akif.chowdhury@ipdcbd.com
Phone	+88-02-222290371	+88-02-222290371

2 A Snapshot of IPDC

With an unprecedented journey of 43 years, IPDC Finance PLC. has created meaningful stories in different walks of its treasured clientele's lives. Since IPDC was formed, it has been a game changer in developing the country's industrial sector and is now the fastest-growing financial institution in the country. Our priority for the future is to go beyond the numbers and create a positive impact in society and touch the lives of more people by providing financial services, going beyond megacities, supporting women entrepreneurs and SMEs, and bringing convenience to their homes.

Our dedication to fostering growth extends beyond mere financial transactions; we strive to empower individuals and businesses alike, catalyzing progress and prosperity across communities. As we embark on the next phase of our journey, we remain steadfast in our mission to drive sustainable development and unlock opportunities for all.

Our Mission

To enable our customers and communities to live unbound and to their fullest potential by extending innovative financial solutions in a friendly, timely, transparent, and cost-effective manner.

Our Vision

To become the most passionate financial brand in the country with a special focus on youth, women, and underserved areas.

First Private-Sector Finance Company in Bangladesh

Financed many milestone projects across the nation

Legacy of Over 40 Years

Institutional Sponsorship

Major sponsors include Government of Bangladesh & BRAC

Publicly Listed since 2006

Listed in both Dhaka Stock Exchange and Chittagong Stock Exchange

Industry leading Corporate Governance

Climate Action

Adopted strategy for net zero by 2050

Contributed to 14 SDGs

Enabled by financing and non-financing initiatives

Four-time awardee in Sustainability Rating

Recognized by Bangladesh Bank in 2020, 2021, 2023, and 2024

Industry's Top Female Workforce Ratio

CORE VALUES

Serving our customers with passion and honesty

Going beyond the normal call of duty

Relentlessly pursuing **innovation**

GUIDING PRINCIPLES

Integrity

Techsavvy

Will to Win

Teamwork

Corporate Citizenship

Diversity

Creating Extraordinary Customer Experience

3 Sustainability Highlights

Recognized as a top Finance Company in the Sustainability Rating 2023 by Bangladesh Bank

Received the Best Climate Focus Financial Institute Award 2024 from the Institute of Energy- University of Dhaka and Greentech Foundation Bangladesh supported by USAID and others

Recognized as Global Champion in the category of Best Financier for Women Entrepreneurs at Global SME Finance Awards 2024 by IFC and SME Finance Forum

Collaborated with Truvalu on 2024 for launching green finance solutions for SMEs

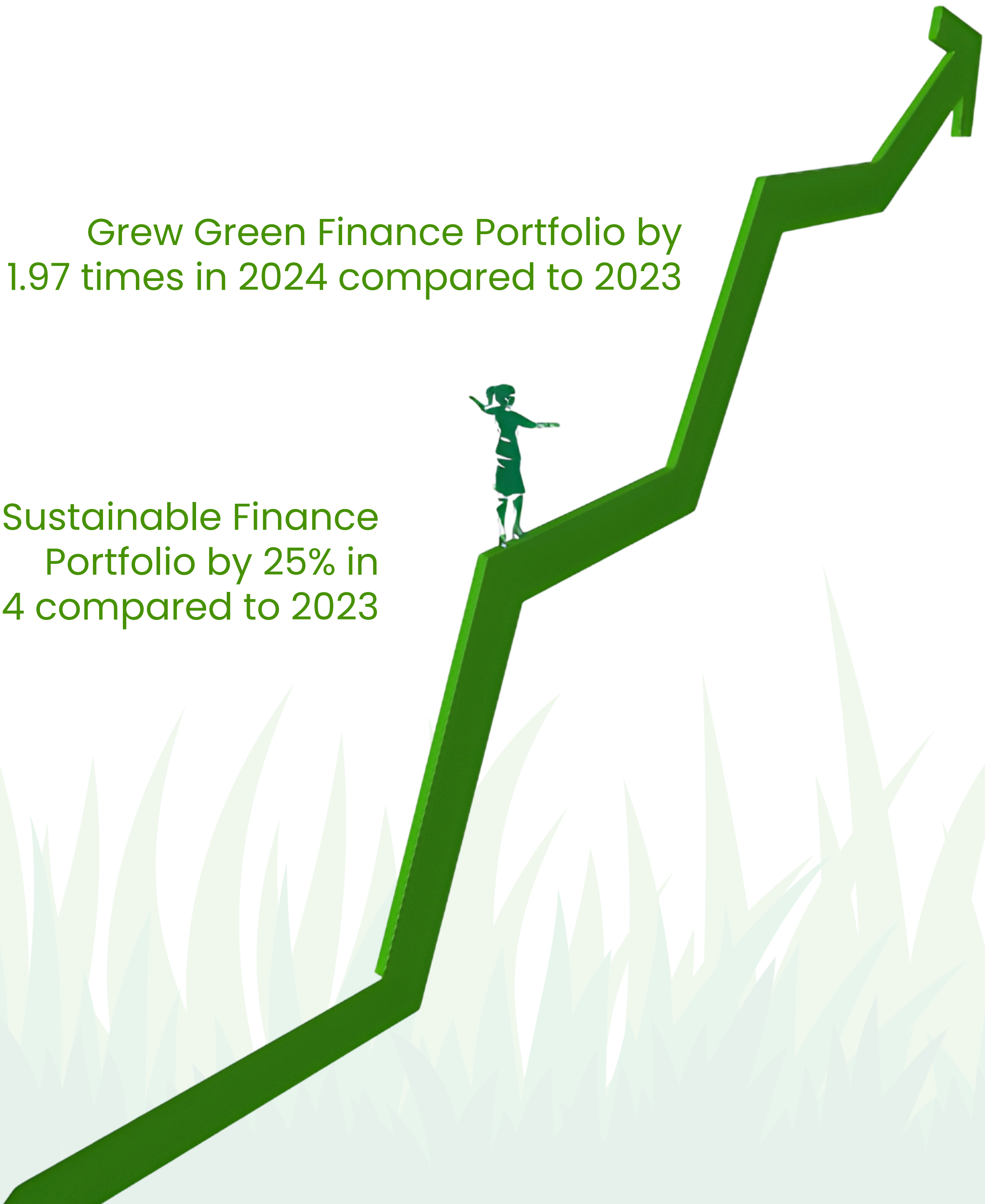
Initiated its first-ever carbon footprint assessment for both financial and nonfinancial operations, in collaboration with leading international and national partners Awards 2024 by IFC and SME Finance Forum

2024 Award granted by Bangladesh Bank [with support from Agence Française de Développement (AFD), European Union (EU), German Development Bank (KfW)]

Facilitated the establishment of a biological effluent treatment plant (ETP) by a leading RMG company on 2024

Grew Green Finance Portfolio by 1.97 times in 2024 compared to 2023

Grew Sustainable Finance Portfolio by 25% in 2024 compared to 2023



4 Board of Directors

Ariful Islam

CHAIRMAN, BOARD OF IPDC
CHAIRMAN, BOARD EXECUTIVE COMMITTEE OF IPDC
CHAIRMAN, RISK MANAGEMENT COMMITTEE OF IPDC
DIRECTOR, NOMINATED BY AYESHA ABED FOUNDATION

Date of Joining

24 November 2022

Other Interests

Treasurer, BRAC University

Qualifications

- B. Sc. (Honors) in Economics from Scottish Church College, Calcutta University, India.
- MBA in Finance from Institute of Business Administration (IBA), University of Dhaka.
- Advance Diploma in Management Accounting from the Chartered Institute of Management Accountants (CIMA) of UK.

Mr. Ariful Islam is the Chairman of IPDC Finance PLC., nominated director by Ayesha Abed Foundation. He is also Chairman of Risk Management Committee (RMC) and Board Executive Committee of IPDC. Mr. Islam is a Corporate Leader with 27 years of experience across Asia Pacific. He joined BRAC University as CFO in December 2020 and currently leading Finance, IT, Procurement, International & Scholarship functions, spearheading sustainable financing for new campus project as well as modernization of operating systems & IT infrastructure. He has held various senior executive roles with British American Tobacco (BAT) Group across various markets and led the development of new strategic direction & business transformation in priority markets like Japan, Korea & Taiwan. He also served as an Independent Director & Chairman of the Board Audit Committee of Toshrifa Industries Limited from October 2020 to October 2023.

Munshi Abdul Ahad

DIRECTOR, NOMINATED BY GOVERNEMENT OF BANGLADESH

Date of Joining

30 October 2024

Date of Departure

15 May 2025

Other Interests

- Director, Nuclear Power Plant Company Bangladesh Ltd.
- Bangladesh Overseas Employment and Services Ltd. (BOESL)
- Startup Bangladesh Ltd.

Qualifications

- B.Com. (Honors) in Finance and Banking from University of Dhaka.
- M.Com. in Finance and Banking from University of Dhaka.
- Master of Public Affairs in International Economic Relations from Civil Service Collegeof University of Dhaka.

Mr. Munshi Abdul Ahad is a Nominated Director of the Government of Bangladesh in the Board of IPDC Finance PLC. and also member of both Board Executive Committee & Risk Management Committee. He is presently serving as Additional Secretary at the Finance Division, Ministry of Finance. Mr. Ahad has served in many critical government positions in his long career expanding more than 32 years. Mr. Ahad has worked on different Project funded by the World Bank, Asian Development Bank, Food and Agricultural Organization of the United Nations (FAO) and the Government of Bangladesh. Mr. Ahad is serving Bangladesh Civil Service since 1995 and contributed through his dynamic capacities within the Department of Agricultural Marketing, Ministry of Agriculture, Statistics Division of the Ministry of Planning, Directorate of Consumer Rights Protection of Ministry of Commerce and Finance Division of Ministry of Finance. Within the Finance Division, he has navigated the Macroeconomic wing, Budget and Planning wing, Administration and Coordination wing, Implementation wing, and Expenditure Management wing by showcasing his Versatility, Passion and Dedication.

Maqsura Noor NDC

DIRECTOR, NOMINATED BY GOVERNEMENT OF BANGLADESH

Date of Joining

5 March 2025

Date of Departure

15 February 2026

Other Interests

- Member of Governing Body, Bangladesh Institute of Management (BIM)
- Director, National Institute of Biotechnology

Qualifications

- M.Sc. in Development Management from University of Birmingham, UK in the year 2014.
- M.S.S. in Economics from University of Dhaka [DU], in the year 1987.
- B.S.S. (honours) in Economics from University of Dhaka [DU], in the year 1986.

Ms. Maqsura Noor NDC is a government nominated Director by the Government of Bangladesh and also member of the Board Audit Committee of IPDC Finance PLC. She is presently working as an Additional Secretary in the Ministry of Industries. Ms. Noor has joined Bangladesh Civil Service (Information Cadre) in 1993. She has worked in diversified roles and positions in her dynamic career in different government offices e.g., Ministry of Industries, Ministry of Public Administration, Department of Nursing and Midwifery, Ministry of Expatriates' Welfare and Overseas Employment, Jatiyo Mohila Sangstha, Ministry of Finance, Ministry of Power, Energy and Mineral Resources (Energy and Mineral Resources Division) and Various Departments of Peoples' Republic of Government of Bangladesh etc.

Tushar Bhowmik

DIRECTOR, NOMINATED BY BRAC

Other Interests

- BRAC Services Limited
- BRAC Industries Limited
- BRAC Probashbandhu Limited
- BRAC Netting Factory Director
- edotco (BD) Co. Ltd
- BRAC Kaiyacherra Tea Company Limited
- BRAC Kumon
- BRAC Healthcare Limited
- Chief Financial Officer, BRAC

Date of Joining

19 November 2018

Date of Departure

17 April 2025

Qualifications

- M.Com. in Accounting from University of Dhaka.
- FCA, Institute of Chartered Accountants of Bangladesh (ICAB)

Mr. Tushar Bhowmik is nominated director by BRAC in the Board of IPDC Finance PLC. Mr. Bhowmik is presently serving as Finance Director of BRAC Bangladesh. He also serves on the Boards of edotco (BD) Co. Limited., BRAC Services Limited and BRAC Industries Limited. Mr. Bhowmik is an accomplished finance professional with over 21 years of progressive experience in Strategic Leadership, Financial Administration, Corporate Governance, Risk Management and Internal Control in the corporate arena of Bangladesh and UK. Prior to joining BRAC, Mr. Bhowmik worked as the Regional Finance Director of Avery Dennison, South Asia. He served Functional Head role in reputed local and multinational companies, like Zuellig Pharma Bangladesh and Rahimafrooz Storage Power Division and worked with Reckitt Benckiser, UK and Bangladesh.

DR. A. K. M. ATIQUL HAQUE

DIRECTOR, NOMINATED BY GOVERNEMENT OF BANGLADESH

Date of Joining

17 June 2025

Other Interests

- Syndicate Member of Sylhet Medical University
- General Manager (Ex-officio), National Human Resource Development Fund

Qualifications

- Ph.D, Faculty of Business and Economics, Department Business Law and Taxation, Monash University.
- Master of Arts in Business and Commerce (Master's in Taxation Policy and Management) from Keio University, Tokyo, Japan, Joint Japan-World Bank Graduate Scholarship Program.
- Master of Business Administration from Institute of Business Administration, University of Dhaka, Bangladesh.
- Bachelor of Science (Honors) in Mathematics from University of Dhaka.

Dr. A. K. M. Atiqul Haque is a nominated Director by the Government in the Board of IPDC Finance PLC. He is presently serving as Joint Secretary at the Finance Division, Ministry of Finance. Mr. Haque has played pivotal role in wide range of government positions in his long career for more than 26 years. Mr. Haque has worked on different position in National Board of Revenue (NBR) as Joint Commissioner of Taxes to Deputy Commissioner of Taxes since 1999 to 2016. Later, he has been serving in various position in the different Ministries i.e. Ministry of Commerce and Ministry of Finance of Government of Bangladesh. Mr. Haque has been serving Bangladesh Civil Service since 1999 and contributed through his dynamic capacities within the NBR, the Ministry of Commerce and Finance Division of the Ministry of Finance. Within the ministry of commerce, he has played a significant role as Commercial Councilor at Bangladesh High Commission of New Delhi in India. He participated in many trade negotiations as a member of Bangladesh delegation.

SABBIR AHMED FCMA

DIRECTOR, NOMINATED BY BRAC

Other Interests

- Trustee, Climate Bridge Fund (CBF)
- Secretary, BRAC Foundation
- Secretary, Ayesha Abed Foundation
- Managing Director, BRAC Industries Limited
- Managing Director, Bangladesh Netting Factory Limited
- Director, BRAC Kaiyacherra Tea Company Limited
- Director, BRAC Prabashbandhu Limited

Date of Joining

25 September 2025

Qualifications

- M.Com. in Finance from University of Dhaka.
- FCMA, From The Institute of Cost and Management Accountants of Bangladesh (ICMAB)

Mr. Ahmed is nominated director by BRAC in the Board of IPDC. Mr. Ahmed has experience as Senior level executive with extensive hands-on experience in management, business leadership and working with Board of Directors, Banks, Non-Banking Financial Institutions and Regulators. He is a highly accomplished, result driven leader having more than 27 years of progressive experience in finance and operations management within start-ups, local conglomerates, group of Business and global organizations. Mr. Ahmed has demonstrated his ability to streamline business operations and implement financial controls and processes in addition to productivity improvements, turn around business performance and change management. He possesses solid leadership, communication and interpersonal skills to establish rapport with all levels of staff and management. He joined BRAC as CFO in May 2025 with current responsibilities for leading, coordinating, managing and directing the staffs to operate and ensure that the organization is disclosing accurate, relevant and timely financial information and optimizing fund management to enable BRAC to finance its operation in the most effective manner, collaborate with Micro Finance, Development Programmes and Social Enterprises to optimize the efficiency and quality of Programme/Enterprise performance and forecasting. Previously, Mr. Ahmed has held various dynamic managerial roles with Ha-Meem Group, Babylon Group, Rahimafrooz Storage Power Business, Rahimafrooz (Bangladesh) Limited, ACI Logistics Limited, Robi Axiata Ltd. & Novartis (Bangladesh) Ltd.

Sarwar Azam Khan FCA

CHAIRMAN, BOARD AUDIT COMMITTEE OF IPDC
INDEPENDENT DIRECTOR

Date of Joining

21 May 2024

Other Interests

- Partner, A. Qasem & Co. Chartered Accountants

Qualifications

- Bachelor of Commerce (B. Com) from University of Dhaka.
- Master of Commerce (M. Com) in Accounting from University of Dhaka.
- Master of Business Administration in Marketing from City University of Dhaka.

Mr. Sarwar Azam Khan is one of the Independent Directors of IPDC and Chairman of Board Audit Committee of IPDC. He is also a member of Risk Management Committee of IPDC. Mr. Khan is the Partner of A. Qasem & Co. Chartered Accountants (AQC), one of the oldest accounting firms in Bangladesh. Mr. Khan is a seasoned finance professional with a robust educational background, holding prestigious qualifications in Chartered Accountancy and Chartered Secretary. He was the Board member, Finance Director and Company Secretary of GlaxoSmithKline Bangladesh Limited for 17 years. He has expertise in Leadership, Business Laws, Taxation, Financial Management, Strategic Planning and Operational Efficiency. Mr. Khan was Director & member of Finance Committee of Bangladeshi - Canadian Community Services (BCS), Director & Vice-Chair of Finance Committee of Lymphoma, Canada and Director & Chair of Scarborough Center of Healthy Communities, Canada. He was also Past President of the institute of Internal Auditors, Bangladesh Chapter and Intellectual Property Association of Bangladesh.

Professor Dr. Shah Md. Ahsan Habib

INDEPENDENT DIRECTOR

Other Interests

- Governing Body and Chairman of the Executive Committee of Dnet
- ICC, Bangladesh Banking Commission
- Global Editorial Board of the Asia-Pacific Risk Professional Association(ARPA)
- Greentech Foundation
- Trustee, Valor of Bangladesh

Date of Joining

09 February 2021

Qualifications

- Ph.D from Banaras Hindu University, India under BHU Research Scholarship.
- Post-Doctoral Fellowship on Green Banking from Syracuse University, USA under Senior Fulbright Scholarship.

Professor Dr. Shah Md. Ahsan Habib is one of the Independent Directors of IPDC and also a member of both Board Audit Committee and Risk Management Committee. Dr. Habib is a Professor Selection Grade of Bangladesh Institute of Bank Management [BIBM]. Having over 26 years of professional experience, his key research areas include banking operation, SME financing, trade financing, inclusive finance, green banking, and financial crime and malpractices. He has teaching experience with Institute of Business Administration [IBA] and Department of International Business of the University of Dhaka; East West University; BRAC University and University of Professionals. Dr. Ahsan has over 180 research papers/ studies/ publications/ chapters in different national and international journals/books. He is the author/lead author of the books 'Financial Globalization', 'Environmentally Responsible Banking in USA', 'Towards Knowledge Society', 'Green Banking in Bangladesh', 'Trade Services by Banks in Bangladesh', published by the national and international publishers. Dr. Ahsan has working experience as Research Consultant with The World Bank, IFC, IDRC, Oxfam GB; DFID, UNEP, UNDP, GIZ, CPD, InM, FBCCI, etc.; and as Training Consultant with banks both at home and abroad. He is a columnist and published over 200 newspaper features in the national daily newspapers on financing issues.

Mohammad Iqbal Chowdhury

INDEPENDENT DIRECTOR

Date of Joining

13 May 2024

Other Interests

- Chief Executive Officer, LafargeHolcim Bangladesh PLC.

Qualifications

- Bachelor of Business Administration in Finance from University of Chittagong.
- Master of Business Administration in Finance from University of Chittagong.

Mr. Mohammad Iqbal Chowdhury is one of the Independent Directors and a member of the Board Executive Committee of IPDC Finance PLC. He is currently leading LafargeHolcim Bangladesh PLC. as the Chief Executive Officer (CEO). Mr. Chowdhury is a dynamic professional having experience more than 24 years within LafargeHolcim Bangladesh (including Chief Operating Officer and Chief Financial Officer role) and also in companies like Marico Bangladesh Limited, Avery Dennison and Berger Paints Bangladesh Limited. He is also member of Executive Committee in Bangladesh Switzerland Chamber of Commerce (SBCCI) and Director at the Foreign Investors Chamber of Commerce (FICCI), Bangladesh. Mr. Chowdhury has obtained a professional membership as Chartered Secretary from the Institute of Chartered Secretaries of Bangladesh (ICSB).

Rizwan Dawood Shams

MANAGING DIRECTOR

Date of Joining

15 April 2024

Qualifications

- BBA in Finance & Marketing from North South University, Dhaka.
- MBA in Marketing from Victoria University, Australia.

Mr. Rizwan Dawood Shams is the Managing Director of IPDC Finance PLC. He has more than 21 years of experience in the financial sector. Being result driven, he has exemplary skills in risk management, recovery management, team development, and operational excellence with impeccable understanding of the regulatory environment. He joined IPDC on November 01, 2007 as Senior Manager under Corporate Investment and played a pivotal role in transforming the organization over the years with increasing responsibilities. The departments under his supervision include Corporate Business, SME, Supply Chain Finance, Treasury, and Special Asset Management. Under his visionary leadership, both Lending & Investment Portfolio and Customer Deposits grew by more than 10 times between 2015 and 2022, whilst Operating Profit rose by almost 4 times in the same period. The SME department was reshaped while focus point shifted to nationwide CMSMEs. Supply Chain Financing (SCF) was introduced at IPDC through him in 2012 and now IPDC holds more than 50% of Bangladesh's total SCF market share. Concentrating on digitization and changing business world, major strategic initiatives were introduced, retailer financing platform-DANA have been developed under his prudent governance. His expertise and direction on treasury operations ensured the exponential portfolio growth. Through his judicious expeditiousness, IPDC's NPL is also one of the lowest in the market through efficient recovery and collection mechanism. Before joining IPDC, Mr. Shams worked at GSP Finance, Habib Bank, and Standard Chartered Bank in numerous critical positions.

5 Management Committee

Rizwan Dawood Shams

Managing Director

Expertise

Leadership, Strategic Business Planning, Corporate & CMSME Sector Development, Product Development, Sophisticated Treasury Management, Financial Inclusion, Expansion, High-Value Relationship Management, Sustainable Finance, Special Asset Management & Risk Management.

Educational Background

Master of Business Administration, Victoria University of Melbourne
Bachelor of Business Administration, North South University

Years of Experience: 21

Ashique Hossain

Deputy Managing Director and Chief Operating Officer

Expertise

Risk Management, Credit Analysis, Credit Management, Financial Management & Strategic Planning, Market Trends, Deal Mechanics, & Structured Finance.

Educational Background

Master of Business Administration, North South University
Bachelor of Science in Civil Engineering, BUET
Expansion, High-Value Relationship Management, Sustainable Finance, Special Asset Management & Risk Management.

Years of Experience: 21

Fahmida Khan, FCA

Chief Financial Officer

Expertise

Financial Planning & Controlling, Budgeting, Corporate Reporting, Financial Reporting, Tax & External Audit

Educational Background

Bachelor of Business Administration, University of Dhaka

Years of Experience: 14

Md. Afzalur Rashid

Chief Technology Officer

Expertise

Enterprise Solution Development, Outlining Technological Vision, Technological Strategic Planning & Development, Robust, Secure & Scalable Software Architecture Development, Specialization in FinTech and Customized Large-Scale Solution Development, Outlining Technological Vision, Implementing Technology Strategies

Educational Background

Bachelor & Master of Computer Science and Engineering, Bangalore University
Sun Certified Java Professional since 2003 from Sun Microsystems, USA
Certified Appraisal Team Member for CMMI from Software Engineering Institute, USA
Certified PCI DSS Implementation & Certification Expert from QRC, Mumbai, India

Years of Experience: 26

Md. Sayeed Iqbal

Chief Human Resource Officer

Expertise

Using Data and Analytics About Talents to Advise Top Management on Business Strategy, HR Business Partnering and Change Management, Transdisciplinary Thinking and Knowledge in Full Spectrum of Talent Management i.e., Talent Planning & Budgeting, Talent Attraction, Talent Acquisition and On-boarding, Control & Compliance, Talent Development, Employee Engagement, Performance Management, Succession Planning and Attrition Management.

Educational Background

MBA
PGDHRM
PGD in Supply Chain Management

Years of Experience: 26

Samiul Hashim

Company Secretary, Head of Legal Affairs and Acting Head of Brand & Corporate Communication

Expertise

Company and Commercial Matters, Customs & Tax, Securities Law, Property Law, Intellectual Law, Banking & Finance Law, Foreign Law, Foreign Exchange Transactions, Cross Border Transactions, Board Secretarial, Corporate Matters, Arbitration, Mediation & Negotiation

Educational Background

Bar Professional Training Course (BPTC), Northumbria University
LL.M in International Commercial Law, Northumbria University
LL.B (Hons), University of London

Years of Experience: 17

Abdullah Al Mahmud Md. Kayes, FCCA, CISA

Head of Internal Control and Compliance

Expertise

Internal Control, Risk Management, Information System Audit, Internal Audit, Financial Reporting, Regulatory Compliance

Educational Background

BSc (Hons) in Applied Accounting, Oxford Brookes University

Years of Experience: 11

Imran Khan

Head of Credit Risk Management

Expertise

Risk Management, Credit Analysis, Credit Management, Strategic Planning, Branch Banking, Structured Finance & Deal Mechanics

Educational Background

Master of Business Administration, Faculty of Business Studies, University of Dhaka
Bachelor of Business Administration, Institute of Business Administration (IBA), University of Dhaka

Years of Experience: 19

6 Message from the Chairman

Sustainability has become a fundamental pillar of responsible governance and long-term value creation. Across the global financial landscape, expectations from regulators, investors, clients, and communities are evolving rapidly, with sustainability considerations now central to decision-making. In this context, the role of a financial institution extends far beyond the provision of capital. It carries a responsibility to ensure that capital is deployed in ways that promote inclusive growth, environmental stewardship, and ethical business practices.

This Sustainability Report reflects IPDC's continued commitment to fulfilling that responsibility. It presents a comprehensive overview of our environmental, social, and governance (ESG) performance, outlines the risks and opportunities we face, and articulates the strategic direction we have adopted to embed sustainability deeply within our institutional identity. As an organization entrusted with advancing financial inclusion and supporting the aspirations of individuals and enterprises across Bangladesh, we remain acutely aware that our actions carry both influence and obligation. Guided by this understanding, the Board leads IPDC's sustainability agenda with clarity, diligence, and foresight.

Over recent years, IPDC has made significant strides in advancing sustainability within its business model. The achievements highlighted in this report are not merely operational accomplishments; they reflect a deeper cultural shift that is taking shape across the entire organization. Our team increasingly understands that sustainability is not an isolated initiative but rather a lens through which every business decision must be viewed. The Board has placed great emphasis on ensuring that this mindset becomes second nature; this is rooted in our policies, reflected in our governance practices, and reinforced in everyday operations.

A core responsibility of the Board is to ensure that IPDC's strategic ambitions are supported by robust governance and effective oversight. This includes supervision of risk management, responsible lending practices, ethical conduct, and stakeholder engagement. Over the past year, we have further strengthened the framework through which these matters are reviewed and addressed. By enhancing our risk management systems and improving cross-functional coordination, we have created an environment where sustainability considerations are assessed with greater rigor, consistency, and transparency.

Climate change remains one of the most defining challenges facing financial institutions, particularly in a climate-vulnerable country such as Bangladesh. IPDC recognizes its responsibility to support a resilient and low-carbon transition, a commitment reinforced through the adoption of our Net Zero 2050 strategy and the strengthening of methodologies for assessing financed emissions as well as guiding the organization's transition strategy.

Sustainability at IPDC also encompasses social inclusion, ethical conduct, and community well-being. Throughout the year, we have continued to advance initiatives that expand financial access, empower women, support CMSMEs, and promote responsible business practices; the Board views these efforts as integral to long-term economic progress.

Engaging with stakeholders remains a cornerstone of our sustainability approach. Continuous dialogue with regulators, investors, industry experts, and civil society enables us to refine our policies, enhance transparency, and ensure that our sustainability agenda remains relevant and forward-looking. Equally, the Board remains committed to fostering a culture of integrity, accountability, and trust throughout the organization.

Looking ahead, sustainability will increasingly shape institutional resilience and competitiveness. For IPDC, this presents an opportunity to innovate, support emerging sectors, and strengthen our leadership in sustainable finance. Guided by our values and supported by strong governance, we remain committed to creating lasting value for our economy, communities, and environment.

We are confident that IPDC is well positioned to navigate the complexities of an evolving sustainability landscape. Through thoughtful governance, strategic clarity, and a deep sense of responsibility, we will continue to build an institution that delivers meaningful and enduring positive impact for Bangladesh.

Sincerely,

Ariful Islam
Chairman

7 Message from the Managing Director

As we reflect on the past year, I am proud to share IPDC's continued commitment to integrating sustainability into every facet of our operations. Sustainability is no longer a peripheral concern; it is central to how we conduct business, create value for our stakeholders, and contribute to the broader development of Bangladesh. At IPDC, we recognize that our financial activities influence not only the economic landscape but also the social and environmental dimensions of the communities in which we operate. Our approach to sustainability is therefore grounded in responsibility, transparency, and long-term impact.

The year 2024 has been one of meaningful progress in embedding Environmental, Social, and Governance (ESG) principles across our operations. From responsible lending to operational efficiency and employee engagement, we have pursued initiatives that balance financial performance with social and environmental stewardship. Our sustainability strategy is designed to identify and manage the potential impacts, risks, and opportunities associated with our business. This ensures that our growth is sustainable, our clients are supported in their transition to a low-carbon economy, and our employees are engaged and empowered to contribute to a positive organizational culture.

A cornerstone of our approach is responsible finance. We have strengthened our frameworks to assess ESG risks in our lending and investment portfolios, focusing particularly on sectors with high environmental impact. By aligning our credit activities with best practices and international guidelines, we aim to encourage clients to adopt sustainable practices and reduce their environmental footprint. This approach not only safeguards IPDC's long-term resilience but also positions us as a partner in the country's broader transition toward sustainable development.

Operational sustainability has also been a key focus area. We have invested in reducing the carbon footprint of our facilities through energy efficiency measures and enhanced resource management. The calculation of greenhouse gas emissions across our operational scope, including scopes one, two, and three, allows us to monitor progress. In 2024, we disclosed our first-ever greenhouse gas (GHG) emissions across all three scopes, demonstrating our strong commitment to transparency and environmental responsibility.

At IPDC, we are deeply committed to fostering a corporate culture that values engagement, inclusivity, and well-being. Our annual employee surveys provide us with critical insights into the experiences and expectations of our workforce. These insights guide targeted initiatives aimed at enhancing workplace satisfaction, promoting professional development, and ensuring the health and well-being of our employees. We firmly believe that a motivated and engaged workforce is integral to delivering sustainable business outcomes and achieving our strategic objectives.

Equally important is our dialogue with stakeholders. We actively engage with clients, investors, regulators, civil society organizations, and employees to understand their perspectives and incorporate their insights into our decision-making. Transparent communication and robust reporting mechanisms, including whistleblowing and grievance procedures, ensure accountability and reinforce trust in our governance practices. These interactions also allow us to refine our sustainability strategy continuously, respond effectively to emerging challenges, and identify opportunities to create shared value.

Innovation and the use of advanced analytical tools are enabling us to measure and understand the impacts of our financial activities more precisely. Models such as the Joint Impact Model help quantify the economic, social, and environmental effects of our lending decisions. Such tools provide valuable insights that inform our strategy, risk management, and client engagement efforts, allowing us to align more closely with global best practices in sustainability reporting and performance measurement.

Looking forward, IPDC remains steadfast in its commitment to continuous improvement and long-term value creation. The challenges posed by climate change, social inequality, and evolving regulatory expectations require proactive and integrated responses.

We are focused on strengthening our risk management processes, enhancing our operational sustainability, and expanding our contributions to the communities we serve. By aligning our business model with sustainable principles, we are building resilience, fostering trust, and creating positive impacts that extend beyond our financial performance.

I would like to express my sincere gratitude to our employees, clients, investors, regulators, and partners for their continued support and collaboration. Their engagement and commitment are essential to advancing our sustainability agenda.

As we share this Sustainability Report, I hope it provides a clear and transparent view of IPDC's achievements, commitments, and future direction. Our journey toward sustainable finance and responsible growth is ongoing, and we remain dedicated to leveraging our resources, expertise, and partnerships to make a meaningful difference for our stakeholders and for the country.

Sincerely,

Rizwan Dawood Shams
Managing Director

8 Message from the Deputy Managing Director & Chairman of the Sustainable Finance Committee

Sustainability is no longer a fringe consideration for financial institutions; it is a strategic imperative that shapes how we allocate capital, manage risk, and create long-term value. At IPDC, the Sustainable Finance Committee plays a central role in embedding environmental, social, and governance principles into our decision making processes and ensuring that sustainability is integral to our business strategy.

The past year has highlighted the critical importance of aligning financial activities with broader societal and environmental objectives. Through the Sustainable Finance Committee, we have strengthened governance frameworks that guide the identification, assessment, and management of environmental and social risks across IPDC's portfolios. Our work ensures that financing decisions are not only financially sound but also aligned with sustainable development goals and responsible business practices.

A key priority for the Committee has been the advancement of climate-related initiatives. By assessing the greenhouse gas emissions associated with our lending activities and monitoring the transition risks in high-impact sectors, we are able to guide portfolio-level strategies that support clients in their shift toward low-carbon operations. This includes encouraging sustainable practices, promoting energy efficiency, and facilitating access to green finance solutions. Our approach emphasizes proactive risk management while also seizing opportunities that contribute positively to environmental outcomes.

Beyond climate considerations, the Committee is focused on the broader social and governance aspects of sustainable finance. We work closely with risk management, compliance, and business teams to ensure that our financing and investment activities respect human rights, uphold labor standards, and maintain ethical business conduct.

By integrating ESG criteria into our internal decision-making and monitoring processes, we ensure that IPDC's operations are responsible, transparent, and resilient.

Data and analytics play a vital role in the Committee's work. Tools such as impact assessment models enable us to quantify and understand the economic, social, and environmental implications of our financial activities. These insights inform strategic planning, risk evaluation, and client engagement, allowing us to design solutions that are both innovative and sustainable. We are continuously refining our methodologies to improve the accuracy, relevance, and actionable value of our assessments.

The Sustainable Finance Committee also emphasizes stakeholder engagement as a cornerstone of responsible finance. By listening to the perspectives of clients, investors, regulators, and civil society, we ensure that our sustainability strategy is responsive, inclusive, and forward-looking. Feedback from these interactions is crucial in shaping policies, defining priorities, and setting meaningful targets that drive tangible impact.

Looking ahead, the Committee is committed to advancing IPDC's role as a catalyst for sustainable finance in Bangladesh. We aim to strengthen frameworks for responsible lending, expand the availability of green and inclusive financial products, and foster innovation that addresses the environmental and social challenges facing our communities. By doing so, we support not only the financial resilience of our organization but also the broader goal of sustainable economic development.

I would like to thank the teams across IPDC for their collaboration and dedication in implementing sustainable finance initiatives. Their commitment, combined with the active participation of our stakeholders, ensures that sustainability is embedded into the very fabric of our business. Together, we are building a financial institution that is not only profitable but also responsible, resilient, and future-ready.

Sincerely,

Md. Ashique Hossain
Deputy Managing Director &
Chairman of Sustainable Finance Committee

9 Company Overview

9.1 Core Business Streams

IPDC Finance PLC. is a pioneer among Bangladesh's non-bank financial institutions, being the first private sector finance company of the country and distinguished by a forward-looking, customer-centric, and innovation-driven business model. Building on its legacy of trust and performance spanning over four decades, IPDC has positioned itself as a catalyst for inclusive and sustainable economic transformation, delivering financial solutions that empower individuals, entrepreneurs, and enterprises to thrive in an evolving economic landscape.

Leveraging a growing nationwide footprint, which comprises of strategically located branches, cutting-edge digital platforms, and high-impact collaborations, IPDC offers a seamlessly integrated portfolio of services. Its offerings span Corporate, Retail and SME Financing, Green and Sustainable Finance, and Wealth Solutions. Each business line is strategically aligned to support sustainable growth, financial resilience, and shared value creation.

IPDC's organizational architecture is purpose-built to deliver depth, agility, and innovation across three business divisions:

- **Retail Business:**

Enhancing individual prosperity through home, auto, personal, and affordable home loan solutions.

- **SME Business:**

Driving entrepreneurial growth and job creation by providing tailored working capital, term loans, leases, and capacity-building support for small and medium enterprises, especially women entrepreneurs, across Bangladesh.

- **Corporate Business:**

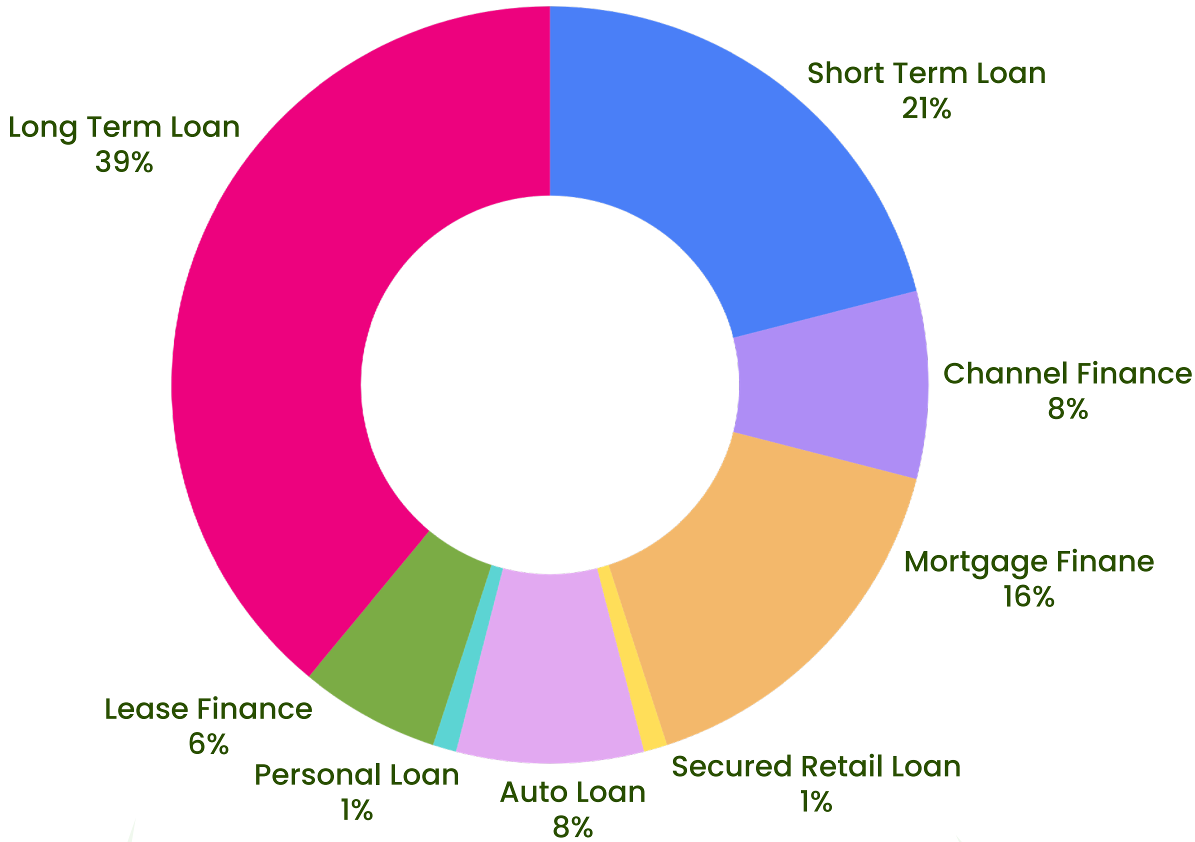
Delivering term loan, lease, short term, project and syndication financing solutions to leading corporates and institutions, with sustainability embedded as a cornerstone.

- **Deposit Business:**

Mobilizing stable, diversified, and cost-effective funding through innovative savings and term deposit products for individuals and institutions, complemented by digital platforms and relationship-driven services to support balance sheet growth and liquidity resilience.

Through this integrated and purpose-driven approach, IPDC Finance PLC continues to transcend the conventional role of a financial institution, emerging as a trusted partner for a resilient, low-carbon, and inclusive economy. Its commitment to responsible finance, stakeholder value, and sustainable innovation positions IPDC as a front-runner in shaping the future of finance in Bangladesh and beyond.

Diversified Revenue Streams:



Short Term loan: **21 %**

Channel Finance: **8%**

Mortgage Finance: **16%**

Secured Retail Loan: **1%**

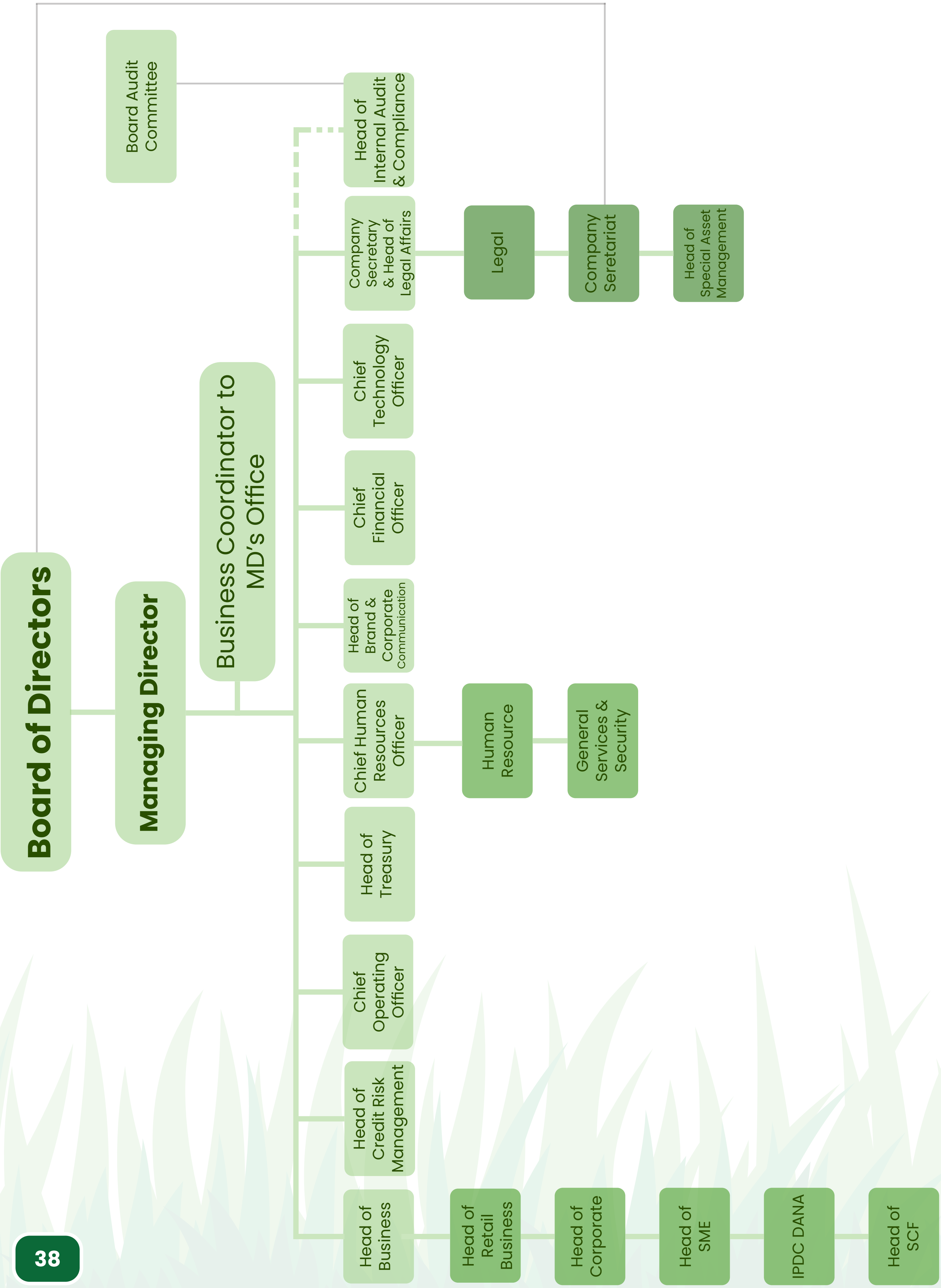
Personal Loan: **1%**

Lease Finance: **6%**

Long Term Loan: **39%**

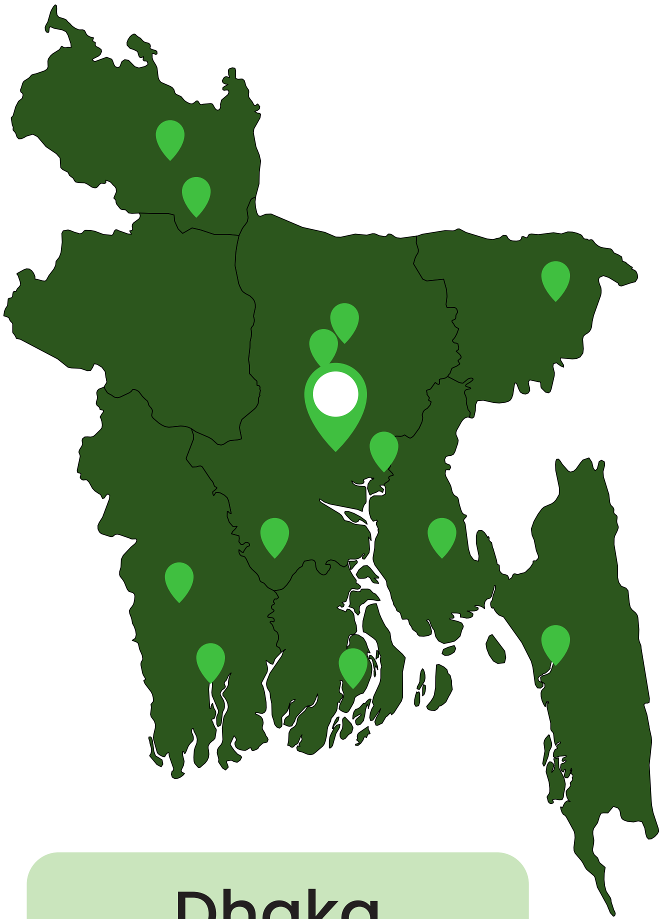
Auto Loan: **8%**

9.2 Company Organogram



9.3 Traces of IPDC

Total Number of Branches: 16 + 1 Sub-Branch



Dhaka

- **Gulshan** – Head Office
- **Motijheel** – Branch
- **Dhanmondi** – Branch
- **Uttara** – Branch
- **Mirpur** – Sub-Branch, Sustainable Branch
- **Savar** – Branch

- **Chattogram** – Branch
- **Sylhet** – Branch
- **Gazipur** – Branch
- **Khulna** – Branch
- **Narayanganj** – Branch
- **Jashore** – Branch
- **Mymensingh** – Branch
- **Faridpur** – Branch
- **Bogura** – Branch
- **Rangpur** – Branch
- **Barishal** – Branch
- **Cumilla** – Branch

9.4 Products and Services

Loan products

As a strategic orientation of our business, we have organized our business activities into three broad strategic business units: Corporate, SME, and Retail.

Deposit products

Flexible product options to ensure customized offering along with safety. Saving Schemes, Deposit Schemes.

Uchhash Club

Personal financial advice to our high-value customers, through our exclusive convenience and engagement platform to our top customers.

Loan Products

Retail Finance:

- **Home Loans:** Aims to meet the dream of every individual's aspiration of owning a home.
- **Personal Loans:** Fulfilling a wide range personal requirement.
- **Auto Loans:** Car financing solutions for both individuals and institutions.
- **Affordable Home Loan:** Housing finance to the growing middle-income base outside metropolitan areas.

Small & Medium Enterprises (SMEs):

- **Term Loans:** Financing for capital and operating expenditures such as balancing of production lines, modernization of manufacturing processes, etc.
- **Factoring:** Receive cash quickly and relieving the first party debt for less than the total amount providing them with working capital to continue trading.
- **Work Order Finance:** Financial assistance to overcome liquidity shortage in a timely manner.
- **Short Term Financing:** Financial assistance to meet day to day running business operations cost.
- **Joyee:** Loan for female entrepreneurs at low-interest rates throughout the year.
- **IPDC DANA:** an innovative product providing quick access to finance to micro entrepreneurs.
- **Lease Finance:** Lease Finance to small and medium enterprises against industrial machinery and commercial equipment, others.

Corporate Finance & Advisory:

- **Lease Finance:** Financing lease against industrial machinery and commercial equipment, generators, vehicles, etc.
- **Term Loans:** These long-term loans normally provided to meet capital and operating expenditure requirements of customers.
- **Project and Syndication Financing:** For large-scale investments, IPDC forms consortiums with banks / financial institutions to raise funds.
- **Short-term Financing:** Capital finance to enable companies to meet their day to day running of business operations.

Deposit Products

- **Deposit Premium Scheme:** A fixed amount is deposited every month which is capitalized annually.
- **Millionaire Deposit Scheme:** A monthly scheme with flexible long-term tenure that gives a maturity value of BDT 1 million.
- **Ultiflex Deposit Scheme:** Customers can deposit any amount of money anytime they wish with a fixed rate. The minimum tenure is 2 years.
- **Annual Profit Scheme:** A fixed amount of no less than BDT 10,000 must be deposited in which mode of interest payment is annual.
- **Cumulative Profit Scheme:** A fixed amount of no less than BDT 10,000 must be deposited in which interest is paid at maturity.
- **Fixed Deposit General:** A fixed amount of no less than BDT 10,000 must be deposited in which minimum tenure is 3 months and interest is paid at maturity.
- **Monthly Profit Scheme:** A fixed amount of no less than BDT 50,000 must be deposited in which minimum tenure is 3 months and interest is paid monthly.
- **Double Money Deposit Scheme:** A fixed amount of no less than BDT 50,000 must be deposited in which the deposited amount is doubled after a certain period.
- **Quarterly Profit Schemes:** A fixed amount of no less than BDT 50,000 must be deposited. in which minimum tenure is 1 year and interest is paid on a quarterly basis.
- **Priti:** An exclusive platform for the female clients of IPDC where they can receive various privileged services and special discounts through partners.

SIGNATURE PLATFORMS

IPDC AMADER GAAN: A contemporary take on popular Bangladeshi folk music, began its journey on the 50th year of the country's independence. Through this platform, IPDC aspired to celebrate the diversity of Bangladeshi culture while bringing unsung music genres, like folk music, into the global limelight.

UNSUNG WOMEN NATION BUILDERS AWARDS: The indomitable women who have contributed significantly to the development of Bangladesh surviving all odds of disparity and discrimination are largely ignored. IPDC Finance PLC. in association with The Daily Star initiated a platform to acknowledge root level women change makers

PRIYO SHIKKHOK SHOMMANONA: IPDC Finance PLC. and the Daily Prothom Alo jointly organized 'Priyo Shikkhok Shommanona' programme to recognize the extraordinary contribution of school-level teachers across the country.

IPDC PRITI: is an exclusive platform for the female clients of IPDC where they can receive various privileged services and special discounts through partners. IPDC Priti is a package offering an array of features such as economic prosperity, financial security, and medical care aim to improve the quality of life of the Bangladeshi women and offering a gateway to financial independence.

SIGNATURE PROJECT

CHILD MARRIAGE PREVENTION LOAN: the first of its kind, is an innovative interest-free loan aimed at preventing child marriages in underprivileged families initiated by IPDC Finance. The loan is given to the parents of the girls under the condition that the girls can't be married off before the age of 18 and they must be allowed to continue their education while IPDC Finance assists the parents with their means of living.

IPDC JOYEE: focuses on women entrepreneurs. With a lending rate below the market, Joyee aims to improve access to capital to women, paving the way to financial independence.

IPDC BHALO BASHA HOME LOAN: or Affordable Home Loan (AHL) is a housing finance facility. It slightly differs from traditional housing finance as it is targeted towards the growing middle-income population having business, salary or remittance income and residing mainly outside of the two megacities, Dhaka and Chattogram.

IPDC DANA: is an innovative product involving microentrepreneurs. It has already been rolled out and successful in its pilot phase with one of the largest FMCG manufacturers of the nation. The project aims to improve the livelihood of micro entrepreneurs by providing them with quick access to finance.

IPDC Subodh: IPDC Finance introduced the first ever interest-free book loan titled Subodh, at Amar Ekushey Book Fair. The initiative aims to mitigate the hindrance that book-lovers might financially have, during the book fair.

9.5 Key Numbers

Financial Performance

Year-over-Year Comparison

Particulars	2023	2024	% Change
Interest Income	7,433,716,178	8,811,163,320	18.5%
Operating Income	2,902,451,401	3,242,881,405	11.7%
Net Profit	342,955,864	363,234,933	5.9%
Earnings per Share	0.88	0.93	5.9%
Return on Equity	5.1%	5.4%	5.9 %

Financial Performance

Year-over-Year Comparison

Date of Issue	Long-Term Rating	Short Term Rating	Outlook	Date of Validity	Credit Rating Agency
25-Sept 2024	AAA	ST-1	Stable	25-Sept 2025	Emerging Credit Rating Ltd.
24-Sept 2023	AAA	ST-1	Stable	25-Sept 2024	Emerging Credit Rating Ltd.
26-Sept 2022	AAA	ST-1	Stable	25-Sept 2023	Emerging Credit Rating Ltd.

9.6 IPDC's Evolution

- **1981:** First private sector Development Financial Institution (DFI) in Bangladesh.
- **1983:** Commenced commercial operations.
- **1985:** Co-founded IDLC.
- **1995:** Received license for operating as a financial institution fromBangladesh Bank.
- **1997:** Commenced lease financing.
- **1999:** Launched short-term working capital and bridge loan finance.
- **2000:** Invested in preferred stock of Delta BRAC Housing; introduced preference share investment in Hyundai Cement.
- **2004:** Introduced zero-coupon bond through securitization of receivables with World Bank assistance; AKFED acquired majority share from IFC, DEG, and CDC.
- **2006:** Got public listing.
- **2008:** Introduced auto loan and Club Royal lifestyle products for high-net worth individuals (first in NBFI sector).
- **2012:** Introduced factoring finance and mortgage finance.
- **2015:** Major shareholding changes: BRAC 25%, Ayesha Abed Foundation 10%, RSA Capital 5%.
- **2016:** Formulated five-year strategic paper focusing on youth, women, and under served areas; rebranded to IPDC Finance Limited; inaugurated branches in Gazipur, Narayangonj, and Bogra.
- **2017:** Opened branches in Jashore, Mymensingh, and Cumilla.
- **2018:** Commenced development of Project Orjon (first blockchain-based digital supply chain financing solution in Bangladesh).
- **2019:** Launched Orjon (Southeast Asia's first blockchain-based digital supply chain finance platform); won Best Financial Institution of the Year at Bangladesh Business Awards.
- **2020:** Digitalized operations during pandemic; launched Manobota deposit scheme for underprivileged communities.
- **2021:** Onboarded Tamim Iqbal as Brand Ambassador.
- **2022:** Won Intellectual Property Protection Award for IPDC Amader Gaan; launched Child Marriage Prevention Loan (interest-free).
- **2023:** Sponsored Sylhet Strikers in BPL; won Gold at ICAB National Awards.
- **2024:** Opened branches in Barishal, Savar, and Mirpur sub-branch; IPDC Joyee won Platinum Award for Best Financier for Women Entrepreneurs (Global SME Finance Awards); secured top sustainability rating for 3rd time from Bangladesh Bank.

9.7 IPDC's Sustainability Journey

At IPDC, sustainability is embedded in the very foundation of our identity. Guided by more than four decades of values-driven operations, we recognize that sustainable business practices are not simply an obligation but a core business imperative. Our long-standing commitment to ethics and purpose has shaped the way we engage with the environment, the economy, and the communities we serve.

For IPDC, sustainability is more than a principle; it is a compass that guides our journey toward meaningful and lasting impact. Our efforts extend beyond financial performance to support the creation of long-term value for society and the planet, ensuring a brighter and more resilient future.

IPDC's sustainability journey can be summarized as follows:

IPDC's sustainability journey

2014	Adopted Green Banking Policy. Developed Green Office Guide to promote environement friendly corporate culture.
2017	Established Sustainable Finance Committee and Sustainable Finance Unit.
2018	Adopted Environmental and Social Risk Management Policy.
2021	Recognized as a Top Finance Company in the Sustainability Rating 2020 by Bangladesh Bank.
2022	Recognized as a Top Finance Company in the Sustainability Rating 2021 by Bangladesh Bank.
2024	Recognized as a Top Finance Company in the Sustainability Rating 2023 by Bangladesh Bank. Received Best Climate Focus Financial Institute Award. Adopted board-approved Net- Zero 2050 strategy.

Strategic Objectives

As a value-driven organization, IPDC prioritizes transparency at every level of its operations. Since our inception in 1981, we have worked persistently to align our business practices with sustainability principles. This report offers a comprehensive and candid overview of our sustainability performance, covering our economic, environmental, and social initiatives throughout the 2024 financial year. Our objective is to inform stakeholders of our progress toward sustainable development, highlight key actions taken, and outline our strategic direction moving forward. Through robust performance indicators and transparent disclosure, we aim to build trust and drive accountability across our sustainability agenda.

Forging Ahead with Principles

We believe that sustainability must be rooted in integrity. IPDC's strategic decisions are guided by the 3 Ps-People, Planet, and Profit-ensuring that our economic growth does not come at the cost of social equity or environmental health. By integrating these principles into all aspects of our operations, we strive to create a business that is not only profitable but purpose-driven and future-focused.

9.8 Recognitions

The year 2024 was a landmark for IPDC Finance PLC, marked by multiple prestigious awards and accolades that underscore its leadership in sustainability, gender empowerment, and corporate excellence. These recognitions reflect IPDC's unwavering commitment to innovation, responsible finance, and inclusive growth.

1. Top Position in Sustainability Rating by Bangladesh Bank for the 3rd time

- **Awarded by:** Bangladesh Bank.
- **Significance:** IPDC retained its leadership in sustainability performance among financial institutions in Bangladesh. This recognition validates IPDC's strategic focus on green and sustainable finance, climate risk management, and ESG integration across operations.

2. Platinum Award – Best Financier for Women Entrepreneurs (Global Category)

- **Awarded by:** Global SME Finance Awards 2024, organized by SME Finance Forum (managed by IFC).
- **Significance:** IPDC Joyee, the flagship women entrepreneurship platform, earned global recognition for its holistic approach to empowering women through access to finance, access to capacity development, access to market, and access to business support. This award positions IPDC as a global champion for gender-inclusive finance.

3. Best Climate Focus Financial Institute Award

- **Awarded by:** Institute of Energy – University of Dhaka and Greentech Foundation Bangladesh (supported by USAID and partners).
- **Significance:** This award highlights IPDC's pioneering role in financing climate-resilient projects, renewable energy initiatives, and energy-efficient technologies, reinforcing its commitment to combating climate change.

4. Gold Award at the 24th ICAB National Award

- **Awarded by:** Institute of Chartered Accountants of Bangladesh (ICAB).
- **Significance:** Recognized for excellence in corporate governance, transparency, and financial reporting, reflecting IPDC's adherence to global standards and best practices in disclosure.

5. 14th ICMAB Corporate Award

- **Awarded by:** Institute of Cost and Management Accountants of Bangladesh (ICMAB).
- **Significance:** Acknowledged IPDC's strong financial performance, operational efficiency, and governance framework, reinforcing its reputation as a leading non-bank financial institution.

These accolades collectively demonstrate IPDC's ability to balance profitability with purpose. From gender empowerment and climate action to governance excellence, IPDC's achievements in 2024 showcase its role as a catalyst for sustainable development in Bangladesh and beyond.

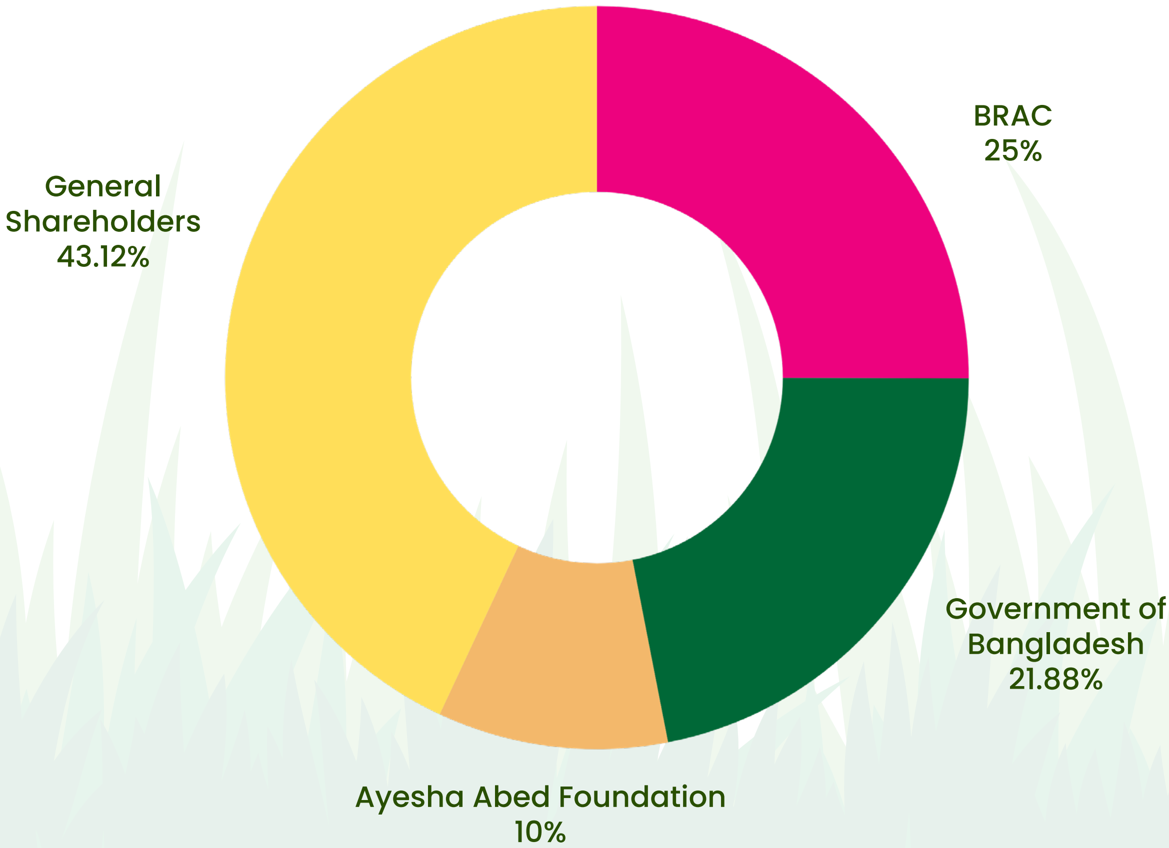
9.9. Shareholders of IPDC

IPDC Finance PLC is the first private sector finance companies of the country established in 1981 by a distinguished group of shareholders namely International Finance Corporation (IFC), USA; German Investment and Development Company (DEG), Germany; the Aga Khan Fund for Economic Development (AKFED), Switzerland; Commonwealth Development Corporation (CDC), UK and the Government of the People's Republic of Bangladesh (GOB).

In early 2004, AKFED acquired 70% stake in IPDC by purchasing the shares from IFC, CDC and DEG. In 2006, the shareholding structure was changed by issuance of public shares with AKFED maintaining the management control of the company holding 51% of the shares. In 2015, BRAC acquires 25% and Ayesha Abed Foundation acquires 10% in total acquiring 35% shares from AKFED. Government of People's Republic of Bangladesh and General Public owns the remaining shares of 21.88% and 43.22% separately.

As on 31 December 2024, IPDC has an authorized capital of BDT 8,000,000,000; issued, subscribed and paid-up capital of BDT 3,896,461,240. None of the shares of the company entitles their holders to an increased dividend or double voting rights or limit the exercise of voting rights.

Shareholding Structure as on December 31, 2024



The shareholder structure represents strong institutional backing. To the best of theknowledge of the company, as at December 31, 2024, no single shareholder other than Government of the People's Republic of Bangladesh (GoB), BRAC,and Ayesha Abed Foundation held, directly or indirectly, more than 10% of IPDC's share capital or voting rights.

Listing Information

IPDC has been listed on both the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 3 December 2006, under the trading code IPDC and scrip code 111372.

Changes in Shareholding Structure

	As on 31-Dec-2023			As on 31-Dec-2024		
Shareholders	No. of Shares	% of Share Capital	% of Voting Rights	No. of Shares	% of Share Capital	% of Voting Rights
Government of Bangladesh	81,193,210	21.88%	21.88%	85,252,870	21.88%	21.88%
BRAC	92,772,883	25.00%	25.00%	97,411,527	25.00%	25.00%
Ayesha Abed Foundation	37,109,152	10.00%	10.00%	38,964,609	10.00%	10.00%
Employees	-	-	-	-	-	-
Treasury Shares	-	-	-	-	-	-
Individual shareholders	-	-	-	-	-	-
Bluechip Securities Limited	29,831,193	8.04%	8.04%	-	-	-
General Shareholders	111,630,535	35.08%	35.08%	148,534,816	43.12%	43.12%
Total	**371,091,547**	**100.00%**	**100.00%**	**389,646,124**	**100.00%**	**100.00%**

10 Sustainability Disclosures

This chapter outlines the sustainability reporting of IPDC, prepared in compliance with IFRS S1 and S2. The objectives of IFRS S1 and S2 are to require an entity to disclose information about its sustainability-related (including climate-related) risks and opportunities that is useful to users of general purpose financial reports in making decisions related to providing resources to the entity.These standards require an entity to disclose information about all sustainability-related (including climate-related) risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

These climate and sustainability-related disclosures encompass the entire value chain of IPDC, including its direct operational scope as well as its upstream and downstream value chain. A detailed overview of the value chain of the company is provided later in this report.

Application of Assumptions in Sustainability Disclosures

In preparing these disclosures in accordance with IFRS S1 and S2, IPDC Finance PLC. has, where necessary, applied reasonable assumptions and estimates, particularly in areas where data availability across the value chain remains limited or evolving. These assumptions are made in good faith and are intended to provide decision-useful information to stakeholders. Where measurement uncertainty is significant, the underlying methodologies, data sources, and estimation techniques have been disclosed. IPDC has prioritized the use of verifiable data and internationally recognized frameworks and definitions.

Future-Oriented Information

These climate and sustainability-related disclosures, prepared in alignment with IFRS S1 and S2, include certain forward-looking statements reflecting current views, projections, and assumptions regarding future events. Such statements inherently involve risks and uncertainties, many beyond the control of IPDC, relating to the operations of the company, market dynamics, industry developments, prospective investments and acquisitions, shifts in economic, social, environmental, and regulatory conditions.

As these forward-looking information are subject to change, they should not be interpreted as assurances or guarantees by the company or any other party that specific objectives, targets, or indicators will be achieved within stated timelines, or achieved at all. The forward-looking statements contained herein represent the perspective of IPDC as of the date of publication. Except where required by law, the company assumes no obligation to revise or update such statements to reflect subsequent events or changes in circumstances.

Underlying Uncertainty Regarding Information on Climate

The data, methodologies, and indicators used in assessing climate-related impacts continue to evolve alongside developments in climate science, policy, and technology. Climate metrics can be inherently complex, relying on numerous assumptions and projections regarding future policy frameworks, technological advancements, and other uncertain or unknown factors. Any material shift in these variables could affect the validity of these assumptions and, consequently, the accuracy of related indicators and data.

Accordingly, the climate-related information presented in these sustainability disclosures, whether historical or forward-looking, carries inherent uncertainty and may not hold the same level of relevance for decision-making as historical financial data. In particular, the estimation and calculation of greenhouse gas (GHG) emissions remain challenged by the absence of fully standardized, comparable methodologies across frameworks. While this report outlines the methodological choices applied in preparing these disclosures, differences in frameworks may result in potential overestimation or underestimation of reported figures. Scope 3 emissions, notably those tied to the activities of clients financed by IPDC, are subject to high measurement uncertainty. By nature, these emissions originate from the operations of third parties and, unlike the direct emissions of IPDC, are influenced by external variables beyond the control of IPDC.

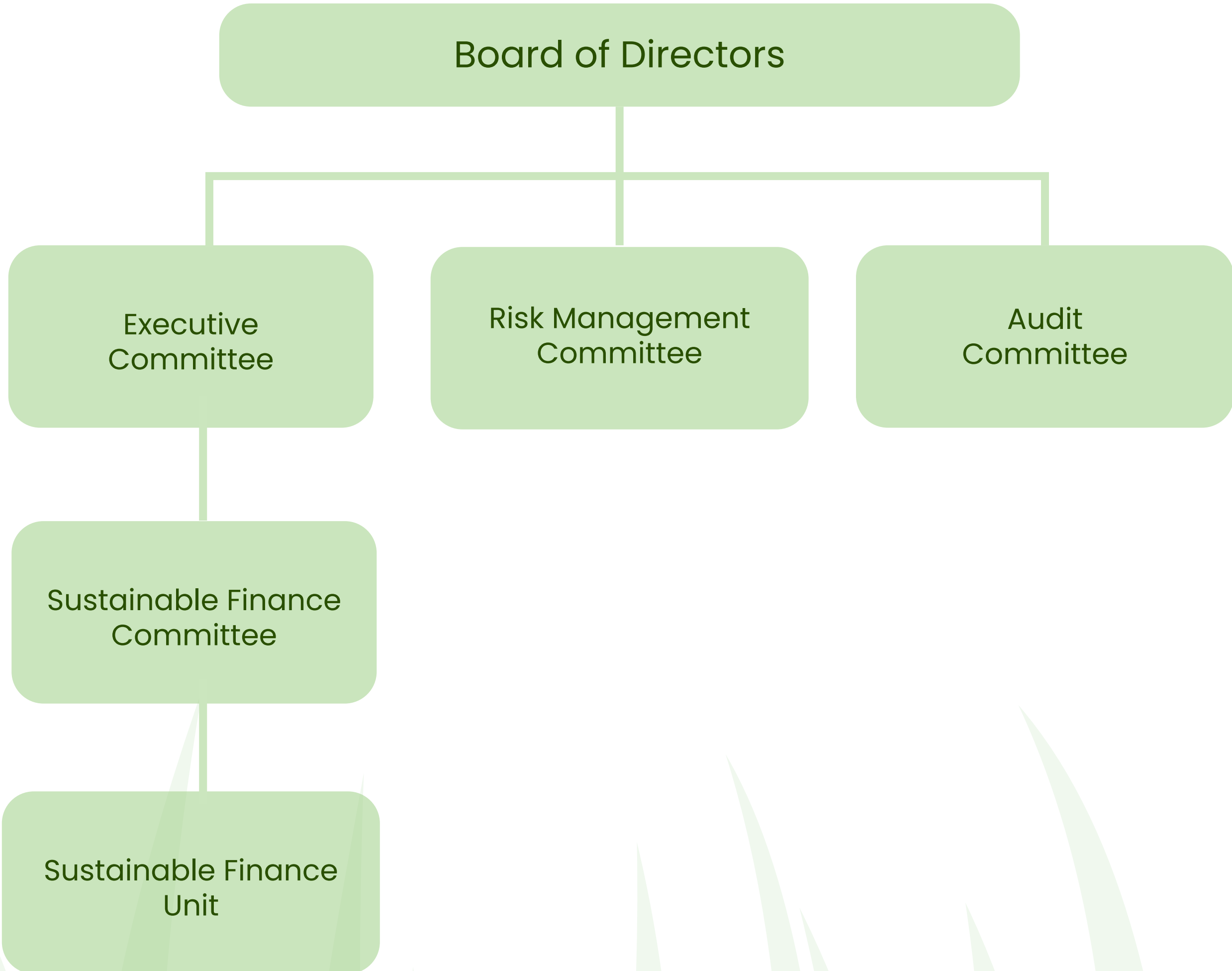
Externally Sourced Information

Certain statistical data and other information presented in this report have been sourced from third-party providers, such from the JIM toolkit, Department of Environment-Ministry of Environment, Forest and Climate Change, GHG Protocol Tools, etc. While such information is included for completeness, IPDC does not assume responsibility for its accuracy, reliability, or completeness and makes no representation or warranty in this regard.

10.1 Governance

Sustainability is embedded at the highest levels of the governance framework of IPDC. The relevant governance bodies are entrusted with overseeing the environmental, social, and governance (ESG) impacts, risks, and opportunities across all business activities, in alignment with their respective mandates. Role of Nomination and Remuneration Committee is adopted under the Terms of Reference (TOR) of Audit Committee.

Governance Framework on Sustainability Strategy



10.1.1 Board of Directors

The Board of Directors of IPDC provides active and independent oversight of management, including sustainability & climate-related strategies and activities. The Board comprises seasoned leaders with deep and diverse experience across industries, bringing informed perspectives to sustainability oversight. IPDC demonstrates a robust governance framework wherein the Board of Directors assumes a central role in embedding ESG considerations into the institution's strategic agenda. Rather than treating sustainability as an ancillary concern, the Board integrates ESG factors into the core of its oversight responsibilities, thereby ensuring coherence between long-term business objectives and sustainable development imperatives.

In alignment with this approach, IPDC Finance PLC. has placed sustainability at the core of its governance and strategic framework, reflecting a deep institutional commitment to managing climate and other environmental, social, and sustainability-related risks and opportunities. The responsibilities of the Board of Directors and its board-level committees are further supported by well-defined policies, including the Board-approved Sustainable Finance Policy. This policy is aligned with Bangladesh Bank's Sustainable Finance Policy and Green Taxonomy guidelines and integrates climate and sustainability considerations into all aspects of institutional decision making. It ensures that the Board and its committees remain directly responsible for incorporating climate-related and broader sustainability risks into strategic decisions, including capital allocation, product development, and credit risk management.

The Board actively facilitates the allocation of resources toward sustainability initiatives and ensures that such efforts are institutionally prioritized. It is also tasked with upholding transparency in climate-related and sustainability disclosures, thereby promoting accountability to its stakeholders. This commitment to open communication reinforces trust and aligns the organization with global standards of corporate responsibility. In this regard, the Board monitors compliance with regulatory guidelines and drives the continued evolution of IPDC's sustainability practices, including enhancing the quality and transparency of disclosures and ensuring that proper governance structures guide continuous improvement.

Performance monitoring forms another critical aspect of the Board's mandate. Through periodic evaluation of sustainability outcomes, the Board contributes to a culture of continuous improvement and adaptive learning, ensuring that IPDC's sustainability trajectory remains both ambitious and attainable. The Board is also accountable for IPDC's broader environmental and social objectives and long-term impact goals, ensuring that the institution's operations and lending activities meaningfully contribute to national and global sustainability priorities.

One of the most notable milestones highlighting the Board's proactive approach is its approval of IPDC's Net Zero Strategy 2050. This strategy commits the company to achieving net-zero emissions across Scope 1, Scope 2, and Scope 3 categories. It outlines a comprehensive roadmap that includes internal sustainability improvements such as energy efficiency, engagement with clients to reduce financed emissions, and the use of credible carbon offsetting mechanisms. This initiative reinforces the Board's commitment to supporting Bangladesh's transition to a low-carbon economy.

As of December 31, 2024, the Board consisted of eight members under the chairmanship of Mr. Ariful Islam.

The Board convenes at least four times annually, with additional meetings held as needed to address emerging priorities. In 2024, ESG topics were discussed on 06 occasions, reflecting the Board's active engagement in assessing the impacts, risks, and opportunities associated with the activities of the company. Key discussions included:

• Management Reports on the performance of IPDC
• Approval of credit proposals recommended by Board Executive Committee
• Approval for employee benefits and others
• Formation of Risk Management Committee
• Re-structure of sub-committees of the Board
• Approval of a guideline for promotional activities and CSR programs
• Approval of Net Zero Strategy
• Other discussions regarding sustainable finance and broader sustainability matters

The Board ensures its effective implementation across all business lines, geographies, and operational entities. Oversight of specific climate and sustainability-related matters is allocated to dedicated committees of the Board:

- Executive Committee
- Risk Management Committee
- Audit Committee

In addition, board-level committees include members who either possess experience in sustainability or are committed to deepening their expertise. Recognizing the rapidly evolving nature of climate and sustainability-related risks, the Board has mechanisms to ensure members remain informed and capable of fulfilling their oversight responsibilities. These include structured knowledge sessions, peer exchange opportunities, and engagement with external stakeholders such as regulators, development partners, and sustainability experts. Through these ongoing initiatives, the Board strengthens its ability to evaluate emerging risks, assess tradeoffs, and make informed decisions in a dynamic operating environment.

Board Architecture as on 31-Dec-24

NO. OF BOARD MEMBERS

8

Female: 02

Male: 06

CATEGORIES OF DIRECTORS

Nominated Non-Executive: 4

Independent Non-Executive: 4

YEARS OF PROFESSIONAL EXPERIENCE

Below 20 years — None

Between 20-25 years — 37%

Between 25-30 years — 25%

Between 31-35 years — 25%

Over 35 years — 13%

10.1.2 Board Sub-Committees

Executive Committee (EC)

A key component of IPDC's sustainability governance structure is the Executive Committee (EC), which holds formal authority over the approval of strategic and sustainability-related policies. The EC supervises the implementation of activities led by the Sustainable Finance Committee (SFC) and provides strategic recommendations aimed at enhancing institutional sustainability practices. Through this structured and multilayered approach, IPDC effectively integrates sustainability into its organizational fabric and decision-making processes. The scope of responsibilities of the EC encompasses setting policies and providing strategic guidance, along with granting necessary approvals, supervising, and evaluating the activities of the Sustainable Finance Unit (SFU) and the SFC. Additionally, the EC is responsible for approving the annual budget allocations for Green Finance, CSR, Climate Risk Fund, and Green Marketing initiatives. It also holds the authority to approve the formation of the SFU and SFC. The EC met nine times during the year 2024.

The composition of the EC as on 31-Dec-24 was as follows:

NO. OF EXECUTIVE COMMITTEE MEMBERS

4

Female: 01

Male: 03

CATEGORIES OF DIRECTORS

Nominated Non-Executive: 2

Independent Non-Executive: 2

Risk Management Committee (RMC)

The Risk Management Committee (RMC) of IPDC plays a critical role in supporting the institution's sustainability agenda by integrating ESG risks into its overall risk management framework. The RMC ensures that sustainability-related risks are identified, assessed, and mitigated alongside traditional financial risks. It oversees the formulation and review of risk policies, ensures regulatory compliance, and promotes a risk-aware culture across the organization. By embedding ESG considerations into its oversight responsibilities and ensuring that adequate resources and systems are in place, the RMC enhances IPDC's long-term resilience and reinforces its commitment to sustainable and responsible finance. The RMC met two times during the year 2024.

NO. OF RISK MANAGEMENT COMMITTEE MEMBERS

4

Male: 04

CATEGORIES OF DIRECTORS

Nominated Non-Executive: 2

Independent Non-Executive: 2

The company is working towards onboarding a female member in the committee in the future.

Audit Committee

The Audit Committee plays a critical role in strengthening the company's sustainability and governance practices by overseeing financial integrity, internal control systems, risk management, and compliance. As a sub-committee of the Board, it ensures that financial statements reflect a true and fair view of the company's affairs and that all operations adhere to regulatory requirements. The Committee evaluates the effectiveness of internal controls, reviews risk management frameworks, and monitors compliance with legal and ethical standards, thereby fostering operational resilience. It also contributes to corporate sustainability by promoting transparent governance, monitoring executive performance, and ensuring alignment of remuneration practices with long-term organizational goals. The Committee supports diversity in leadership, oversees succession planning, and ensures the nomination and appointment of qualified, well-rounded board members. In addition to reporting directly to the Board, the Audit Committee is empowered to communicate significant concerns such as conflicts of interest, suspected fraud, or regulatory breaches to regulatory authorities. Through regular engagement with stakeholders, the Committee helps reinforce trust, accountability, and long-term value creation across the organization. In 2024, the Audit Committee met five times.

NO. OF AUDIT COMMITTEE MEMBERS

3

Female: 01

Male: 02

CATEGORIES OF DIRECTORS

Nominated Non-Executive: 1

Independent Non-Executive: 2

10.1.3 Qualifications and Expertise

The Board comprises individuals with a broad and complementary range of expertise, including significant experience in multiple domains acquired throughout their professional careers. This collective knowledge base enables the Board to effectively oversee the full spectrum of impacts, risks, and opportunities associated with the company's business activities. Detailed biographies of the members of the Board of Directors, including the specific areas of expertise, are provided in Chapter 3 of this report.

IPDC organizes sessions for the members of the Board along with regular updates on the market affairs, sustainability trends, regulatory changes and economical progression of the country.

Through this structure, the company ensures that its Board and its sub-committees are composed of individuals equipped with the necessary knowledge and skills to effectively monitor and respond to the impacts, risks, and opportunities regarding IPDC.

Qualifications and Experttise

Name of Director	Date First Appointed in BoD	Years of Experience	Profession	Education	Board of Director	Executive Committee	Audit Committee	Risk Management Committtee	No. of Shares Held
Mr. Ariful Islam	24-Nov-22	27	Treasurer, BRAC University	Finance and Economics	Chairman, Nominated by Ayesha Abed Foundation	-	-	Chairman	1050
Mr. Munshi Abdul Ahad	30-Oct-24	32	Additional Secretary, Finance Division, Ministry of Finance	Finance, Banking and International Economic Relations	Director, Nominated by GOB	Member	-	Member	Nill
Ms. Nilufer Nazneen	16-Apr-24	33	Additional Secretary, Ministry of Industries	International Relations and Public Health	Director, Nominated by GOB	-	Member	-	Nill
Mr. Tushar Bhowmik	19-Nov-18	21	Chief Financial Officer, BRAC	Finance and Accounting	Director, Nominated by BRAC	Chairman	-	-	Nill
Ms. Sonia Bashir Kabir	31-Mar-19	25	Entrepreneur and Investor	IT and Business Administration	Independent Director	Member	-	-	Nill
Mr. Sarwar Azam Khan	21-May-24	40	Partner, A. Qasem & Co. Chartered Accountants	Accounting	Independent Director	-	Chairman	Member	Nill
Dr. Shah Md. Ahsan Habib	09-Feb-21	26	Professor, Bangladesh Institute of Bank Management	Economics	Independent Director	-	Member	Member	Nill
Mohammad Iqbal Chowdhury	13-May-24	24	Chief Executive Officer, LafargeHolcim Bangladesh PLC.	Finance	Independent Director	Member	-	-	Nill
Mr. Rizwan Dawood Shams	15-Apr-24	21	Managing Director, IPDC Finance PLC.	Finance and Marketing	Managing Director (exofficio)	Member	-	Member	Nill

10.1.4 Oversight of Sustainability Reporting and Risk Controls

IPDC has established a comprehensive internal control framework to support the integrity and reliability of its sustainability reporting. This framework is built upon several key components:

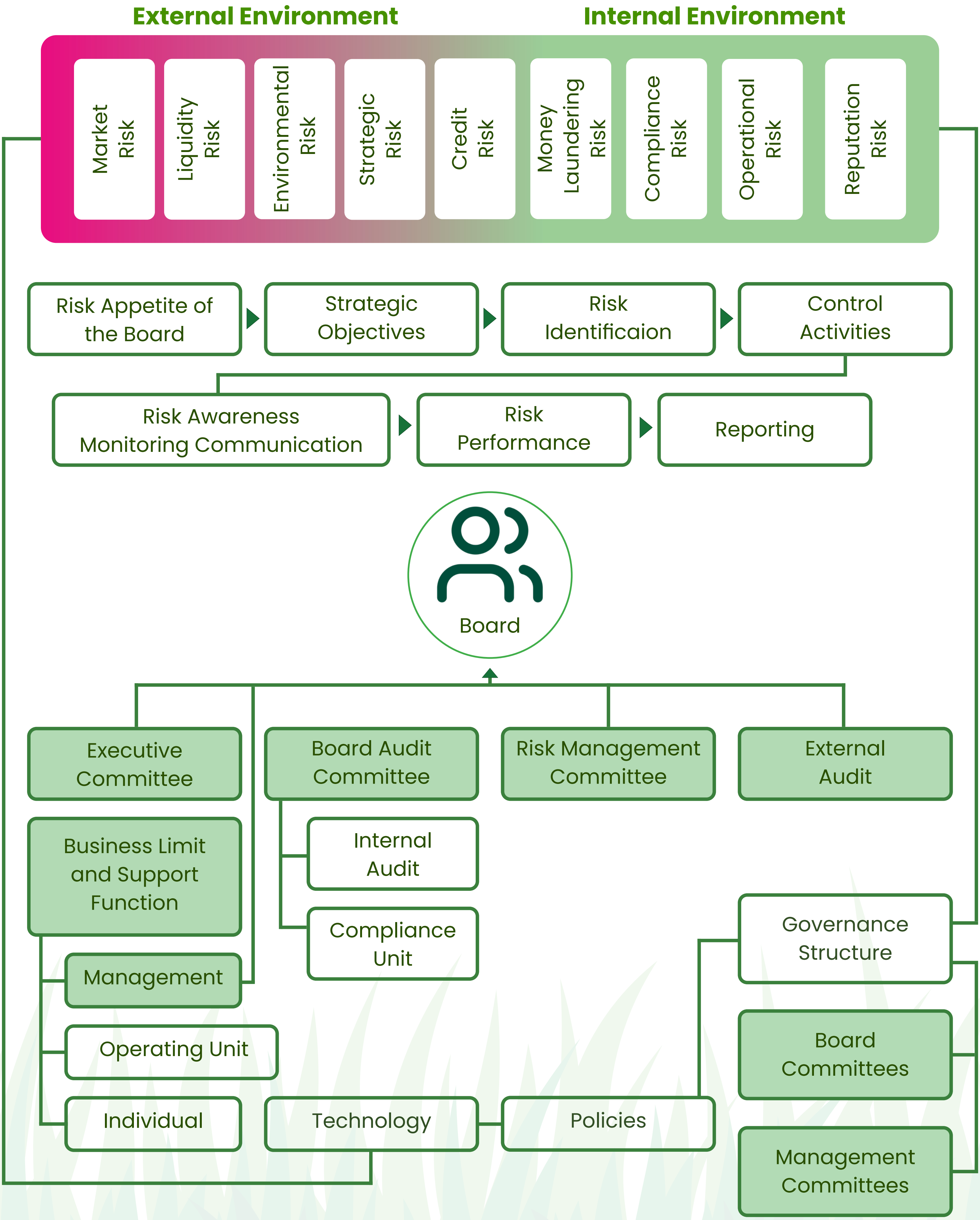
- A detailed mapping of existing data production processes, complemented by a structured data collection process
- Defined roles and responsibilities of the officials involved in the reporting, developed as part of the sustainability reporting implementation initiative
- A gap analysis identifying discrepancies between disclosure requirements and current sustainability reporting practices;
- A control framework comprising standardized controls applicable across sustainability data production functions, with approval provided by the respective line managers.

The risk management processes associated with sustainability repoting are aligned with the broader risk management framework of the company.

Integrated Risk Management Framework

To achieve a sound system of risk management and internal control, the Board and the Management ensure that the risk management and control framework are embedded into the overall business processes, culture and structures of the Company. In addition to the best industry practices, the Company follows the Integrated Risk Management Guideline for Financial Institutions issued by Bangladesh Bank. The Risk Management Framework is given below:

Risk Management Framework



The Integrated Risk Management Framework (IRMF) of IPDC Finance is an organization-wide approach to addressing risk that involves input from all teams and risk centers as a fundamental part of business strategy It is a comprehensive and unified approach that IPDC has adopted to identify, assess, prioritize, and manage all potential risks they face. The IRMF of IPDC Finance defines the key risks the company faces, the governance structures, involved units and their respective responsibilities, risk identification, assessment, treatment, measurement, monitoring and reporting techniques.

To manage the various risks, IPDC Finance follows an Integrated Risk Management Approach (IRMA) which is a comprehensive, enterprise-wide strategy that organizations use to unify and manage their various risk management efforts. The IRMA of IPDC Finance is as follows:

Integrated Risk Management Approach

Priority	Risk Control Principle	Most Involved Function
Safeguarding financial health of IPDC	Controlling risk exposures and reducing risk concentrations	*Business Units* *Credit Risk Management* *Treasury*
Ensuring Accountability	All teams should own respective risks and be responsible for continuous and active management	*Operations* *Collection*
Establishing Independent Control functions	Monitoring effectiveness of IPDC's risk management capacity	*Internal Audit & Compliance* *Legal*
Ensure comprehensive & transparent disclosure	Disclosures to all stakeholders, including senior management, the Board of Directors, shareholders, regulators & rating agencies.	*Finance & Accounts* *Credit Risk Management*
Protecting company reputation	Through practicing solid risk control culture ensuring compliance with regulations and practices	*All functional areas*

Risk Management Principles

Our business model requires us to identify, assess, measure, aggregate and manage our risks, and to allocate our capital among our businesses. We actively take risks in connection with our business and as such the following principles underpin our risk management framework:

- Risk is taken within a defined risk appetite.
- Every risk taken needs to be approved within the risk management framework.
- Risk taken needs to be adequately compensated.
- Risk should be continuously monitored and managed.

Risk Appetite of the Board

Risk appetite is the aggregate level and type of risks the Company is willing and able to accept within its overall risk capacity and is captured by several qualitative principles and quantitative measures. The Company takes strategic initiatives and sets its goals within the limit of overall risk appetite of the Board and the Shareholders. While the Board sets the risk tone, management executes the operations. Organizational philosophy, values, mission, cultures and the external environment also shape the way the company operates given the risk limit set by the Board.

Control Activities

To improve financial and operating performance, IPDC ensures that adequate and appropriate risk mitigating controls are in place against the risks the organization is facing. Organization sometimes weighs the cost of control against the benefit of exercising such controls and thus it optimizes its control activities throughout the organization.

Policies and Guidelines

Policies and procedures are reviewed at regular intervals and necessary modifications are made to the policies based on the market practices, the changes in the regulatory environment and business strategies. The Policy owner initiates the process of review by identifying the respective policy that requires review, prepares an initial draft along with all the references for the changes made, shares the draft policy with the members of Policy Review Task Force (PRTF) for comments and feedback on the same. Upon receiving feedback from the members of the PRTF, the Policy owner puts forward the changes in the policies to the sub-committee of the Board (Executive Committee/ Audit Committee) for review. Subject to the recommendations of the subcommittee, the Board approves the policies.

Monitoring and Review

Monitoring and review together are an integral part of the risk management process, that ties all elements together to create value for the organization. A strong monitoring and review process serve following purposes:

- Ensuring that controls are adequate and effective
- Feeding a wide range of information into risk assessment process
- Analyzing and learning lessons from risk events, including success and failure
- Detecting the changes in the external and internal context which may require revision in risk treatments and priorities
- Identifying the emerging risks

Stress Testing

Stress testing and scenario analysis are used to assess the financial and management capability of IPDC to continue operating effectively under extreme but plausible conditions. Such conditions may arise from economic, regulatory, legal, political, environmental, and social factors. IPDC has a strong commitment to stress testing performed on a regular basis in order to assess the impact of a severe economic downturn on its risk profile and financial position. IPDCs stress testing framework is designed to:

- Identify where the risk concentrations are
- Understand impact on the institution if the biggest customers' default
- Impact on the institution if historical worst-case scenarios recur
- Impact on the institution if it is hit by a similar severe credit loss event that affected competitors in the past

Risk Reporting

IPDC identifies many metrics within its risk measurement systems which support regulatory reporting and external disclosures, as well as internal management reporting across risks and for material risk types. These risk metrics are given in the subsequent sections of Risk Management. Oversight of the sustainability reporting process is entrusted to the Sustainable Finance Committee. In this capacity, the committee reviews matters concerning sustainability disclosures, performance indicators, and any emerging issues that may pose potential risks.

10.1.5 Sustainable Finance Committee

The Sustainable Finance Committee provides strategic direction and oversight on sustainable and green finance, CSR, climate finance, refinancing, governance, and marketing of sustainability linked initiatives. The committee ensures policy formulation, progress monitoring, and regulatory compliance.

Committee Members

Name	Designation
Mr. Md. Ashique Hossain	Deputy Managing Director (Chairman)
Ms. Jumaratul Banna	Head of Corporate Business and Head of Sustainable Business
Mr. Imran Khan	Head of CRM & Head of Sustainable Finance Unit (Member Secretary)
Mr. Samiul Hashim	Company Secretary and Head of legal and Acting Head of Brand & Corporate Communication
Ms. Fahmida Khan	Chief Financial Officer
Mr. Md. Sayeed Iqbal	Chief Human Resources Officer
Mr. Nasim Reza	Head of Credit Administration
Mr. Amdadur Rashid	Head of SAM
Mr. Abdullah Al Mahmud Md. Kayes	Head of Internal Control & Compliance
Mr. Md. Barkat Ullah	Head of General Services & Security
Mr. Mohammad Shahidul Islam	Head of Distribution
Mr. Md Afzalur Rashid	Chief Technology Officer

10.1.6 Sustainable Finance Unit

The Sustainable Finance Unit (SFU) is responsible for integrating ESG principles across IPDC's credit lifecycle. It drives sustainability performance, ensures regulatory alignment,execute internal targets, and promotes long-term value through responsible finance. Key members include:

Unit Members

Name	Designation
Mr. Imran Khan	Head of CRM (Head of SFU)
Ms. Jumaratul Banna	Head of Corporate Business and Head of Sustainable Business
Mr. Md. Mahmudur Rahman Shawon	Head of SME
Md. Abdul Mabud	Head of Supply Chain Finance
Mr. Akif Chowdhury	Unit Manager - Corporate Business & Sustainable Business Coordinator
Mr. Mohammad Junaid Shawon	Acting Head of Non-Metro Asset, Retail Business
Mr. HM Pervez Khan	Head of Auto Loan
Mr. Humayun Reza Murtaza	Head of Personal Loan
Mr. Muhit Shahnewaz	In-Charge: Women Entrepreneur and Business Planning & Development
Mr. Nidal Mohammed Alam	Senior Manager, Brand & Corporate Communication
Mr. Md. Barkat Ullah	Head of General Services & Security
Ms. Nahida Sultana	In-Charge: Talent Acquisition & OD, HR
Mr. Khaled Mahamud Sujon	Financial Controller
Mr. S. M. Mahamudul Farid	Manager - Refinancing Unit, MME

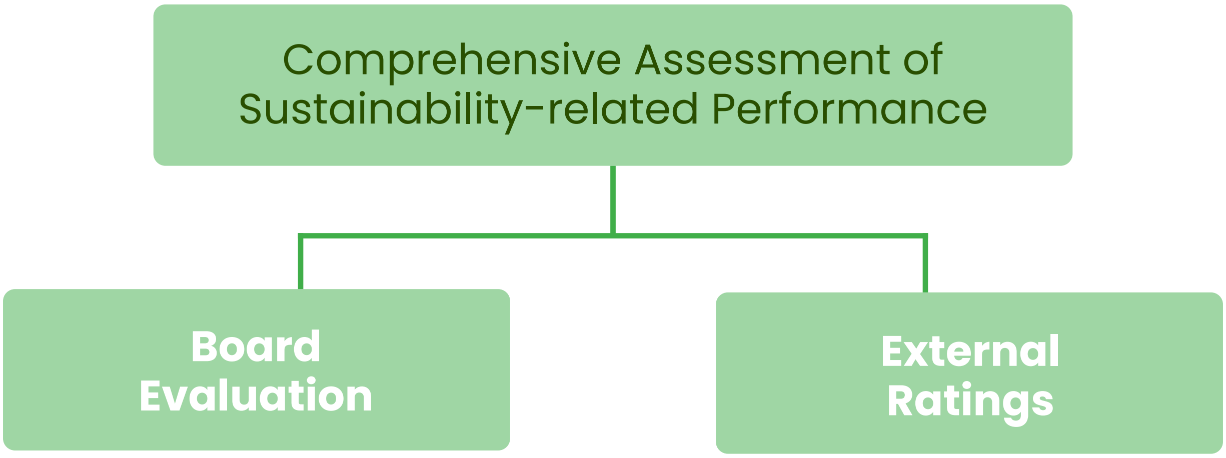
10.1.7 Linking sustainability-related performance with executive compensation

A portion of the compensation is tied to the performance regarding sustainability for the executives of IPDC.This component is determined through a multi-criteria assessment that reflects a comprehensive evaluation of the actions taken by the IPDC on ESG matters.

Specifically, two criteria are applied:

1. Board evaluation – the Board of Directors' assessment of the year's key achievements, particularly regarding climate and social challenges;
2. External ratings – results from various external rankings that benchmark IPDC performance against peers in regards to sustainability matters.

Performance Assessment



10.1.8 Information Flows and Meeting Frequency

The Board and its committees receive regular updates on climate and sustainability-related issues through periodic meetings, which include both standard Board meetings and dedicated committee sessions. These meetings provide a platform for discussing developments in sustainability regulations, reviewing progress toward targets, and assessing risks and opportunities arising from environmental and social considerations. The agenda is informed by detailed reports and insights prepared by the management-level Sustainable Finance Committee, which acts as the key liaison between implementation teams and governance bodies.

This reporting structure ensures timely and accurate information sharing, enabling the Board to make data-driven decisions and adjust its strategy in response to emerging trends or challenges.

10.1.9 Integration of Sustainability into Strategy and Risk Management

The integration of sustainability into IPDC's core strategy is both deliberate and systemic. The Board, through its committees, ensures that climate and sustainability-related risks are embedded in the organization's credit policies, investment strategies, and broader business operations. This includes aligning IPDC's lending and investment decisions with the Sustainable Finance Policy, Environmental and Social Risk Management(ESRM) Policy, and Net Zero Strategy 2050. For every major transaction, particularly those involving high-impact sectors, the Board requires an assessment of potential environmental and social risks, climate resilience, and sustainability benefits.This evaluation is conducted as part of the credit approval and risk management process. The committees review these assessments to balance short-term financial returns against long term sustainability outcomes, ensuring that IPDC avoids unintended negative impacts while contributing to the sustainable development of Bangladesh. Trade-offs, such as choosing between a high-yield project with adverse environmental impacts versus a lower-return but greener initiative, are evaluated systematically. The Board encourages sustainable innovation while adhering to IPDC's fiduciary and regulatory responsibilities.

10.1.10 Target-Setting and Performance Monitoring

One of the central responsibilities of the Board and its relevant committees is to oversee the setting of climate and sustainability-related targets. This includes targets for green and sustainable finance disbursements, emission reductions, and the implementation of capacity-building programs for clients and employees.

Progress toward these targets is monitored through a well-defined Key Performance Indicator (KPI) framework, which links sustainability outcomes with employee performance and incentives. Relevant personnel have specific sustainability-related KPIs embedded in their score cards, and progress is reviewed periodically by the committees. This integration helps institutionalize sustainability into the organizational culture, reinforcing accountability and performance.

10.1.11 Delegation to Management-Level Committees

While the Board provides strategic direction, much of the day-to-day implementation and monitoring of sustainability-related risks is delegated to the Sustainable Finance Committee, a management-level body. This committee is responsible for translating the Board's strategic vision into operational policies and practices. It is directly over seen by the Executive Committee, which comprises senior executives and Board members, ensuring alignment between governance and execution.

The Sustainable Finance Committee coordinates with various departments, such as corporate business, credit risk management, internal control and compliance, to integrate sustainability into their work flows and decision-making processes.

10.1.12 Internal Controls and Organizational Impact

IPDC's management has adopted a series of internal controls and standard operating procedures to strengthen its oversight of climate and sustainability risks. These controls are embedded in the ESRM Policy, credit risk models, client due diligence processes, and project appraisal frameworks. They help identify, assess, and mitigate sustainability-related risks at both portfolio and transaction levels.

The adoption of these updated procedures has significantly enhanced IPDC's overall internal control environment. The organization now possesses a more comprehensive risk management framework that accounts for both traditional financial risks and emerging environmental and social risks. This integrated approach enables better anticipation of systemic shocks, improves regulatory compliance, and promotes resilient growth.

IPDC Finance PLC's approach to board-level governance of sustainability is a model of alignment, accountability, and ambition. The Board's oversight responsibilities are clearly defined, regularly updated, and fully integrated into the organization's strategic and operational frame works. Through a combination of well-structured committees, continuous learning, delegated authority, and robust internal controls, IPDC ensures that climate and sustainability considerations are not peripheral but central to its business model. With a forward-looking Net Zero Strategy, measurable targets, and a governance framework that fosters both accountability and innovation, IPDC is well-positioned to lead the financial sector in building a sustainable and climate-resilient future for Bangladesh.

10.2 Strategic Response to Sustainability and Climate-related Risks and Opportunities

10.2.1 The Current and Anticipated Effects of Sustainability and Climate-Related Risks and Opportunities on the IPDC's Business Model and Value Chain

Sustainability and climate-related risks have emerged as critical considerations influencing financial institutions globally. At IPDC, these risks and opportunities are reshaping both the current operational landscape and the organization's long-term strategic trajectory. Presently, climate related risks manifest primarily through two vectors: physical risks such as extreme weather events, and transition risks stemming from the shift toward a low-carbon economy. These disruptions affect borrowers' operational stability and credit worthiness, consequently influencing loan performance and asset quality.

In response, IPDC is proactively optimizing its operations and resource deployment to assess, manage, and report climate-related impacts effectively. Efforts include embedding Environmental and Social (E&S) considerations into loan assessments, enhancing the capabilities of the sustainable finance team, and investing in technology to improve environmental risk monitoring. Anticipating the future, IPDC foresees increased opportunities in green financing and sustainability-linked financial solutions. The company aims to expand its product offerings to cater to sectors transitioning to sustainable operations, such as renewable energy, low-emission mobility, and sustainable agriculture. By fostering resilience and innovation in its lending practices, IPDC intends to align its business model with global sustainability objectives while opening new revenue channels.

10.2.2 Concentration of Sustainability and Climate-Related Risks and Opportunities in IPDC's Business Model and Value Chain

Sustainability and climate-related risks and opportunities are most concentrated with in IPDC's loan portfolio. This is the core of the financial value chain, where decisions regarding credit appraisal, disbursement, and monitoring are made. Lending to sectors vulnerable to climate change, such as agriculture and textiles, exposes the company to environmental risks, while simultaneously offering pathways to contribute to low-carbon transitions.

The organization categorizes its strategic outlook into three planning horizons:

- **Short-term (Less than 1 year)**: Focused on compliance, capacity building, and awareness.
- **Medium-term (1 to less than 5 years)**: Involves building sustainable product lines, establishing strategic partnerships, and integrating enhanced ESG criteria into credit decisions.
- **Long-term (5 years and beyond)**: Envisions a robust sustainable finance ecosystem, with significant contributions from green assets and reduced financed emissions.

10.2.3 Strategic Decision-Making and Planning Horizons

IPDC's planning horizons are aligned with the definitions of short, medium, and long-term used for strategic decision-making. This congruence ensures seamless integration of sustainability considerations into enterprise-wide strategies. Short-term planning focuses on immediate regulatory compliance and operational improvements. Medium-term planning incorporates product innovation, talent acquisition, and digital transformation. Long-term planning envisions transformational changes including reaching net-zero emissions, mainstreaming climate considerations into all decision-making levels, and ensuring IPDC's leadership in sustainable finance.

Response to Sustainability and Climate-Related Risks and Opportunities in Strategy and Decision Making

A. Changes to Business Model and Resource Allocation

The shift to sustainability has prompted IPDC to adapt its business model, especially by integrating Environmental and Social Risk Management (ESRM) into credit risk assessments. Resource allocation has been recalibrated to support climate-sensitive sectors and operational enhancements such as better energy usage and infrastructure resilience.

B. Direct Mitigation and Adaptation Efforts

Direct efforts include installing energy-efficient lighting systems, transitioning to fuel-efficient vehicles, encouraging staff to use public transportation, and improving infrastructure to withstand climate-related shocks such as flooding. These initiatives aim to reduce the organization's Scope 1 and Scope 2 emissions.

C. Indirect Mitigation and Adaptation Efforts

Indirect strategies involve enforcing the Sustainable Finance Policy to facilitate green project financing, and conducting awareness programs for clients and employees to promote climate literacy. These measures also contribute to Scope 3 emission reductions.

D. Climate Transition Plan

IPDC's Net Zero Strategy 2050 serves as its blueprint for climate transition. Key assumptions include advances in renewable energy technologies, increased green finance availability, and enhanced stakeholder engagement. Critical dependencies include supportive regulations, market readiness, and collaboration across the value chain. The strategy targets reduction across all emission scopes through efficiency, renewable energy, and climate-aligned lending.

E. Achieving Climate-Related Targets

The path to achieving climate-related targets involves a multipronged approach:

- Financed emissions optimization in high-impact sectors (e.g., RMG and agriculture).
- Investment in sustainable infrastructure like rainwater harvesting and solid waste management.
- Transitioning fleets to electric or hybrid vehicles.
- Financing for sustainable transportation and eco-efficient housing.
- Continuous progress tracking and portfolio realignment as necessary.

Resourcing Strategy

IPDC is investing across three dimensions: financial, human, and technological. Financially, it leverages green bonds, sustainability-linked loans, and concessional funding. Human resource investments include training programs and strategic recruitment to build climate expertise. On the technological front, upgraded MIS for ESG reporting, analytics for emissions tracking, and digital credit tools for ESG integration form the core of IPDC's sustainability infrastructure.

Trade-Offs Considered

In implementing sustainability initiatives, IPDC has evaluated tradeoffs including:

- Reputational Risk vs. Consumer Demand: Investing in sustainability safeguards brand equity.
- Short-term Profitability vs. Long-term Sustainability: Immediate returns are compromised for future resilience.
- Compliance Costs vs. Regulatory Advantage: While initial compliance costs are significant, they yield long-term regulatory goodwill and market access.

Financial Position, Performance, and Cash Flows Current Financial Impact

Integrating E&S risk filters into the credit appraisal process has reduced potential defaults and improved asset quality. Financing green projects has also enabled IPDC to access refinancing from Bangladesh Bank, thus improving margins.

Future Financial Outlook

In the short term, implementation of sustainability measures will likely increase operational costs. However, in the medium term, these costs will be offset by increased revenues from new green financial products and central bank incentives. Over the long term, a diversified, sustainable lending portfolio will enhance financial stability and investor confidence.

Material Adjustments to Assets and Liabilities

No significant risk of material adjustments to asset and liability valuations within the next reporting period has been identified.

Changes in Financial Position, Performance, and Cash Flow

The financial trajectory of IPDC is expected to improve over the medium and long term due to sustainable investments. Additionally, ESG-focused funds and concessional finance instruments are expected to increase liquidity and funding diversity, reducing cost of capital.

Resilience

A. Capacity to Adjust

IPDC's risk management framework now incorporates E&S and climate risk assessment tools. Staff are being trained to manage such risks across all tiers, while cross-depart mental working groups monitor adaptation strategies.

B. Strategy and Business Model Resilience

The company uses climate scenario analysis to evaluate business vulnerabilities and re-calibrate strategy accordingly. Opportunities such as green financing, low-carbon lending products, and technology-driven credit scoring enhance resilience.

C. Climate Resilience Assessment

As of the reporting date, IPDC has:

- Identified key uncertainties (e.g., regulatory volatility, technological disruptions).
- Established adequate liquidity reserves.
- Built flexibility into operations for asset redeployment.
- Ensured the adaptability of strategic objectives over different time horizons.

D. Scenario Analysis Approach

IPDC employed a scenario analysis approach in 2024 using both physical and transition risk scenarios. Scenarios included IPCC SSP1-2.6 (aligned with the Paris Agreement) and SSP3-7.0 (a higher-risk scenario). Time horizons included 2030, 2040, and 2050. Data inputs were sourced from IPCC reports, Bangladesh Bank guidelines, and regional climate risk forecasts. The analysis revealed vulnerabilities in flood-prone lending regions and highlighted opportunities in renewable energy financing. The insights informed internal climate stress tests and adaptation planning.

10.3 Driving Sustainable Value: Strategy, Model and Stakeholders

10.3.1 Strategic Direction and End-to-End Value Creation

Unified Business Model with Multi-Sector Reach

IPDC leverages its integrated and diversified structure to deliver coordinated solutions that address client needs while generating value. This framework, built on risk diversification, is organized around four operational divisions, each offering complementary areas of expertise.

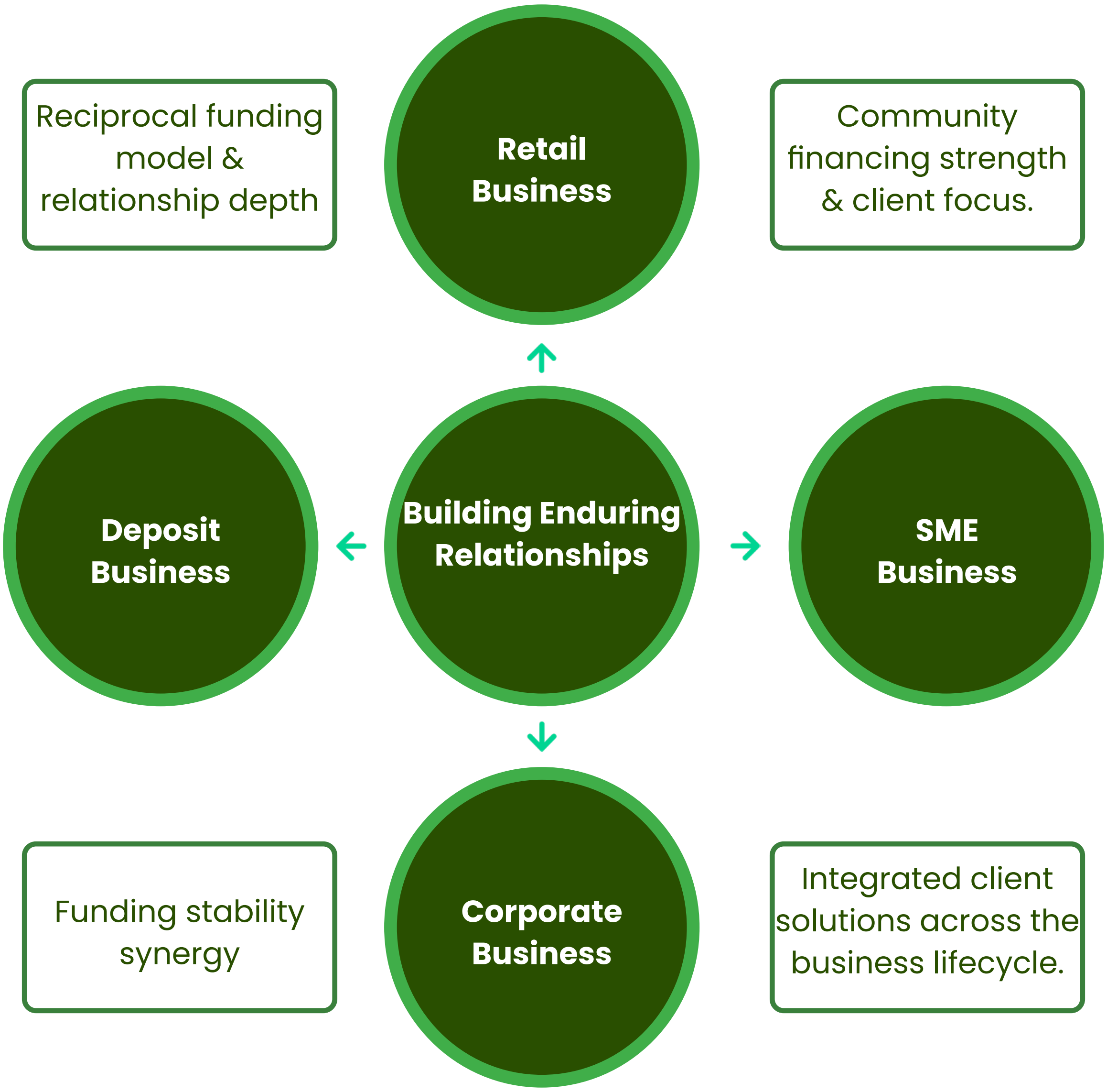
- **Retail Business:** Empowering individuals through accessible financial solutions including home, auto, personal, and affordable housing loans.

- **SME Business:** Supporting entrepreneurial growth and inclusive development with tailored financing and capacity-building for small and medium enterprises, especially women-led businesses.

- **Corporate Business:** Providing comprehensive financing solutions to leading corporates and institutions, with sustainability embedded in all offerings.

- **Deposit Business:** Ensuring liquidity and balance sheet strength through diversified, cost effective deposit products.

Figure: Multi-Dimensional Business Framework



The unified strategy of IPDC fosters seamless collaboration across its business units, enhancing adaptability and securing a distinct market edge. This resilient, client-centric approach prioritizes long-term relationships while delivering consistent results. By diversifying across customer segments, regions, and services, the company ensures stability, sustained growth, and value creation.

Amid a complex and often unpredictable environment, this robust and distinctive model enables the company to consistently support its clients in achieving their dreams and objectives, including facilitating their transition toward a more sustainable economy, through customized services and dedicated transition-focused solutions.

IPDC conducts its operations within a wide-ranging economic and financial landscape, encompassing diverse financial activities and an extensive geographical presence, with 17 branches in all divisions in Bangladesh.

Employee distribution 2024

Average Branch-wise Employees during 2024

Branch	FTE		Outsourced		Total		Total		Total
Grand Total	Female	Male	Female	Male	Female	Male	FTE	Outsourced	Total
Barisal Branch	-	7 (70%)	1 (10%)	2 (20%)	1 (10%)	9 (90%)	7 (70%)	3 (30%)	10
Bogura Branch	2 (6%)	25 (78%)	1 (3%)	4 (13%)	3 (9%)	29 (91%)	27 (84%)	5 (16%)	32
Chattogram Branch	8 (17%)	27 (56%)	2 (4%)	11 (23%)	10 (21%)	38 (79%)	35 (73%)	13 (27%)	48
Cumilla Branch	-	14 (78%)	-	4 (22%)	-	18 (100%)	14 (78%)	4 (22%)	18
Dhanmondi Branch	5 (26%)	10 (53%)	2 (11%)	2 (11%)	7 (37%)	12 (63%)	15 (79%)	4 (21%)	19
Faridpur Branch	-	9 (75%)	1 (8%)	2 (17%)	1 (8%)	11 (92%)	9 (75%)	3 (25%)	12
Gazipur Branch	2 (7%)	20 (67%)	1 (3%)	7 (23%)	3 (10%)	27 (90%)	22 (73%)	8 (27%)	30
Head Office	127(24%)	290 (54%)	30 (6%)	91 (17%)	157(29%)	381 (71%)	417(78%)	121(22%)	538
Jashore Branch	1 (3%)	22 (71%)	1 (3%)	7 (23%)	2 (6%)	29 (94%)	23 (74%)	8 (26%)	31
Khulna Branch	1 (6%)	12 (75%)	1 (6%)	2 (13%)	2 (13%)	14 (88%)	13 (81%)	3 (19%)	16
Mirpur Sub-Branch	3 (33%)	4 (44%)	1 (11%)	1 (11%)	4 (44%)	5 (56%)	7 (78%)	2 (22%)	9
Motijheel Branch	3 (16%)	12 (63%)	2 (11%)	2 (11%)	5 (26%)	14 (74%)	15 (79%)	4 (21%)	19
Mymensingh Branch	-	11 (61%)	1 (6%)	6 (33%)	1 (6%)	17 (94%)	11 (61%)	7 (39%)	18
Narayangonj Branch	-	11 (79%)	-	3 (21%)	-	14 (100%)	11 (79%)	3 (21%)	14
Rangpur Branch	-	13 (72%)	1 (6%)	4 (22%)	1 (6%)	17 (94%)	13 (72%)	5 (28%)	18
Savar Branch	-	7 (70%)	1 (10%)	2 (20%)	1 (10%)	9 (90%)	7 (70%)	3 (30%)	10
Sylhet Branch	-	7 (70%)	1 (10%)	2 (20%)	1 (10%)	9 (90%)	7 (70%)	3 (30%)	10
Uttara Branch	5 (26%)	12 (63%)	2 (11%)	-	7 (37%)	12 (63%)	17 (89%)	2 (11%)	19
Grand Total	154 (18%)	507 (59%)	46 (5%)	147 (17%)	670 (77%)	201 (23%)	665 (76%)	206 (24%)	847

Comprehensive Workforce Distribution Across all Branches

IPDC delivers its services through the downstream segment of its value chain, which form the core of the commercial operations of the company within its integrated model. The upstream segment, encompassing the internal operations of IPDC, represents the operational scope that underpins these activities. IPDC has conducted a double materiality assessment of its value chain, encompassing both its operational scope and core business activities, where the company maintains direct business relationships, notably with its customers.

Value Chain of IPDC

Upstream		Operations	Downstream
Investors	Depositors	Owned Physical Asset	Lending Clients
Other Funding Partners	Suppliers	Employees	Investors

This depiction illustrates the value chain of IPDC as a whole, without differentiation by activity or business line, highlighting both the breadth of services delivered to clients across its business segments and the overarching scope of the Group's sustainability policies.

Overview of the Sustainability Strategy of IPDC

The sustainability strategy is centered on supporting all client segments, both individuals and institutions, in their transition toward a carbon-neutral economy that responsibly manages natural resources, fosters inclusion, and upholds the highest standards of responsible business conduct. This commitment is driven by the collective engagement of all employees.

Structured around five key pillars, the strategy of IPDC addresses some of the most pressing socioeconomic challenges of Bangladesh while driving responsible growth. It embraces continuous improvement and aims to build a more equitable, entrepreneurial, and climate-resilient future - all while safeguarding the stability and performance of the company. This vision is embedded in the core strategic pillars (A Home for Every Family; Empowering Women; Creating Entrepreneurs; Beyond Megacities; Scaling Sustainable Finance), positioning sustainability as a catalyst for both social impact and business resilience. The implementation of this strategy spans all business lines, functions, and geographies, under the oversight of the established governance frameworks of the company.

Core Strategic Pillars

- A Home for Every Family
- Empowering Women
- Creating Entrepreneurs
- Beyond Megacities
- Scaling Sustainable Finance

Goals

IPDC measures its progress in sustainability through a set of quantified objectives embedded in its strategy and consolidated within a comprehensive sustainability dashboard. These goals span critical areas such as advancing decarbonization, fostering social inclusion, and so on. By tracking these metrics, the company ensures accountability and evaluates the real impact of its actions on long-term sustainability goals.

The sustainability goals are anchored in four interconnected dimensions:

Our Sustainabiliy Pillars

Building a better tomorrow through integrated action

- **Economic Impact –** Through sustainable lending solutions, IPDC mobilizes funds to finance a responsible economy. This dimension also reflects a commitment to stringent ethical standards and the integration of ESG factors into the risk management framework of the company.
- **Environmental Action –** One of the most powerful tools for change of IPDC lies in directing funds and expertise toward the decarbonization transition of economic players. Beyond financing, IPDC works to reduce its own operational footprint, guided by its Net Zero Strategy and driven by a culture of continuous improvement and employee participation.
- **Social Commitment –** IPDC prioritizes supporting clients in adopting sustainable practices while investing in its people to address today's challenges, which include but is not limited to societal and technological ones. Employee development, inclusion, and engagement form the foundation of this commitment, guided by the organizational culture and implemented across all business and functional areas. IPDC actively promotes financial inclusion by designing programs and services tailored to individuals traditionally uncovered by the traditional banking system, reinforcing its role as a responsible social actor.
- **Governance Integrity -** IPDC upholds governance as the cornerstone of sustainable growth,ensuring transparency, accountability, and ethical leadership across all operations. This dimension reflects a commitment to robust corporate governance practices that align with global standards and regulatory requirements. Through strong oversight mechanisms, IPDC integrates ESG principles into strategic decision-making, fostering trust among stakeholders and reinforcing resilience. Governance integrity also emphasizes risk management, compliance, and responsible reporting, enabling IPDC to deliver on its sustainability objectives while safeguarding long-term value creation.

Forging Ahead with Principles

We believe that sustainability must be rooted in integrity. IPDC's strategic decisions are guided by the 3 Ps—People, Planet, and Profit—ensuring that our economic growth does not come at the cost of social equity or environmental health. By integrating these principles into all aspects of our operations, we strive to create a business that is not only profitable but purpose-driven and future focused.

Sustainability Dashboard

Dimension	Particulars	2023	2024	% Change
ESG Impact	Sustainable Finance Portfolio (BDT mn)	37,343	46,506	25%
	Sustainable Finance Disbursement (BDT mn)	10,307	41,475	302%
Environmental Action	Green Finance Portfolio (BDT mn)	4,028	7,954	97%
	Green Finance Disbursement (BDT mn)	2,508	7,954	97%
	Greenhouse Gas Emissions (tCO_2e)	First computed in 2024: 167,189.82		
Social Commitment	% women in Board	30%	25%	-5%
	% women in senior management	25%	23%	-2%
	% women in workforce	23%	23%	-
	Average training hours per headcount	11	12	9%
	Training expenditure per headcount	3,825	2,904	-24%
	Employee salary and benefits (BDT mn)	1,003	938	-6%
	Number of beneficiaries of NGO-linkage financing	15	9,061	60307%
	CSR Contribution (BDT mn)	12	8	-33%
	Total tax to government (BDT mn)	1,542	1,463	-5%
Other Metrics	Number of customers	107,265	90,689	-15%
	Number of branches	15	17	13%
	Loans to Corporate Business (BDT mn)	29,213	28,179	-4%
	Loans to SME Business (BDT mn)	23,313	24,203	4%
	Loans to Retail Business (BDT mn)	17,945	17,154	-4.4%
	Permanent Employees	681	642	-6%

Dimension	Particulars	2023	2024	% Change
Other Metrics	Contractual Employees	203	205	1%
	New Recruitments	292	238	18.5%
	Staff training expenses (BDT mn)	7.45	8.97	20%
	Revenue (BDT mn)	2,902	3,243	12%
	Operating Profit (BDT mn)	1,300	1,765	36%
	Profit after Tax (BDT mn)	343	363	6%
	Economic value added (BDT mn)	(70)	(202)	-189%
	Market value added (BDT mn)	14,623	226	-98.4%
	Dividends distributed (BDT mn)	371	186	-49.9%
	Dividends (%)	10	10	0%
	Total purchase of goods and services (BDT mn)	462	389	-16%
	Payment to Suppliers * (BDT mn)	517	448	-13%
	Utility expense per square feet (BDT)	162	209	29%
	Printing & stationery expenses per employee (BDT)	10,162	10,227	1%
	Travelling expenses per employee (BDT)	19,963	21,714	9%
	Penalty for Violations of Laws and Regulations	-	-	-

**Including interest and principal portion of lease payments*

Remarks

- **Sustainable Finance Portfolio –** Increased by 25% due to IPDC's continued focus on expanding financing to green and sustainable initiatives, reflecting growing client demand and alignment with Bangladesh Bank's sustainability targets.
- **Sustainable Finance Disbursement –** A remarkable 302% rise as the company accelerated funding to eligible sustainable projects, highlighting proactive deployment of resources and commitment to ESG integration.
- **Green Finance Portfolio –** Nearly doubled (97%) as IPDC intensified investments in renewable energy, energy efficiency, and eco-friendly projects, reinforcing its role as a catalyst for a low-carbon economy.
- **Green Finance Disbursement –** Up 104% due to robust uptake of green financing solutions by clients and the successful launch of targeted green products across sectors.

- **Greenhouse Gas Emissions –** First-time computation in 2024 revealed 167,189.82 tCO2e. This baseline measurement enables IPDC to track progress toward its Net Zero 2050 goal and implement targeted emission reduction initiatives.
- **% Women in Board –** Slight decrease from 30% to 25%, reflecting a strategic board restructuring while maintaining a commitment to gender diversity and inclusive decision making. The company aims to increase this ratio in the future.
- **% Women in Senior Management –** Minor reduction to 23%, as part of a broader organizational transition; proactive recruitment strategies are underway to enhance female representation in leadership roles.
- **% Women in Workforce –** Stable at 23%, demonstrating sustained commitment to gender balance across the organization. It is worth mentioning that this is the highest ratio in the industry.
- **Average Training Hours per Headcount –** Increased by 9% due to the expansion of employee engagement programs focused on sustainability, digital tools, and leadership.
- **Training Expenditure per Headcount –** Declined by 24%, reflecting optimization of training delivery methods, including virtual sessions, achieving greater reach and effectiveness at lower cost. The development of internal trainers also contributed to lower expenditure by reducing the dependencies on external trainers.
- **Employee Salary and Benefits –** Reduced by 6%, reflecting cost efficiency measures while continuing to offer competitive packages and maintain employee satisfaction.
- **Number of Beneficiaries of NGO - Linkage Financing –** Significant surge due to scaling of microfinance and community outreach programs, highlighting IPDC's expanded impact on underserved populations.
- **CSR Contribution –** Decreased by 33%, reflecting a strategic realignment toward high impact initiatives and the shift of some activities into integrated sustainability financing programs.
- **Total Tax to Government –** Slight 5% reduction, consistent with efficient tax planning while remaining fully compliant with regulatory requirements.
- **Number of Customers –** Decrease of 15% reflects portfolio consolidation, exit from problematic accounts, and focus on high-value clients to improve service quality and operational efficiency.
- **Number of Branches –** Increased by 13% to 17% expanding IPDC's geographic footprint and accessibility to underserved regions.
- **Loans to Corporate Business –** Marginal decline of 4% due to portfolio rebalancing and prudent risk management strategies.
- **Loans to SME Business –** Increased by 4%, showing strong support for small and medium enterprises, a key segment for economic growth.

- **Loans to Retail Business –** Slight decline of 2%, reflecting strategic allocation of resources while maintaining focus on financial inclusion.
- **Permanent Employees –** Reduction of 6% reflects natural attrition and efficiency optimization while sustaining operational capability.
- **Contractual Employees –** Slight increase of 1%, supporting flexibility in project-specific operations.
- **New Recruitments –** Significant 44% increase, reflecting targeted expansion in key business areas to support growth and ESG initiatives.
- **Staff Training Expenses –** Increased by 20% to enhance knowledge sharing and support the sustainability and digital transformation agenda.
- **Revenue –** Up 12%, reflecting growth across sustainable finance and other business lines.
- **Operating Profit –** Increased by 36%, demonstrating strong operational efficiency and effective cost management.
- **Profit After Tax –** 6% increase, reflecting stable financial performance despite macroeconomic challenges.
- **Economic Value Added –** Negative movement of 189% reflects higher investments in sustainable and green projects to drive long-term value creation.
- **Market Value Added –** Decline of 14%, reflecting strategic focus on long-term sustainability rather than short-term market fluctuations.
- **Dividends Distributed –** Increased by 20%, demonstrating IPDC's commitment to returning value to shareholders.
- **Dividends (%) –** Stable at 10%, reflecting consistency in dividend policy.
- **Total Purchase of Goods and Services –** Decreased by 16%, reflecting optimization and cost-efficient sourcing practices.
- **Payment to Suppliers –** Reduced by 13%, indicating streamlined procurement processes without compromising quality.
- **Utility Expense per Square Feet –** Increased by 29% due to expansion of branches and facilities, while aligning with sustainability practices including enhanced energy monitoring.
- **Printing & Stationery Expenses per Employee –** Marginal increase of 1%, reflecting stable operational consumption.
- **Travelling Expenses per Employee –** Increased by 9%, reflecting expanded client engagement, field operations, and ESG project monitoring.
- **Penalty for Violations of Laws and Regulations –** No incidents reported, maintaining compliance excellence.

Operational Execution of Strategic Priorities

IPDC embeds sustainability at the core of its strategic plan, integrating impacts, risks, and opportunities related to climate and other sustainability aspects. This framework is designed to accelerate delivery on its sustainability objectives.

First, the company is progressively aligning its credit portfolio with pathways compatible with achieving collective carbon neutrality by 2050.

Second, IPDC is mobilizing all business lines to facilitate the transition of its clients toward a sustainable, low-carbon economy. This includes the development of an extensive suite of green and sustainable finance solutions and scaling up of these portfolios among not just large corporates but also CMSMEs to accelerate client transitions.

Third, the company is enhancing internal capabilities by expanding training programs, reinforcing governance structures, and leveraging dedicated tools such as ESDD to strengthen decision-making, processes, and systems.

Climate Action Strategy

Portfolio Alignment (Net-Zero 2050)

Strategic alignment of investment portfolio with climate targets and net-zero commitments

Client Transition & Green Finance

Supporting clients in their sustainability journey through innovative green financing solutions

Internal Capabilities & Governance

Building robust frameworks and expertise to drive sustainable transformation from within

Net-Zero Target	Green Finance	Sustainable Impact
2050	Leading the Transtion	Built to Last

As IPDC advances this strategy, two critical challenges continue to shape its sustainability agenda. The first is the need for deeper insight into clients' ESG risk profiles, as their self-assessments remain fragmented and require ongoing refinement to improve the accuracy of the impact and risk evaluations of IPDC itself. The second is the persistent issue of limited availability and inconsistency of ESG data, as methodologies, particularly those applied by clients (if any at all), vary significantly. While estimates are often necessary, they raise questions around data characteristics, necessitating continuous methodological improvements.

10.3.2 Stakeholder Perspectives and Interests

IPDC's commitment to its stakeholders

Engaging in open dialogue with stakeholders is a fundamental aspect of IPDC's commitment to social and environmental responsibility. The company strives to maintain constructive and ongoing communication to better understand the perspectives, interests, and expectations of its stakeholders, as well as the broader impacts of its operations.

Through this engagement, IPDC seeks to incorporate stakeholder insights into the design, development, and delivery of its products and services to ensure alignment with customer needs, market developments, and strategic priorities.

This two-way interaction also enables IPDC to communicate its decisions and initiatives transparently, fostering mutual understanding and trust with all stakeholders.

Stakeholder Engagement

Mutual value creation through collaboration

Mutual value creation through collaboration

Key Stakeholders

IPDC engages with a wide and diverse range of stakeholders who are affected by or have an interest in its activities. These include customers such as individuals and institutions; employees; shareholders including both individual and institutional investors; suppliers; financial and non-financial rating bodies; regulatory authorities and public institutions; as well as members of civil society and their organizations.

Customer	**Employees**	**Shareholders**
Suppliers	**Financial and Non-financial Rating Bodies**	**Regulatory Authorities and Public Institutions**
	Civil society	

IPDC maintains direct and ongoing dialogue with certain stakeholders, whose perspectives have been incorporated into the double materiality assessment presented below. This approach ensures that the company remains responsive, transparent, and aligned with the interests of its key stakeholders

Stakeholder Engagement Framework

IPDC maintains a systematized approach to engage and communicate with its diverse stakeholders. This framework ensures that all interactions are guided by principles of transparency, accountability, and mutual respect, as reflected across a range of internal policies and practices.

Each stakeholder group is connected to clearly identified contact points within IPDC, either through specific departments. This structure enables the company to maintain open, continuous, and meaningful dialogue using various tailored channels; examples include the following:

- **Customers** interact with relationship managers and customer care executives according to their requirements. Additionally, concerns and grievances are addressed through formal complaint management systems.
- **Employees** engage primarily through the Human Resources department, which facilitates communication, collects feedback through organizational surveys, and ensures that employee voices inform workplace policies and practices.
- **Shareholders** communicate through designated contact points such as Investor Relations.
- **Suppliers** and service partners maintains close and ongoing communication with IPDC's Procurement department. Regular review meetings are conducted to evaluate performance, gather feedback, and identify opportunities for improvement. In addition, IPDC provides an independent escalation mechanism through which suppliers may raise concerns or seek resolution in case of disputes.
- **Regulatory and Public Authorities** Multiple teams such as Sustainable Finance, Business, Credit Risk Management, and Branding maintain communication channels with corresponding, relevant regulators and government bodies. All interactions are conducted in alignment with the company's principles of integrity, compliance, and responsible representation, ensuring adherence to applicable laws and regulatory expectations.
- **Civil society groups** advocacy organizations, and community stakeholders engage with IPDC through its Corporate Communication department. Dedicated personnel within these teams oversee partnerships, facilitate consultations, and respond to stakeholder concerns on relevant topics. In addition, the company encourages internal dialogue and ethical conduct through employee networks, focused surveys, and whistleblowing channels like "Talk to Me Box"- a dedicated channel where employees can share concerns, suggestions, or experiences that may require attention, which ensures transparency and accountability across all levels of operation.

Through these structured and differentiated channels, IPDC fosters ongoing engagement with its stakeholders, ensuring that their insights and expectations contribute meaningfully to the company's strategic direction and sustainable growth.

Stakeholder Engagement Channels

How we connect and communicate with our stakeholders

Customer	Employees	Shareholders	Suppliers & Service Partners	Regulatory and public Authorities	Civil society & Community Stakeholders
Relationship Managers	HR Department	Investor Relations	Procurement Dept.	Compliance Team	Corporate Communi-cations
Customer Care Executives	Surveys		Review Meetings		Partnerships
			Escalation Mechanism		

Culture Assessment Survey

As part of its ongoing commitment to fostering a positive and supportive workplace, IPDC conducted a comprehensive Culture Assessment Survey to better understand the current organizational environment and identify areas for improvement. This initiative was designed to gather meaningful insights into employees' perceptions and aspirations, ensuring that IPDC's culture aligns with its business strategy and core values.

The assessment was carried out in two parts:

- The 'As-Is' survey, completed by all employees, evaluated the organization's current culture across five key dimensions.
- The 'Aspirational' survey, completed by the leadership team, outlined the desired cultural traits that would best support IPDC's strategic goals and long-term vision.

By comparing the two sets of results, the company identified cultural gaps and specific areas needing improvement. To address these findings, IPDC developed an action plan that includes:

- Setting and prioritizing initiatives based on survey insights;
- Forming a cross-functional Task Force comprising Human Resources and relevant business stakeholders to implement action items;
- Monitoring progress on a quarterly basis; and
- Communicating updates to all employees to ensure transparency and engagement.

Through this structured approach, IPDC aims to create a more collaborative, inclusive, and high performing workplace that supports both employee well-being and organizational success.

Shushoma Platform for Women Empowerment

At IPDC, Shushoma continues to serve as a dedicated platform for addressing women's grievances, mental health, empowerment, rights, emotional challenges, and societal advocacy. This female-only platform consists members from various departments of various seniorities, including from senior leadership committed to fostering inclusivity and support. The platform reflects IPDC's unwavering commitment to creating a safe, empowering environment for women and promoting holistic well-being across the organization.

Whistleblowing

The whistleblowing framework at IPDC reflects our strong commitment to ethical conduct and responsible business practices. Every employee is expected to act as a guardian of our values and to report any activity that does not align with our code of conduct, internal policies, or regulatory expectations. This shared responsibility ensures that ethical awareness and accountability remain central to our culture.

IPDC places the highest importance on protecting individuals who raise concerns. The identity of anyone who reports an issue is kept strictly confidential, and the organization takes full responsibility for ensuring their safety and well being. Any form of retaliation is prohibited and monitored through our compliance procedures.

Employees can report concerns through several channels that allow for confidential or anonymous communication. These may include direct contact with supervisors, the Human Resources function, or Shushoma(a dedicated female-only platform that addresses women's grievances, mental health, empowerment, rights, emotional challenges, and societal advocacy).

All reports submitted through any channel are handled carefully, respectfully, and with full objectivity.

Concerns may include violations of the Code of Conduct, ethical breaches, conflicts of interest, fraud, corruption, financial irregularities, legal or regulatory violations, discrimination, harassment, abuse of authority, or actions that may harm customers, communities, or the environment. Encouraging timely reporting of these matters helps IPDC address issues early and maintain a responsible and transparent approach to operations.

Once a concern is received, a structured review process begins. A preliminary assessment determines the nature and urgency of the issue, after which a formal investigation may be initiated. This process involves qualified personnel and is designed to maintain fairness, confidentiality, and independence. Findings and recommended actions are escalated to the appropriate governance body. Responses may include improvements to internal processes, corrective measures, or disciplinary actions, depending on the situation.

The whistleblowing framework forms an important part of our overall approach to sustainability and responsible governance. It supports compliance, strengthens internal controls, and reinforces trust among employees, customers, shareholders, regulators, and other stakeholders. By empowering people to speak up, IPDC promotes a work environment rooted in integrity and long term organizational resilience.

Ongoing communication and training help employees stay informed about how to report concerns and the protections available to them. IPDC periodically reviews and enhances the whistleblowing system to ensure alignment with evolving regulatory expectations and international good practices.

10.4 Material Risks and Opportunities

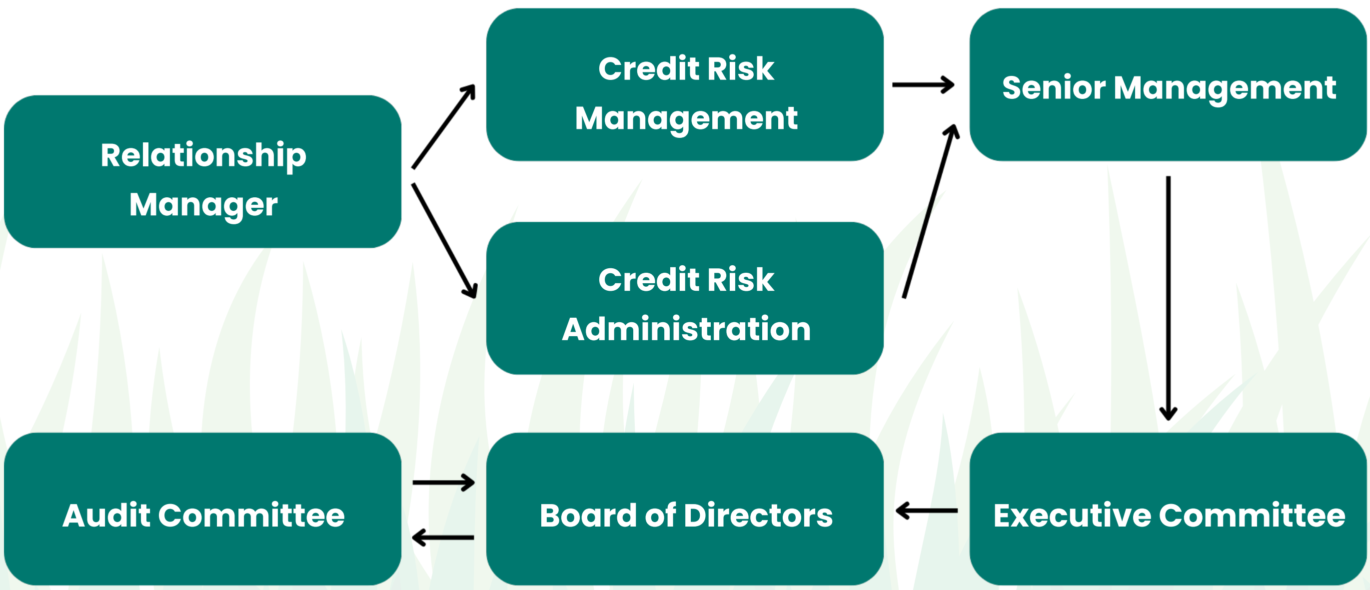
Recognizing that certain business activities of its corporate clients may pose environmental, social, and governance (ESG) risks, IPDC has established a robust framework to identify, monitor, and manage such risks across all areas of operation. This framework enables the organization to not only assess potential negative impacts but also to support clients in their sustainability transition through informed engagement and performance evaluation.

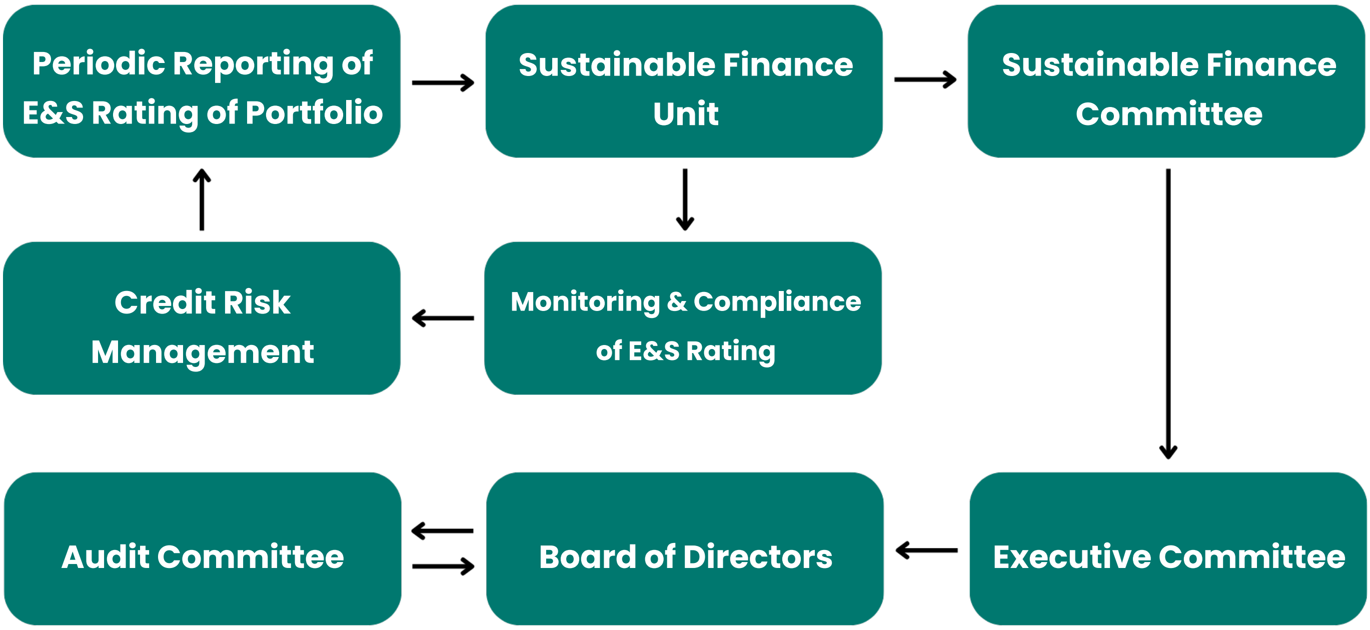
The approach integrates ESG considerations into multiple stages of client interaction and portfolio management. This includes the incorporation of ESG factors into client onboarding processes, comprehensive ESG assessments to evaluate client performance, and systematic identification of material risks, impacts, and opportunities across IPDC's consolidated portfolios through an internal risk inventory mechanism.

By embedding ESG evaluation within its overall risk management structure, IPDC ensures that sustainability considerations are reflected in its decision-making, thereby strengthening both risk resilience and long-term value creation for the organization and its stakeholders.

Structure of Environmental and Social Governance

Integrated Framework for Sustainable Operations and Oversight





IPDC Finance has applied a structured assessment framework to evaluate its material impacts, risks, and opportunities (IRO) across both its operational activities and client-facing business lines. This framework, built on established criteria and thresholds, enables the organization to understand how sustainability matters affect IPDC, as well as how IPDC's activities may influence the broader environment and society.

IPDC's double materiality assessment was conducted through a four-stage process covering all relevant ESG themes:

1. Defining Scope and ESG Topics:IPDC first mapped its value chain, distinguishing between its internal operations and its commercial activities. This allowed the company to identify the ESG topics most relevant to its business model, including additional areas specific to the financial sector such as cybersecurity and market integrity.

2. Identifying Stakeholders and ESG Impacts: The company then determined the specific stakeholder groups and the corresponding ESG impacts, risks, and opportunities associated with each topic.

3. Assessing Materiality: Each ESG topic was evaluated across both parts of the value chain using a five-point scale, from 1 (minimal) to 5 (critical), to determine the significance of related impacts, risks, and opportunities.

4. Setting Materiality Thresholds: Any topic receiving a score of 3 (important) or above in at least one dimension was classified as material.

5. This methodology is consistently applied across all ESG topics.

Double Materiality Assessment

1. Defining Scope and ESG Topics
Establishing the boundaries and key environmental, social, and governance themes

2. Identifying Stakeholders and ESG Impacts
Mapping relevant parties and understanding their influence on sustainability outcomes

3. Assessing Materiality
Evaluating the significance of ESG issues from both impact and financial perspectives

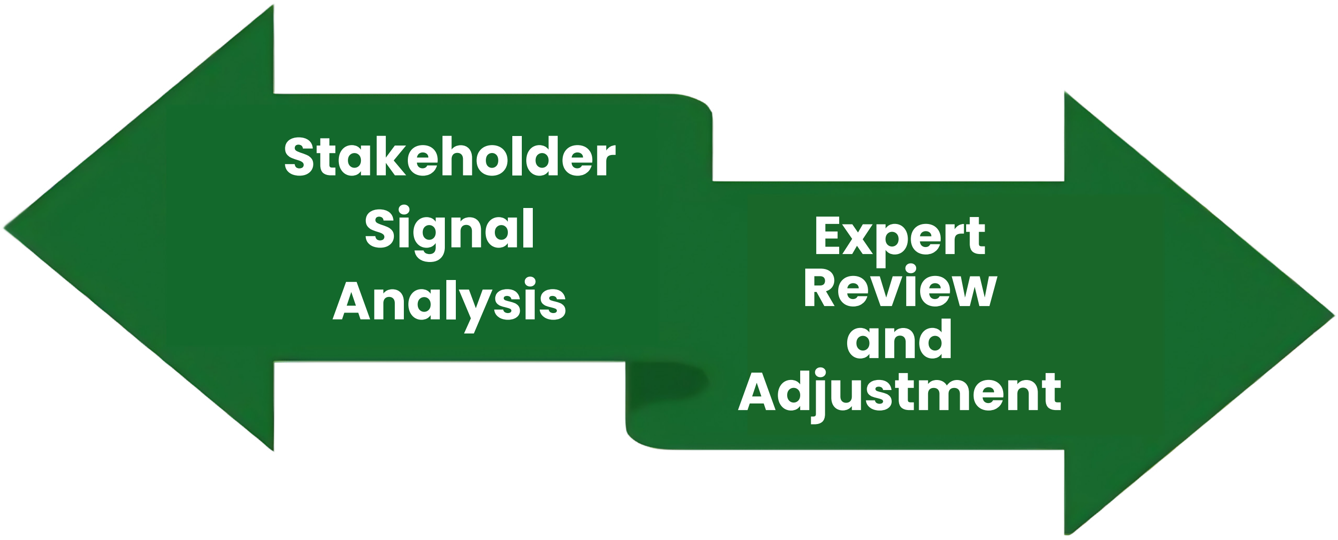
4. Setting Materiality Thresholds
Defining criteria to prioritize the most critical sustainability matters

5. Applying Across all ESG topics
Implementing the framework consistently throughout all sustainability dimensions

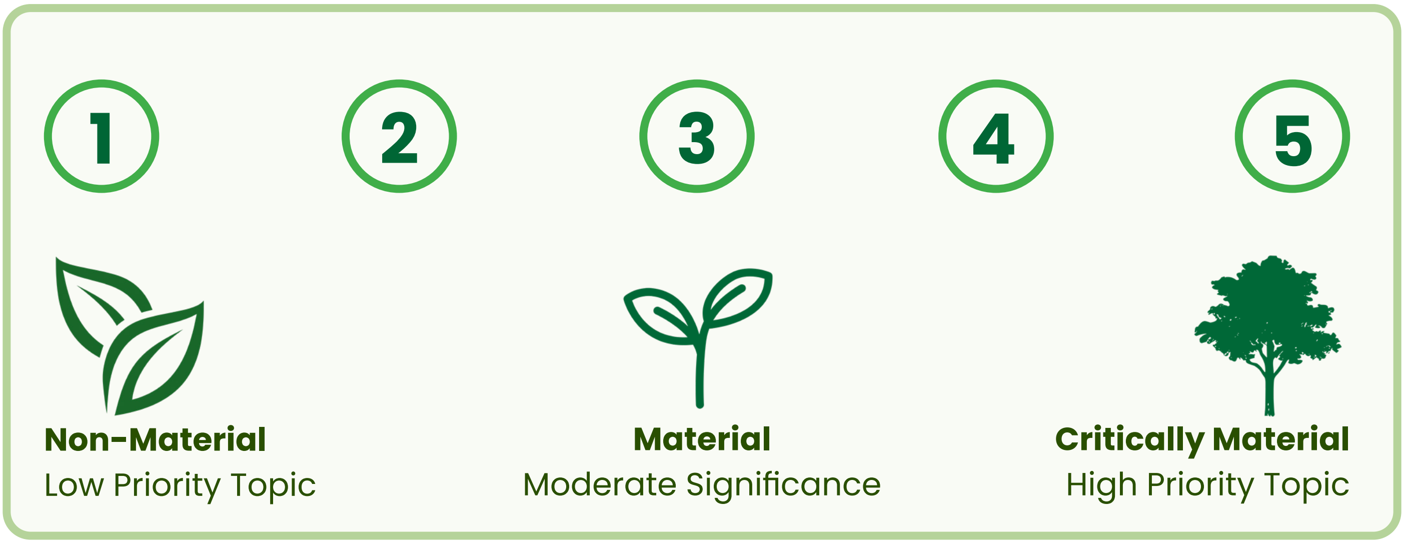
IPDC's approach to identifying and evaluating impacts draws upon data from key stakeholder interactions. Requests, concerns, and feedback collected and consolidated by the organization are categorized according to ESG topic and serve as the basis for impact evaluation.

The process includes two steps:

- **Stakeholder Signal Analysis:** Inquiries, expectations, and concerns raised by clients, investors, regulators, civil society groups, employees, and other stakeholders over recent years are quantified to determine the baseline materiality level for each ESG sub-topic.
- **Expert Review and Adjustment:** The company then refine these scores by reviewing internal documentation, reputational considerations, and the potential severity, scale, and permanence of the impacts identified.



IPDC applies a 1-to-5 scoring scale and designates any topic scoring 3 (material) or higher as materially significant. Positive impacts that relate to business opportunities are handled within the opportunity dimension to avoid double counting.



Financial materiality is evaluated using the company's internal risk inventory process, which emphasizes forward-looking analysis and scenario-based planning. Contributors review local and global risk trends, sector-specific ESG insights, and macroeconomic studies before:

1. Identifying potential risk events across categories such as credit, market, operational, and reputational risk;

2. Linking those events to related ESG risk factors;

3. Evaluating the likelihood and severity of losses to estimate expected financial impacts.

1 Identifying potential risk events across categories such as credit, market, operational, and reputational risk

↓

2 Linking those events to related ESG risk factors

↓

3 Evaluating the likelihood and severity of losses to estimate expected financial impacts

For climate-related risks (both physical and transition-related),IPDC uses climate scenarios, stress-test outputs, sector risk heatmaps, ESG ratings, and portfolio alignment data to refine risk judgments.

Climate Scenarios → Stresstest outputs → Sector risk heatmaps → ESG ratings → Portfolio Alignment

Opportunities are identified through alignment with IPDC's strategic commitments and existing business development plans. Materiality is assessed based on:

1. The presence of strategic objectives tied to measurable ESG performance indicators;

2. Expected benefits, including operational cost efficiencies or growth in priority sustainable finance areas.

Only opportunities scoring 3 (important) or higher are classified as material.

The assessment of impacts, risks, and opportunities is undertaken jointly by IPDC's Sustainability, Business, Risk Management, and Finance functions. Results are then reviewed and harmonized prior to validation by the company's senior governance bodies.

The process leverages existing internal controls, including multiple levels of review and secondline oversight, ensuring consistency with IPDC's broader risk management and governance frameworks.

Double Materiality Matrix by Sustainability

Material impacts, risks or opportunities

5-Critical | 4-Significant | 3-Important | 2-Information | 1-Minimal

Material Topic	Impact	Risk	Opportunity
Environment			
Climate Change Mitigation	3	4	5
Climate Change Adaptation	2	4	3
Social			
Own Workforce	3	3	3
Consumer and End-User	3	3	4
Customer Protection	1	3	2
Governance			
Business Conduct, Anti-Corruption and Whistleblowers	2	3	2
Market Integrity and Financial Security	2	4	2
Cybersecurity	1	4	2

11 Catalyzing Sustainable Finance

11.1 Green Finance

IPDC is deeply committed to investing in green and sustainable products, integrating these practices as a core component of its broader strategy to promote environmental responsibility and contribute to a more sustainable future. Recognizing the urgent need for environmental stewardship, IPDC aims to play an active role in fostering a green economy by supporting initiatives that not only reduce environmental impact but also conserve natural resources and advance clean technologies.

This commitment includes investments in renewable energy, energy and resource efficiency, alternative energy, liquid waste management, solid waste management, circular economy projects, eco-friendly initiatives, environment friendly brick production, green and environmentally responsible establishments, green agriculture, green CMSME, green SRF, blue economy financing, information and communication technology, sustainable agriculture, socially responsible financing, and a variety of other sustainability linked financing solutions.

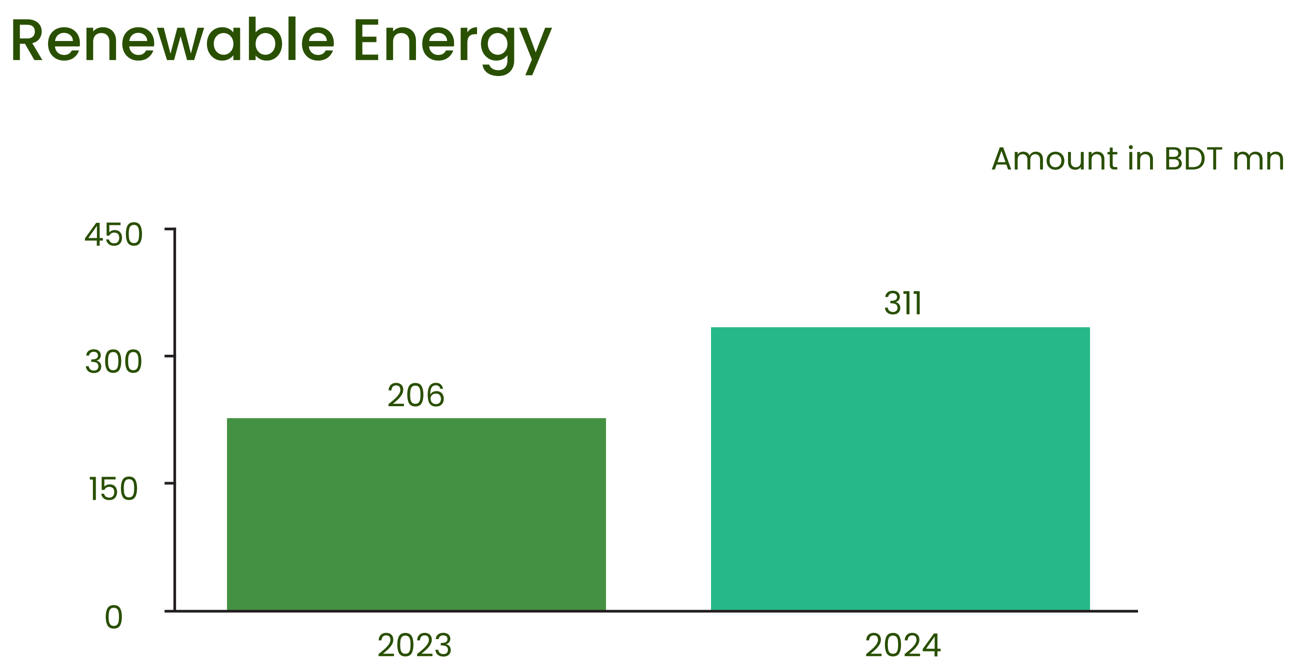
Through these responsible investments, IPDC not only complies with the regulatory guidelines of Bangladesh Bank but also aligns with global sustainability goals, particularly those related to reducing carbon emissions and promoting responsible consumption. More importantly, IPDC seeks to create long term value for its stakeholders by supporting the development of a greener and more resilient economy. This strategic approach goes beyond fulfilling regulatory obligations, reflecting IPDC's commitment to maintaining a positive environmental footprint while driving economic growth and social progress.

By pursuing these strategic green projects, IPDC continues to position itself as a catalyst for meaningful change, contributing to the sustainable development of Bangladesh as well as the broader global community.

Each year, IPDC allocates investments across a range of green sectors, ensuring a balanced and thoughtful distribution that aligns with its long-term strategic vision. The company remains focused on supporting sustainable growth through investments in renewable energy, eco-friendly technologies, resource efficiency, and other environmentally beneficial initiatives. By maintaining a substantial share of its portfolio in green projects, IPDC aims to advance environmental sustainability while achieving strong financial performance.

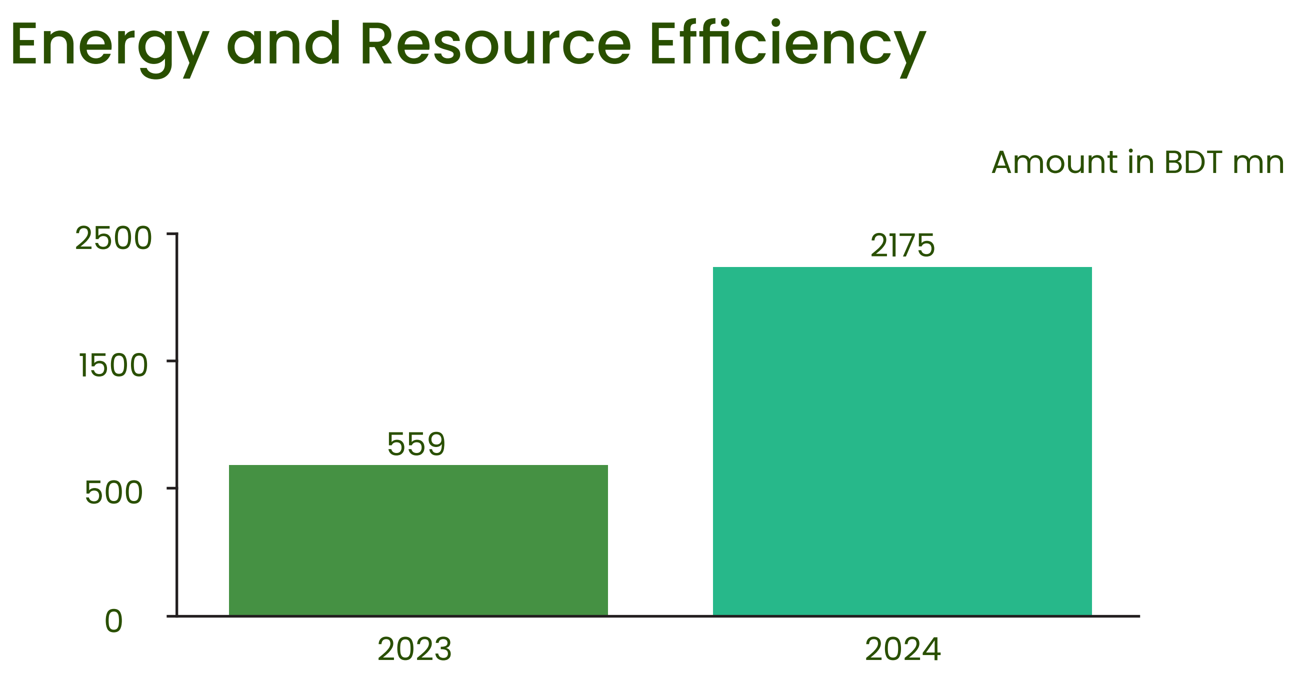
Renewable Energy

IPDC has developed a strong portfolio in renewable energy, totaling BDT 310.50mn as of 31 December 2024, reflecting an impressive 50.9% growth from the previous year. This sector includes a diverse range of investments, from solar-based manufacturing and services to solar grids.



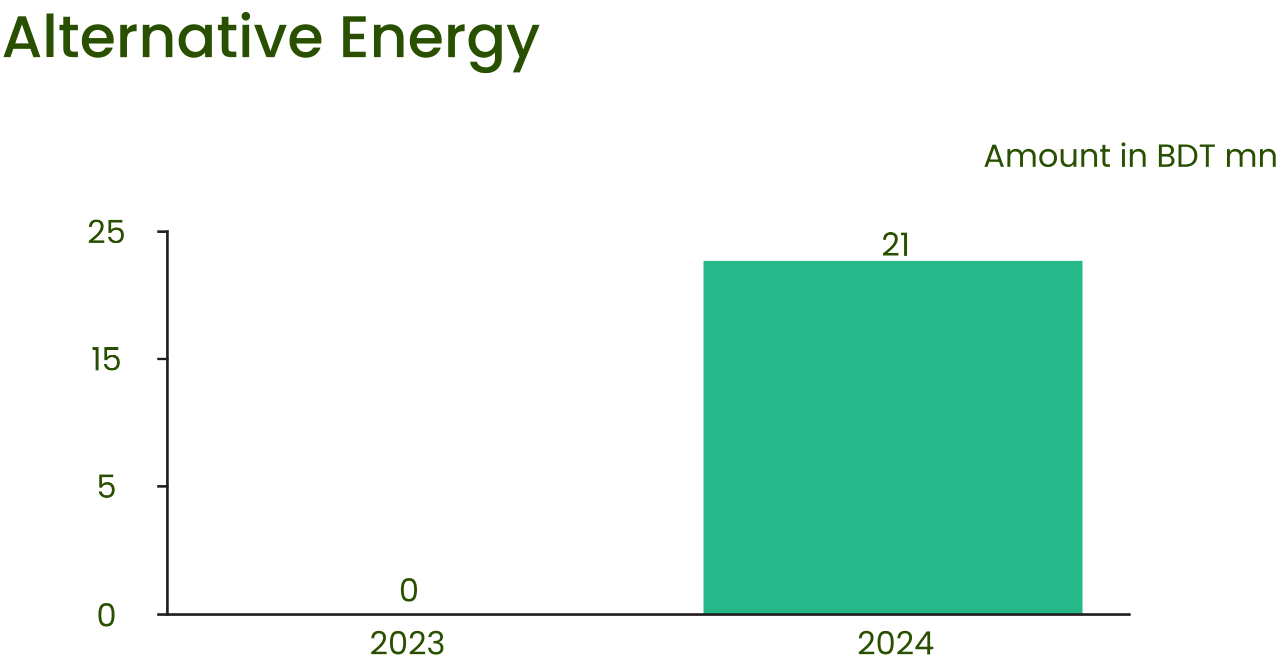
Energy and Resource Efficiency

As of 31 December 2024, IPDC's green portfolio in energy and resource efficiency reached BDT 2,175.42 million, marking a significant 289.4 percent increase from the previous year. This sector covers a broad range of initiatives, including the installation of machinery for energy efficiency, resource efficiency, and business process automation. IPDC's portfolio also extend to initiatives such as energy efficient cook stoves, LED bulbs, etc., all of which contribute to greater efficiency across industries.



Alternative Energy

In line with its commitment to sustainable energy, IPDC is diversifying its portfolio by venturing into the alternative energy sector. This includes lending to projects focused on the production of pyrolysis processed oil, bio crude oil, biofuels, and lithium batteries, all of which play a crucial role in reducing reliance on traditional fossil fuels. As of 31 December 2024, IPDC's portfolio in alternative energy stands at BDT 20.58 million, reflecting global trends toward cleaner and more sustainable energy solutions.

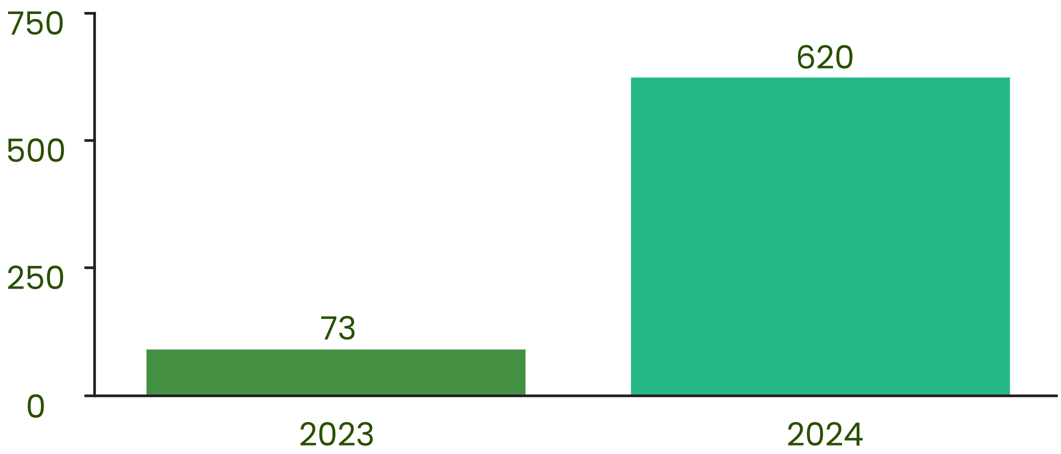


Liquid Waste Management

Bangladesh has made significant progress in reducing wastewater discharge, especially in the RMG sector. More than 450 textile and garment factories have decreased freshwater consumption by 35 billion liters and reduced wastewater discharge by 29 billion liters annually. In this ongoing effort to treat wastewater and prevent contamination, IPDC has proudly supported companies which aim to make their waste management systems more effective. As of 31 December 2024, IPDC's portfolio in liquid waste management totals BDT 619.51 million, representing an outstanding 746.2 percent increase from the previous year. This sector includes various types of effluent treatment plants, as well as wastewater and sewage treatment facilities.

Liquid Waste Management

Amount in BDT mn

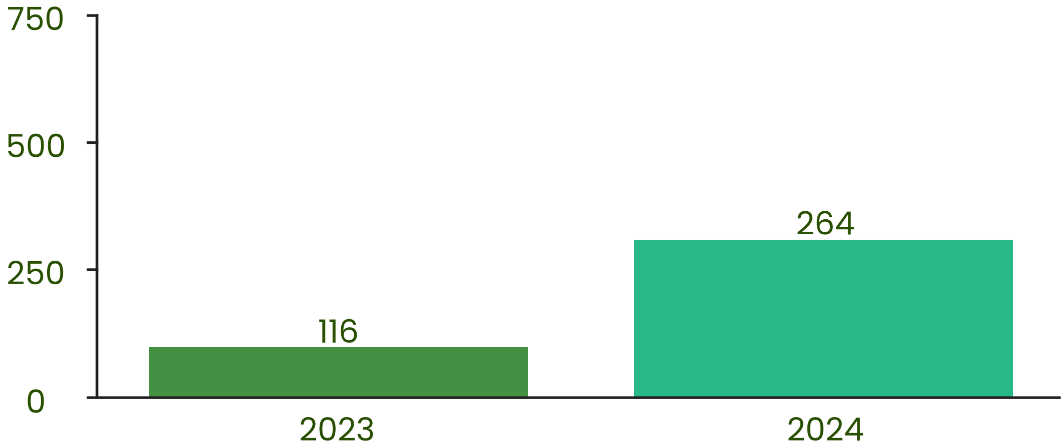


Circular Economy & Eco-Projects Financing

IPDC is committed to supporting sustainability initiatives by financing projects that promote a circular economy. This includes lending to initiatives involving plastic waste recycling, paper recycling, biodegradable product manufacturing, jute product manufacturing, etc. As of 31 December 2024, the portfolio in this sector has reached BDT 264.379 million, representing a remarkable 128.9 percent increase from the previous year.

Circular Economy & Eco-Projects Financing

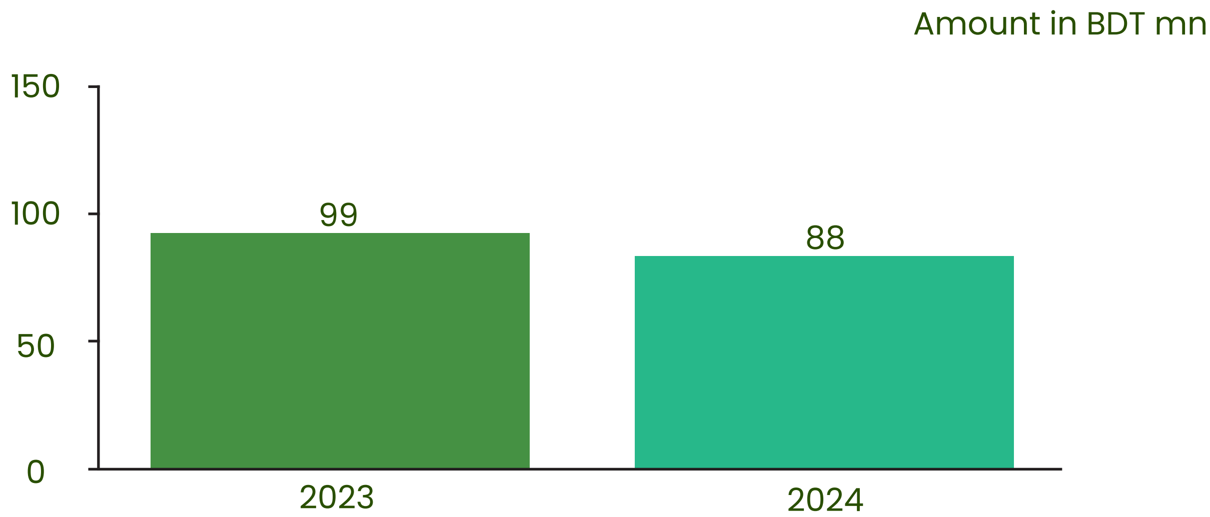
Amount in BDT mn



Environment-Friendly Brick Production

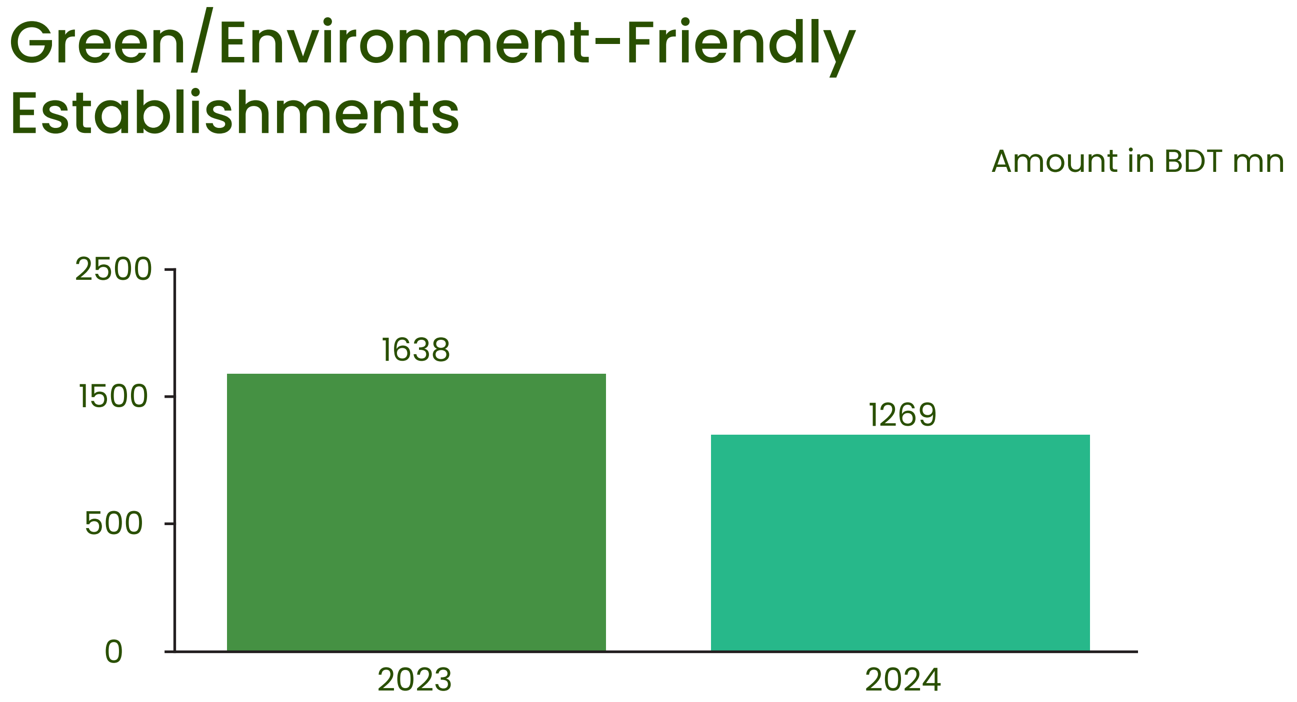
The Department of Environment has highlighted the environmental impact of brick production, which consumes significant amounts of topsoil and releases hazardous pollutants. In response, IPDC is focused on promoting eco-friendly alternatives, including compressed block bricks, foam concrete bricks, and efficiency improvements in brick kiln operations. As of 31 December 2024, IPDC's portfolio in eco-friendly brick production stands at BDT 88.22 million.

Environment-Friendly Brick Production



Green/Environment-Friendly Establishments

The rise of green establishments, particularly in the RMG and textile sectors, reflects the growing demand for sustainable and ethically produced products. IPDC is dedicated to supporting these initiatives by financing projects focused on green building establishments, improved factory working environments, and enhanced safety measures. As of 31 December 2024, the portfolio in this sector amounts to BDT 1,269.04 million.

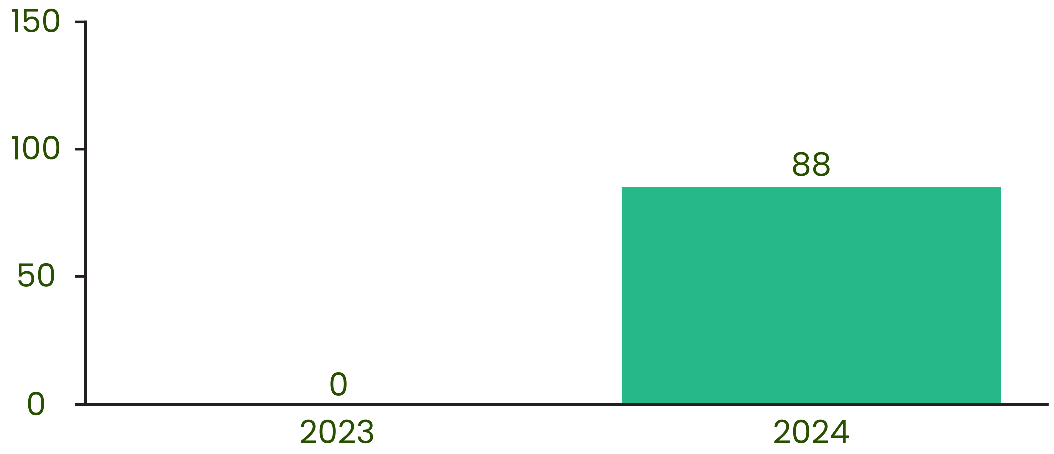


Green Agriculture

In 2024, IPDC's portfolio in the green agriculture sector reached BDT 88.03 million, marking a significant step forward. While the previous fiscal year showed no notable portfolio, IPDC's investment now supports sustainable farming practices, encourages eco-friendly innovations, and contributes to climate resilient agricultural development for a greener future.

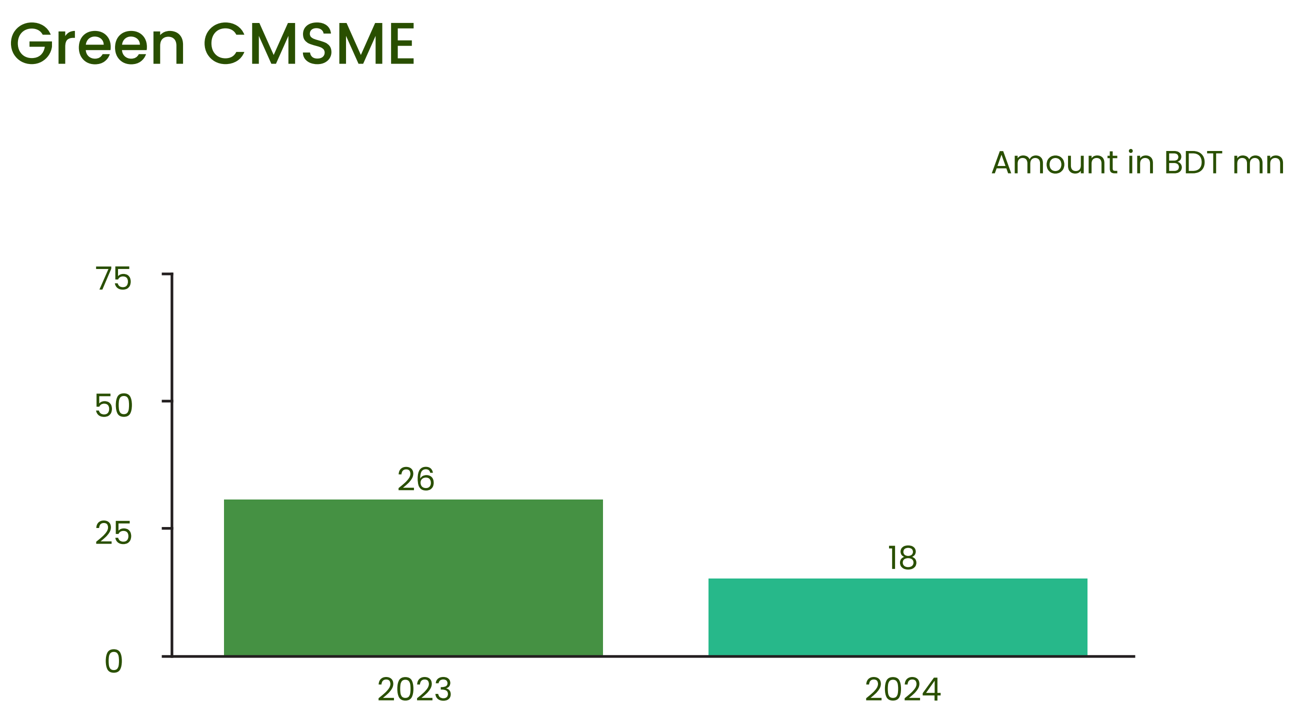
Green Agriculture

Amount in BDT mn



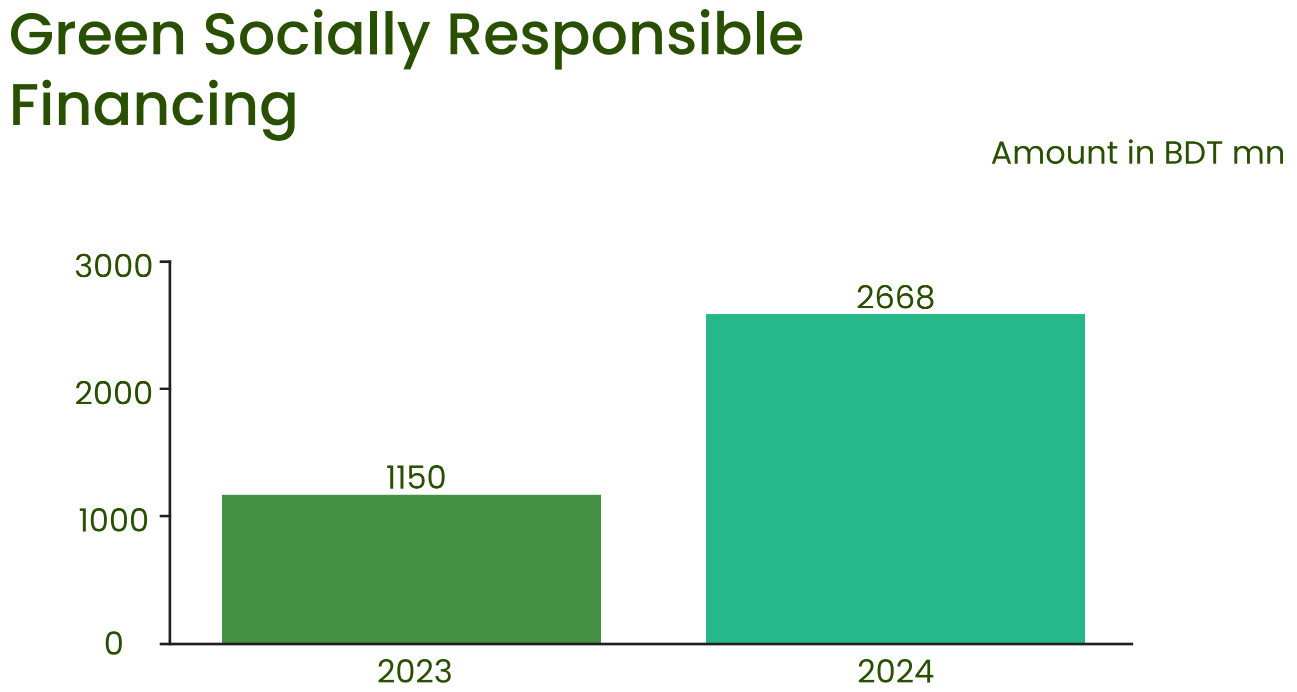
Green CMSME

In 2024, IPDC's portfolio contribution to green CMSME stood at BDT 18.19 million. Through tailored financing solutions, IPDC has empowered cottage industries to adopt sustainable practices, expand their operations, and integrate environmentally friendly innovations. This investment reflects IPDC's commitment to fostering green growth via the CMSME sector.



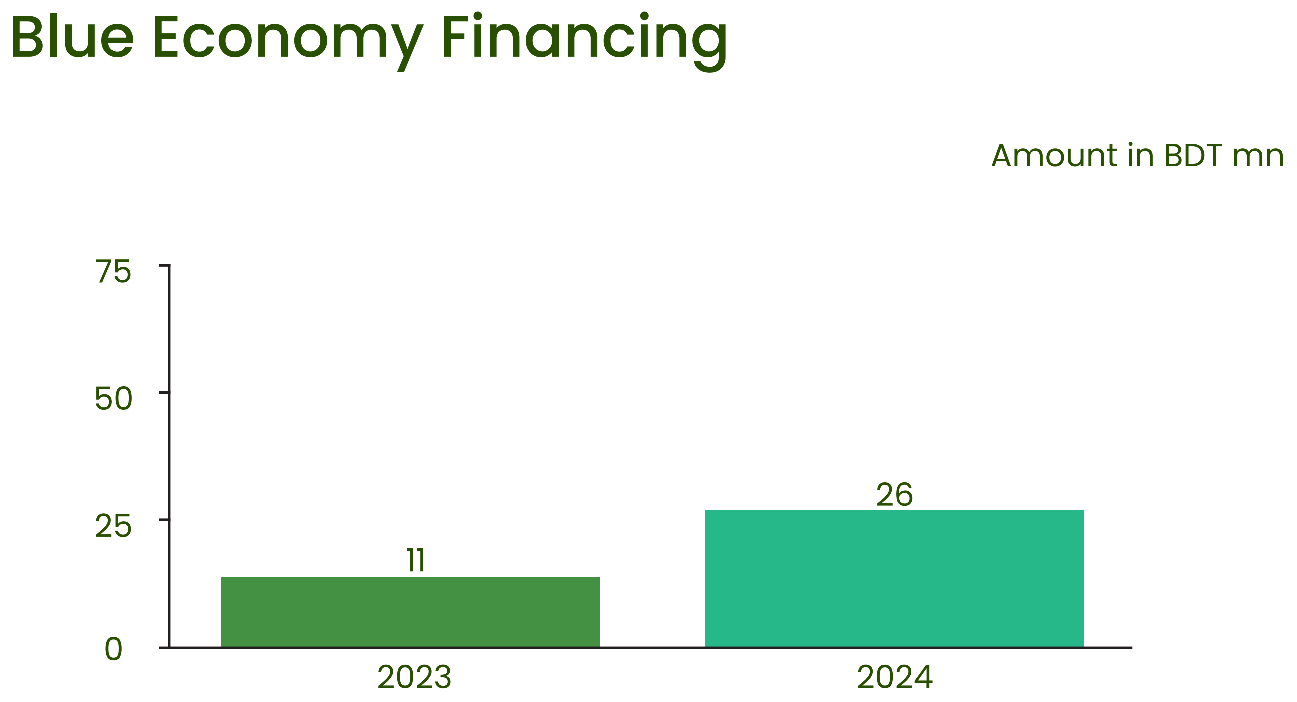
Green Socially Responsible Financing

IPDC is committed to socially responsible financing, which includes portfolios in climate resilience, disaster management, green transportation projects, and initiatives promoting gender equality and access to quality education. As of 31 December 2024, the portfolio in this sector amounts to BDT 2,668.14 million, representing a remarkable 132.1 percent increase from the previous reporting year.



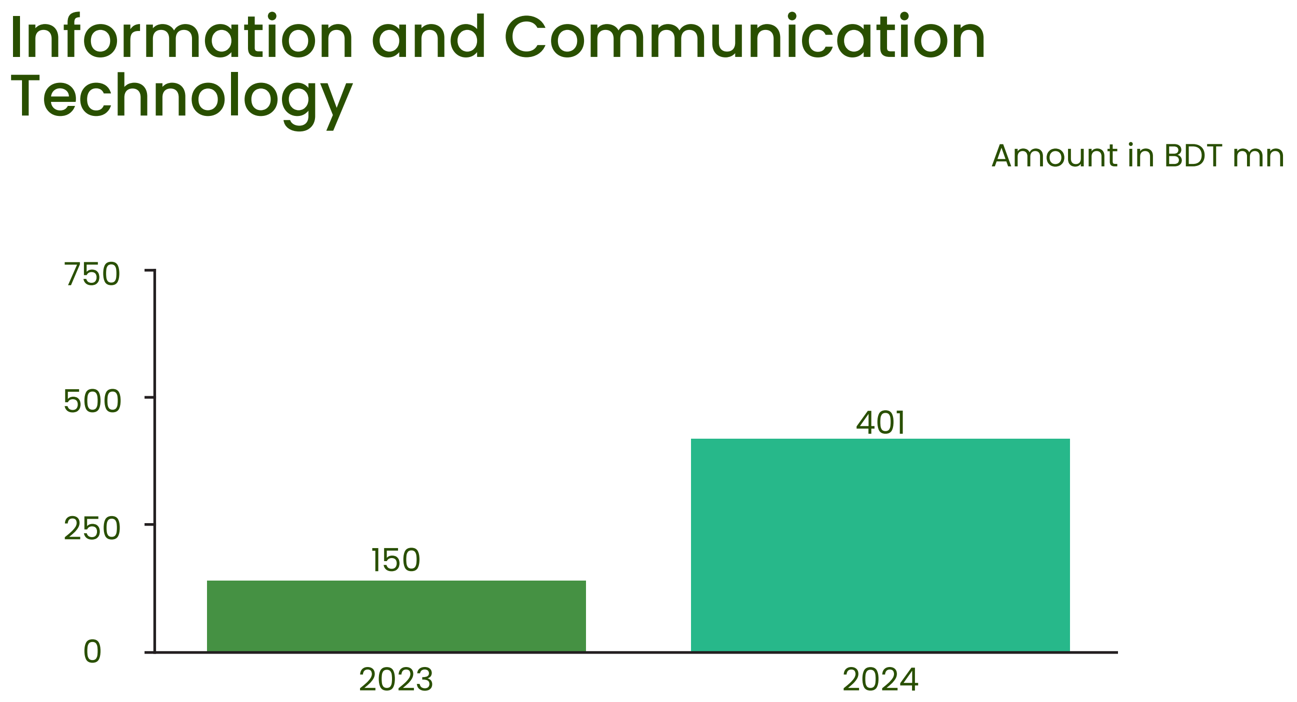
Blue Economy Financing

IPDC has made significant financing in the blue economy, focusing on intiatives including but not limited to maritime transport, marine sustainable fisheries, marine plastic pollution management, etc. As of 31 December 2024, IPDC's portfolio in the blue economy sector is valued at BDT 26.04 million, representing a 129.1 percent increase from the previous year.



Information and Communication Technology

IPDC recognizes the pivotal role of the Information and Communication Technology (ICT) sector in transforming Bangladesh into a tech-savvy nation. As of 31 December 2024, IPDC's portfolio in the ICT sector amounts to BDT 400.89 million, representing a 166.9 percent increase from the previous year. The sector includes broadband networks and IT solutions, internet of things, artificial intelligence, and robotics.



11.2 Sustainable Linked Finance

IPDC's unwavering commitment to sustainability extends beyond environmentally responsible financing to include the social and governance aspects of all investments. The company considers all three elements of ESG (environment, social, and governance) when making financing decisions. In the sustainable finance sector, the three key areas are sustainable agriculture, sustainable MSMEs, and socially responsible financing. Each year, IPDC allocates a significant portion of its disbursements to these sustainable-linked finance sectors. As of 31 December 2024, IPDC's total portfolio in this sector stands at BDT 38,552.11 million.

Sustainable Agriculture

Promoting sustainable agricultural initiatives and projects is a key objective of IPDC's sustainable linked finance activities. This sector covers crops, agricultural tools, crop storage, pisciculture, livestock, irrigation tools, and poverty alleviation. As of 31 December 2024, IPDC's outstanding investment in this sector stands at BDT 956.70 million.

Sustainable MSME

Under sustainable MSME, micro, small, and medium-sized businesses that are also considered low-risk enterprises according to the Environmental and Social Risk Management guidelines are given priority. Promoting such entities is a strategic focus for IPDC. Initiatives and projects considered part of sustainable MSME include women entrepreneur-led projects, rural business enterprises, new entrepreneurship ventures, cluster-based projects, agricultural product processing industries, projects supporting underprivileged or marginalized groups and areas, initiatives empowering the third gender, and projects for physically or mentally challenged individuals, as well as tribal communities. This sector also includes industries such as herbal cosmetic manufacturing, rice processing, agro-equipment production, and jute product manufacturing. Currently, IPDC's portfolio under this sector stands at BDT 9,347.54 million.

Socially Responsible Financing

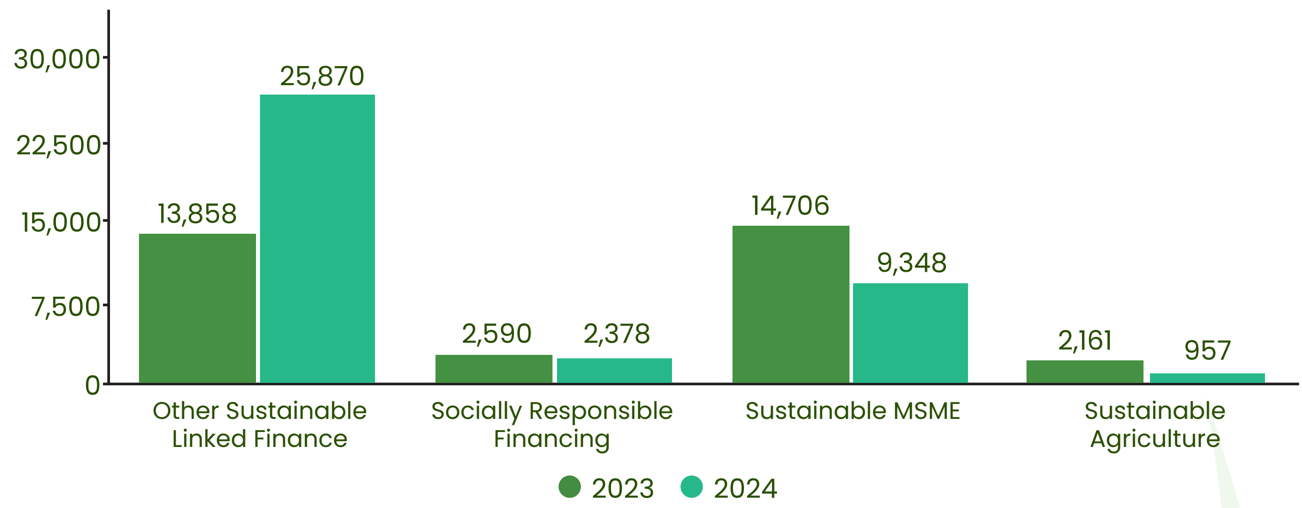
As IPDC places overall sustainability at the center of its business strategy, the company is strongly committed to addressing social issues to achieve positive outcomes, particularly for target populations. Its range of socially responsible financing includes initiatives such as affordable basic infrastructure, affordable housing, access to healthcare services, and more. This sector also encompasses investments through microfinance institutions for capacity building, education, employment generation, including self-employment, and the trading of green and agricultural products through ICT, online, and e-business platforms. As of 31 December 2024, IPDC's portfolio in this sector stands at BDT 2,378.16 million.

Other Sustainable Linked Finance

For low-risk projects or initiatives that do not fall under the categories of Green Finance, Sustainable Agriculture, Sustainable MSMEs, socially responsible financing, or working capital and demand loans for green products, but still involve businesses aligned with environmentally responsible practices, such projects are classified under the 'Other Sustainable Linked Finance' category. This includes green business ventures with a lending tenure of equal to or less than one year. As of 31 December 2024, IPDC's portfolio in this category stands at BDT 25,869.71 million. This allocation demonstrates the company's commitment to integrating sustainability into its broader financial strategy, even for projects with shorter-term horizons. This approach allows IPDC to support a diverse range of green initiatives while maintaining flexibility in financing options.

Sustainable Linked Finance

Amount in BDT mn



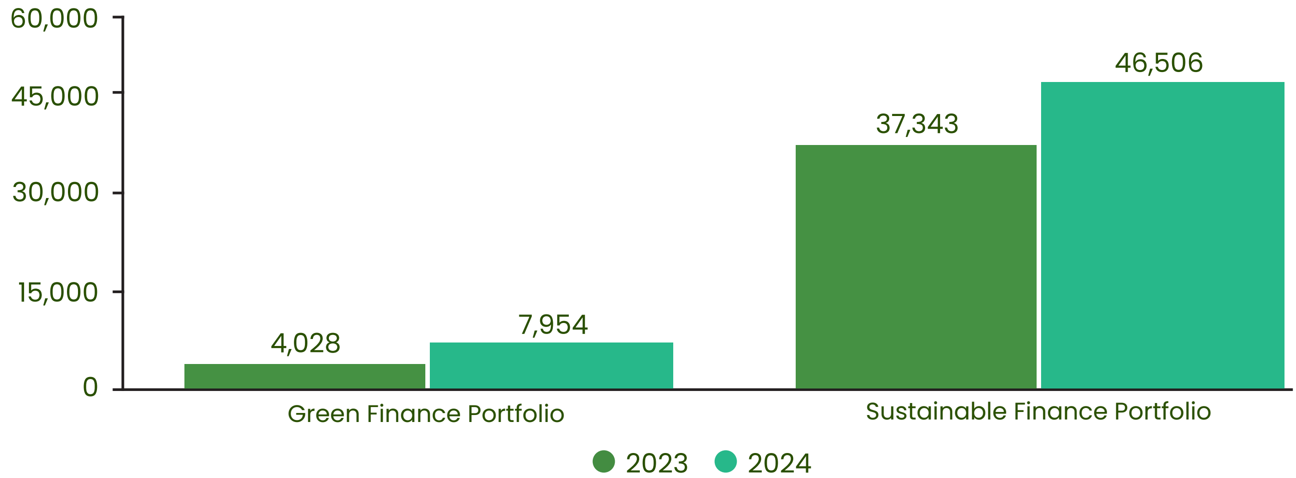
2023 Total
33,315
BDT mn

2024 Total
38,553
BDT mn

Growth Rate
+15.7%
Year-over-year

Sustainable Linked Finance

Amount in BDT mn



Sustainable Finance Portfolio Growth **+24.5%**

x 1.97 **Green Finance Portfolio Growth**

Green Finance Portfolio Growth Since 2018 **+2,709%**

Year over Year Growth*

11.3 Economic Performance

EVA statement for the year ended 31 December 2024

Economic Value Added (EVA) measures the company's economic success (or failure) over a period of time. EVA is calculated by taking the company's NOPAT (Net Operating Profit After Tax) and deducting capital charges from NOPAT to get the real economic performance of the company.

Net Operating Profit After Tax (NOPAT)

Amount in BDT mn

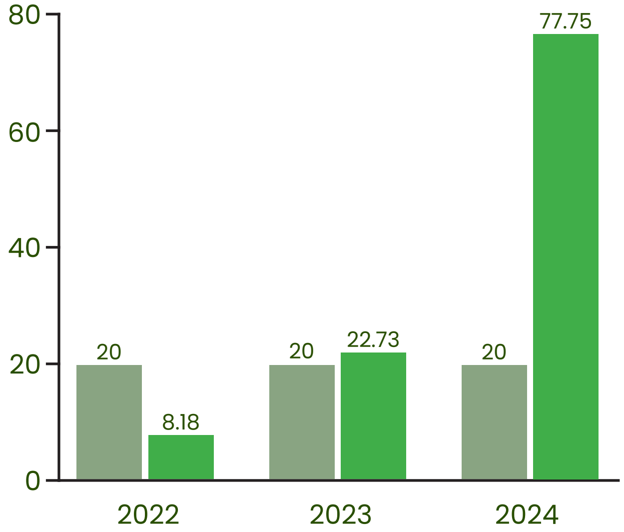
Particulars	2020	2021	2022	2023	2024
Operating Profit	1,679.6	2,203.4	1,760.3	1,299.8	1,764.7
Tax	(495.9)	(622.3)	(363.4)	(317.5)	(509.0)
One-off Adjustments	(495.9)	(622.3)	(363.4)	(317.5)	(509.0)
Net Operating Profit After Tax (NOPAT)	1,186.1	1,581.1	1,396.9	981.9	1,255.7

+27.9% **2024 Growth vs 2023**

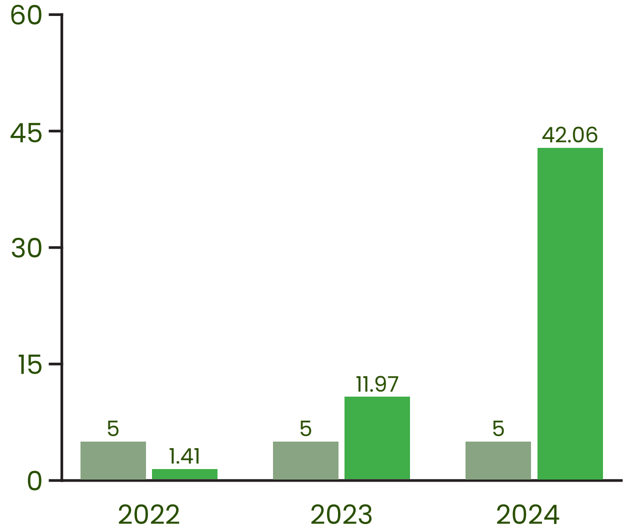
11.4 IPDC's Achievement Against Bangladesh Bank Target

Category	Bangladesh Bank's Target	IPDC's Achievement 2022	IPDC's Achievement 2023	IPDC's Achievement 2024
Sustainable Finance	20%(Total Annual Disbursement)	8.18%	22.73%	77.75%
Green Finance	5% (Total Annual Term Loan Disbursement)	1.41%	11.97%	42.06%

Sustainable Finance
(% of Total Annual Disbursement)



Green Finance
(% of Total Annual Disbursement)



Bangladesh bank's Target IPDC's Achievement

Sustainable Finance 2024 Achievement **77.75%**

42.06% **Green Finance 2024 Achievement**

Growth Rate (Sustainable 22-24) **+242%**

+251% **Growth Rate (Green 22-24)**

Bangladesh, being one of the lowest-lying and most climate-vulnerable countries, is ranked as the seventh most disaster-prone country in the world, according to the Global Climate Risk Index. Bangladesh Bank has been proactive in addressing this issue and has taken numerous initiatives to ensure that the banking and financial sector plays its due role.

To support the country's transition toward a more sustainable and environmentally responsible economy, one of the initiatives was the introduction of minimum portfolio and disbursement targets for both green and sustainable finance. These targets were first set in January 2016 for all banks and financial institutions, replacing the previous Green Banking and CSR Department, with the aim of broadening the use of sustainable finance. Over the past few years, the minimum targets have been revised several times.

Most recently, in December 2022, the minimum target for sustainable finance was set at 20% of total annual disbursements, with 5% allocated for green finance from total annual term loan disbursements. In 2023, IPDC reported a remarkable 22.73% disbursement for sustainable finance and an impressive 11.97% for green finance. As our management places sustainability at the core of all its decisions, our investments have naturally been directed toward green and sustainable initiatives. For successfully achieving the ambitious disbursement target for both green and sustainable finance and fulfilling other stringent regulatory requirements set by the central bank, IPDC became the top sustainable financial company for the year 2023.

Over the past three years, IPDC's sustainable and green finance portfolio has experienced remarkable growth. In 2022, the sustainable finance portfolio reached 8.18% of total annual disbursements and green finance rose to 1.41% of total annual term loan disbursements. By 2024, within just two years, IPDC's sustainable finance disbursements increased to 77.75% of total annual disbursements, while green finance surged to 42.06% of total annual term loan disbursements. This significant expansion highlights IPDC's strong ongoing commitment to driving sustainable and green initiatives in the financial sector.

This growth demonstrates IPDC's firm commitment to sustainable and green initiatives as part of its broader corporate responsibility and long-term growth strategy. The company has actively integrated environmental, social, and governance (ESG) factors into its business model, aiming to support projects and investments that contribute to a greener and more sustainable future. Our dedication to financing green and sustainable projects, particularly in renewable energy, energy efficiency, waste management, and sustainable agriculture, reflects this commitment. By promoting green financing, IPDC not only helps mitigate climate change but also ensures that its operations and investments align with international sustainability standards, contributing to Bangladesh's environmental goals. This commitment enhances IPDC's role in propelling responsible economic growth while protecting natural resources and improving the quality of life for future generations.

Security Type	2024	2023
Treasury Bill	2,976,276,246	1,612,792,857
Treasury Bond	2,229,887,840	-
National investment bond	-	-
Bangladesh bank bill	-	-
Government notes/bond	-	-
Total	5,206,164,086	1,612,792,857

In 2024, the company has purchased several treasury bills and bonds with positive intention as well as capability to hold the bills until maturity and collect the contractual cashflows which qualify for classification and measurement at amortized cost as per IFRS 9. Accordingly, initially they have been recorded at fair value, which is purchase price plus any transaction costs, and subsequently measured at amortized costs using the effective interest method.

11.5 Sectoral Exclusions

As part of its commitment to responsible and sustainable financing, IPDC conducts a rigorous screening of all prospective projects against a predefined Exclusion List. This list comprises activities that are deemed environmentally harmful, socially detrimental, ethically controversial, or non-compliant with national and international regulations and standards. By ensuring that no financing is extended to projects falling under these prohibited categories, IPDC aims to mitigate reputational, legal, and sustainability-related risks, while aligning its portfolio with the principles of sustainable development and stakeholder accountability. The exclusion list is as follows:

Serial No.	Sector/Activities
1	Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under the Convention on International Trade in Endangered Species (CITES).
2	Ship breaking/ trading activities which include: 1. Ships with prevalent asbestos use (for e.g. passenger cruise); 2. Ships not certified 'gas free' for hot work.
3	Drift net fishing, deep sea bottom trawling, or fishing with the use of explosives or cyanide.
4	Hydraulic horn and >75 decibel horns, polypropylene and polythene bags, two stroke engines.
5	Operations impacting UNESCO World Heritage Site and/or Ramsar site.
6	Illegal logging, and logging operations or conversion of land for plantation use in primary tropical moist forests.
7	Production or activities involving forced labour/ child labour.
8	Production or trade in: 1. Weapons and munitions 2. Tobacco in any form 3. Gambling, casinos 4. Pornography (goods/stores/web-based) 5. Brick production through Fixed Chimney Kiln (FCK).
9	Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.

11.6 IPDC Joyee: Empowering Women Entrepreneurs

Joyee is one of IPDC's signature initiatives to support women entrepreneurs across Bangladesh. Originally launched in 2018 as a business-loan platform, Joyee has grown into a full 360-degree Business Enabler, offering not only financing but also capacity development, business advisory, market access, and community-building services.

EVA statement for the year ended 31 December 2024

Joyee works through four interlinked pillars to support the holistic growth of women-led businesses:

- **Access to Finance:** Joyee provides specially tailored loans for daily operations, business expansion, and asset acquisition at concessions designed for women entrepreneurs. In 2024, IPDC launched its Joyee 360 sub-branch in Mirpur, Dhaka, offering not only the Joyee loan but also the full range of IPDC's financial products, including deposits, home loans, and auto financing.

- **Capacity Development:** Capacity-building is a critical part of the Joyee model. Through Joyee Pathshala at the Joyee 360 sub-branch, IPDC organizes trainings on financial planning, book keeping, business documentation, and digital skills. Covering 17 regional areas across IPDC Finance branch locations for training activities.

- **Market Access:** To help women entrepreneurs grow their businesses, Joyee organizes market-linkage opportunities.

- **Access to Business Suport:** Providing business documentation related support to women entrepreneurs.

- **Business Support and Community Infrastructure:** Joyee 360 offers dedicated physical spaces for women entrepreneurs.

- **Joyee Alapon:** A meeting room where women can network and hold business discussions.

- **Joyee Shokhi Desk:** A help desk that provides financial information and services.

- **Joyee Pathshala:** A structured learning space for capacity-building initiatives.

Strategic Partnerships & Innovation

IPDC Joyee is strengthened by key partnerships and innovation

Joyee's training offerings also include digital marketing and self-defense.

Additionally, Joyee clients are covered by the following broader collaborations

Aarong

To support Aarong-affiliated producers and small entrepreneurs with access to tailored financing solutions, enabling business growth and financial inclusion.

BRAC Healthcare

To facilitate financing support for healthcare professionals and institutions under BRAC Healthcare, helping them enhance service capacity and operational sustainability.

BRAC Kumon

To support Kumon center owners, instructors, and stakeholders with customized financing schemes for business setup, expansion, and operational sustainability.

Truvalu Bangladesh - Access to Green Finance

To provide green and sustainable financing opportunities to MSMEs under Truvalu's portfolio, promoting environmentally responsible business practices.

GE Healthcare

To support healthcare-related SMEs and service providers by offering need-based financing solutions that enhance medical service capacity, equipment access, and overall healthcare ecosystem development.

Truvalu Bangladesh

In 2024, IPDC signed an MoU with Truvalu Bangladesh under its Gender Lens Investing (GLI) program, helping women-led enterprises grow through capacity support and gender responsive financing.

Impact & Recognitions

In 2024, IPDC was named Global Champion for IPDC Joyee, A 360 Degree Enabler In Women Entrepreneur Development at the Global SME Finance Awards 2024 by the IFC and SME Finance Forum.

Joyee has built a strong reputation for 'business plus purpose'. This reinforces IPDC's commitment to gender equality, financial inclusion, and sustainable entrepreneurship.

The new Joyee logo, introduced in 2024, symbolizes IPDC's confidence in and support for women entrepreneurs.

179 women entrepreneurs and families capacitated through health and lifestyle development sessions (e.g., cancer awareness, mental well-being, mompreneur engagement).

Rural Joyee portfolio grew 3x in the last 5 years.

Women entrepreneurs now comprise 26% of IPDC's SME asset portfolio.

195 women entrepreneurs trained in business and financial development.

Number of women entrepreneurs without active linkage grew 115% since the pandemic.

Market linkage initiatives undertaken like Dhaka Night Market and Joyee Fair to help women entrepreneurs connect to new markets.

Joyee Privilege Card launched, offering exclusive benefits on brands and healthcare via strategic partners.

ESG Alignment & Long-Term Impact

Joyee is tightly woven into IPDC's ESG strategy:

- Empowers women entrepreneurs, builds leadership and business resilience.

- Drives inclusive growth by supporting women-led SMEs and facilitating corporate partnerships.

- Integrates gender-responsive finance into IPDC's business model and decision-making.

Through Joyee, IPDC supports SDG 5 (Gender Equality), SDG 8 (Decent Work & Economic Growth), and SDG 10 (Reduced Inequalities).

Future Priorities

Joyee is tightly woven into IPDC's ESG strategy:

- Expand Joyee 360 branches across other major cities.

- Launch a digital Joyee Pathshala to deliver online training and coaching.

- Introduce a Joyee Health & Wellness Program, building on self-defense and mental health support.

- Enhance impact measurement by integrating Joyee outcomes into IPDC's ESG reporting framework.

Joyee Success Story: Empowering 500+ Women Through Laam Creation

In the heart of Madhukhali, Faridpur, stands a powerful example of how women's entrepreneurship can redefine local economies and transform lives through sustainable businesses. Sabekun Nahar, founder of Laam Creation, began her journey with only two machines and nine women workers, producing eco-friendly handwoven products from natural fibers such as jute, water hyacinth, and elephant grass.

These materials are fully biodegradable and renewable, making her business not only economically empowering but also environmentally responsible. By promoting products made from local, sustainable fibers, Sabekun contributes to reducing plastic alternatives and supporting a greener, circular economy.

Although Sabekun was deeply passionate and highly skilled, she faced a barrier familiar to many women entrepreneurs in Bangladesh. By 2023, she obtained her trade license, but with no formal banking history and limited knowledge of documentation, accessing finance to expand her operations remained out of reach. Her business had strong demand, yet without capital, she could not scale production or seize new opportunities.

In 2024, IPDC Finance stepped in to bridge this gap. Through Joyee financing, Sabekun received the support needed to purchase 40 additional machines, a turning point that transformed her enterprise. Today, Laam Creation operates with 90 machines across two factories, and the impact is remarkable.

The company now employs over 500 women. Among them, 200 women work full-time inside her factories, while more than 300 women work from home across 6–7 nearby villages. Sabekun has created an innovative model of inclusive employment: every morning, she delivers raw materials to the workers' doorsteps, and at day's end, her transport network collects the finished goods. This structure enables women especially those with household responsibilities to earn an income without leaving their homes.

A strong advocate of skill development, Sabekun provides 10 to 30 days of structured training to every new recruit. Her model not only generates employment but also nurtures skills, confidence, and financial independence among women in two districts: Madhukhali and Rajbari. The ripple effect of this empowerment is visible across households, communities, and local markets.

In recognition of her extraordinary achievements and her contribution to advancing women's economic empowerment, Sabekun Nahar was awarded the Bangladesh Bank Women Entrepreneur Award 2025, joining the top 10 awardees selected from across the country.

Sabekun's journey reflects more than individual success, it highlights the importance of

gender-responsive financing and the transformative power of supporting women with the right opportunities. Her story stands as a testament to how inclusive finance, paired with determination and vision, can ignite economic growth and build stronger, more resilient communities.

11.7 Bhalobasha Home Loan: IPDC's Affordable Mortgage Finance

The Bhalobasha Home Loan is IPDC's flagship affordable housing solution, specially designed to serve the growing middle-income population across Bangladesh, particularly in areas outside the two megacities, Dhaka and Chattogram. Through this initiative, IPDC helps fulfill the long-held aspirations of middle-income families to own a decent and secure home.

Key Features

- **Target Segment:** Business owners, salaried individuals, and remittance earners, especially outside Dhaka and Chattogram.
- **Loan Range:** From BDT 0.5 million to BDT 5.0 million.
- **Tenure:** Up to 25 years.
- **Minimum Land Requirement:** 1.5 katha.
- **Property Types Eligible:** Pucca and semi-pucca homes.
- **Coverage:** Nationwide, with a focus on underserved districts.
- **Collateral:** Property-based security.
- **Permitted Uses:** For purchasing, constructing, or renovating homes.

2024 Performance & Reach

- **Portfolio Size:** BDT 3,467 million
- **Disbursement:** BDT 4,070 million
- **Average Ticket Size:** BDT 1.8 million
- **Loans Disbursed:** 802,500+
- **Geographic Reach:** 55 districts, 40+ areas
- **Customer Base:** 4,000+ customers

Bhalobasha Home Loan Customer Distribution by Branch

Gender-wise breakdown across all IPDC locations

Branch	Male	Female	Total
Barishal Branch	77 (73%)	28 (27%)	105
Bogura Branch	111 (77%)	33 (23%)	144
Chattogram Branch	58 (91%)	6 (9%)	64
Cumilla Branch	64 (86%)	10 (14%)	74
Dhanmondi Branch	6 (67%)	3 (33%)	9
Faridpur Branch	39 (81%)	9 (19%)	48
Gazipur Branch	261 (80%)	65 (20%)	326
Head Office	2 (67%)	1 (33%)	3
Jashore Branch	144 (73%)	53 (27%)	197
Khulna Branch	98 (77%)	30 (23%)	128
Motijheel Branch	7 (78%)	2 (22%)	9
Mymensingh Branch	270 (74%)	97 (26%)	367
Narayanganj Branch	119 (68%)	57 (32%)	176
Rangpur Branch	132 (71%)	54 (29%)	186
Sylhet Branch	69 (77%)	21 (23%)	90
Uttara Branch	9 (69%)	4 (31%)	13
Total	**1,466 (76%)**	**473 (24%)**	**1,939**

- **Growth Insight:** The 2024 portfolio represents a continued commitment to reaching middle income borrowers beyond major city centers.

Strategic Importance & ESG Alignment

The Bhalobasha Home Loan plays a vital role in IPDC's broader sustainability agenda and ESG commitments:

- **Financial Inclusion:** By extending affordable housing finance to middle-income families outside of Dhaka and Chattogram, IPDC supports equitable access to homeownership.
- **Socio-Economic Development:** Facilitating housing in non-urban areas contributes to regional development and supports the livelihoods of under-served populations.
- **ESG Integration:** Home financing is closely tied to IPDC's ESG and long-term strategy, reinforcing sustainable business models and contributing to the company's environmental, social, and governance objectives.

Risk Management & Compliance

IPDC has ensured that its affordable home loan product maintains strong financial discipline:

- **The Bhalobasha Home Loan** has historically maintained a solid asset quality.
- **Capital Adequacy:** IPDC's overall capital adequacy (CAR) remains strong, helping absorb shocks and maintain stability.

Impact

- Through Bhalobasha, more families can achieve home ownership, strengthening community bonds and improving quality of life.
- By prioritizing regions outside the major cities, the program supports decentralization and regional economic development.

Looking Ahead

- **Scaling Partnerships:** Collaboration with partners to roll out sustainable housing designs nationwide.
- **Improving Accessibility:** Enhance the home loan product through strategic alliances with developers, real estate companies, and construction partners.
- **Customer Experience:** Leverage digital tools and streamlined processes to make home loan application and disbursement faster and more transparent.
- **Impact Measurement:** Develop robust ESG metrics for housing finance to monitor long-term social and environmental outcomes.
- **Green Innovation:** Explore bundled products that combine home loans with green upgrades, promoting retrofits or green construction for middle-income homeowners.

11.8 IPDC DANA: Digital Financing for Micro-Merchants

IPDC DANA is a pioneering digital retailer-financing platform developed by IPDC to empower micro and cottage entrepreneurs (micro-merchants) across Bangladesh. Designed as a fully digital, structured credit solution, DANA provides collateral-free working capital loans to underserved retailers, facilitating financial inclusion, entrepreneurship, and sustainable growth.

Key Features & Innovation

DANA exemplifies IPDC's commitment to leveraging technology for financial inclusion. Key pillars of the platform include:

- **Digital Onboarding & Instant Credit Decision:** Users can apply through the DANA mobile app, enjoy automated underwriting, and receive instant credit decisions.
- **Zero Collateral, Low-cost Structure:** The platform provides working-capital financing without requiring property collateral, lowering barriers for micro-retailers.
- **Integration with IPDC Core Banking System:** Through full integration, DANA's loan disbursement and repayment processes are seamless, secure, and efficient.
- **Real-time Transaction and Account Dashboard:** The DANA app provides a dashboard for retailers to monitor transaction history, outstanding amounts, and risk.
- **Scalable & Data-driven:** The platform supports scalable growth, with credit decisions based on alternative data and digital credit scoring.

2024 Performance Highlights

- **Customers:** More than 71,800 micro-merchants have used the DANA platform.
- **Loans Disbursed:** Over 802,500 credit lines have been issued via DANA.
- **Disbursement Volume:** Total disbursements via DANA are reported at BDT 4,070 million.
- **Area Coverage:** DANA's reach more than 40 areas.

Strategic Role & ESG Alignment

DANA plays a critical role in IPDC's broader SME and sustainability strategy:

- **Inclusive Economic Growth:** By focusing on micro-merchants in Tier-II and Tier-III cities, DANA helps bring unbanked or underserved retailers into the formal financial system.

- **Entrepreneurship & Livelihoods:** The platform supports business resilience and growth for small retailers, contributing to job creation and local economic development.

- **Sustainable Finance Framework:** These working-capital loans align with IPDC's ESG goals by promoting financial inclusion and bridging the gap in access to formal credit for microentrepreneurs.

- **Recognition in FinTech:** In 2021, DANA won the "Fintech Innovation of the Year (NBFI)" at the Bangladesh Fintech Awards for its innovative, accessible, and low-cost credit model.

Impact & Value Creation

- **Financial Inclusion:** With hundreds of thousands of micro-entrepreneurs onboarded, DANA strengthens IPDC's commitment to underbanked segments.

- **Economic Empowerment:** Access to working capital enables merchants to purchase inventory, manage cash flow, and scale operations.

- **Digital Transformation:** DANA contributes to IPDC's digital transformation vision, reducing paperwork and accelerating loan processing.

- **Sustainable Development Goals (SDGs):** The initiative aligns with SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation & Infrastructure) by boosting small business productivity and access to finance.

Risk Considerations & Governance

- **Credit Risk:** While the loans are unsecured, IPDC mitigates risk through its digital credit scoring model and transaction-based underwriting.

- **Operational Risk:** Being a digital platform, DANA manages cyber-security, data privacy, and system reliability.

- **Regulatory Compliance:** IPDC ensures that DANA operations comply with financial regulations and AML/KYC requirements.

Future Outlook

IPDC plans to deepen and scale DANA's impact through:

- **Expansion to More Districts:** Growing geographic reach to further unbanked retail communities.
- **Enhanced Digital Features:** Ongoing app development for new functionality such as cash flow analytics, credit-limit notifications, and merchant tools.
- **Partnerships:** Collaborating with FMCG companies, distributors, and trade associations to extend financing solutions.
- **Impact Measurement:** Implementing ESG metrics around DANA's social outcomes (e.g., livelihood improvement, business growth) in IPDC's sustainability reporting.
- **Product Innovation:** Exploring new use cases such as credit linked to sales, inventory financing, and short-term trade credit for retailers.

11.9 IPDC Priti: Enabling Financial Well-Being for Women

IPDC Priti is a dedicated platform designed to serve the financial needs of women customers. It offers more than traditional financial products; Priti is a holistic service suite that supports economic empowerment, financial security, and health well-being for women across Bangladesh. As part of IPDC's commitment to gender inclusion, Priti helps advance financial independence while aligning with IPDC's broader ESG and SDG goals.

Core Objectives & Strategic Role

- **Women's Empowerment:** Priti is integral to IPDC's strategy on financial inclusion and gender equality, complementing other women-focused products such as Joyee.
- **Holistic Support:** It seeks to empower women through multiple dimensions: financing, capacity building, healthcare, and lifestyle benefits.
- **Sustainability Alignment:** By targeting gender inclusion, Priti contributes meaningfully to IPDC's ESG strategy and supports SDG 5 (Gender Equality).
- **Inclusive Growth:** The platform is part of IPDC's mission to reach underserved communities, particularly women, as a key pillar of economic development.

Key Features & Benefits

- **Access to Finance:** Women customers benefit from tailored credit and deposit offerings, enabling both personal and entrepreneurial financial solutions.

- **Capacity Building:** Priti offers workshops and training programs on financial literacy, business skills, and mental wellness.

- **Health & Lifestyle Benefits:** Through partnerships, Priti provides health-related perks and wellness services for its women clients. Notably, IPDC has an MoU with United Hospital Limited to extend exclusive services to Priti clients.

- **Lifestyle Partnerships:** Priti members receive special discounts via partner organizations.For example, IPDC signed an MoU with The Midori by Lakeshore to offer privileged services to women clients.

- **Community Engagement:** IPDC Priti hosts cultural and empowerment events.

Impact & Recognition

- **Health & Wellness Engagement:** IPDC Priti took part in the Inspire Her Wellness Festival (March 2024), underlining its commitment to women's health, financial awareness, and empowerment.

- **Strategic Healthcare Access:** The MoU with United Hospital offers Priti clients preferential access to health care, improving their overall well-being.

- **Lifestyle Partnerships:** The agreement with Aamra Active grants Priti clients and female employees a 10% discount on gym membership, reinforcing IPDC's commitment to women's health and fitness.

- **Employee Support:** Reflecting its women-friendly workplace values, IPDC offers eligible female employees (mothers of young children) a monthly "work from home" day, reflecting a policy that supports work-life balance.

Governance & Risk Management

- Priti is overseen as part of IPDC's ESG and sustainable finance framework, ensuring that gender-focused financial products align with risk management and strategic goals.

- By combining financial access with benefit-driven partnerships (healthcare, life style), Priti encourages responsible engagement without significantly increasing credit risk exposure.

Future Outlook

- **Expand Partnership Network:** Increase healthcare and lifestyle partners to provide deeper value for Priti clients (beyond current partners like United Hospital and The Midori).

- **Strengthen Digital Offerings:** Enhance the Priti digital experience with tailored content, financial education modules, and access to exclusive online events.

- **Impact Measurement:** Develop dedicated ESG KPIs for Priti's social outcomes; for example, healthcare utilization, financial resilience, and client satisfaction.

- **Community Events:** Scale up IPDC Priti community engagement (festivals, wellness retreats, educational forums, etc.) to deepen client loyalty and support networks.

12 Diversity & Equal Opportunity

IPDC's people strategy is grounded in fairness, merit, and inclusion. Our goal is to create a workplace where opportunities are accessible to all—irrespective of gender, age, or background— and where diverse teams can thrive and deliver superior outcomes for our customers and stakeholders. The data below outlines our current workforce profile and the areas we are strengthening to advance equity across the organization.

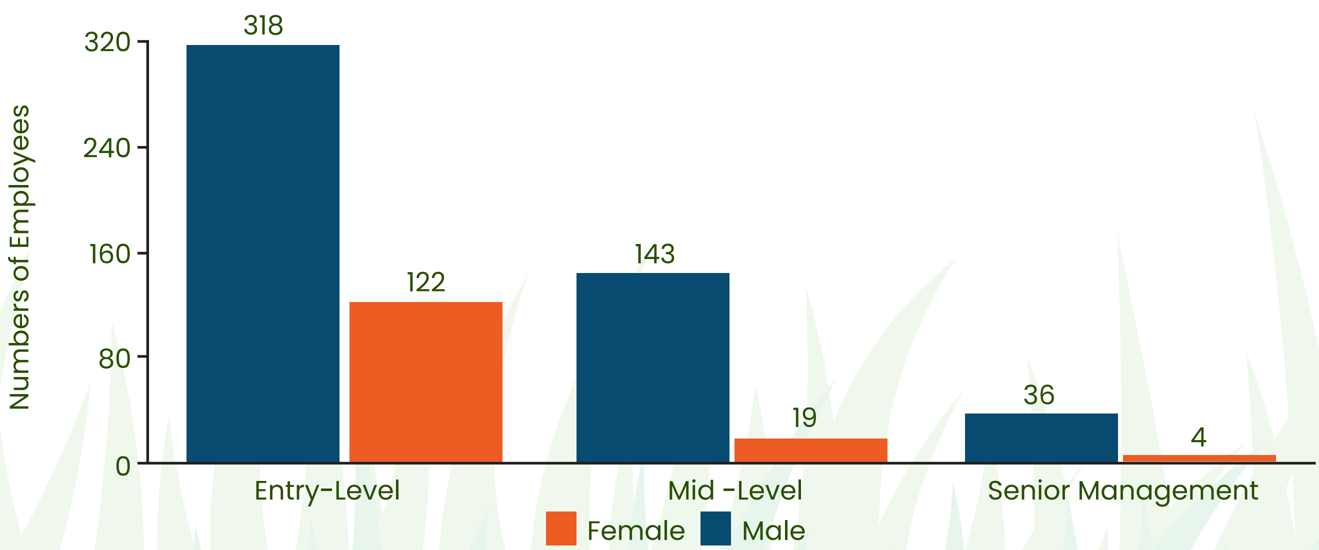
Workforce Snapshot (2024)

- **Overall gender mix:** 642 employees—497 male (77%) and 145 female (23%). This baseline guides our targeted actions to close representation gaps across functions and levels.

- **Role distribution:**
  - **Entry level:** 318 male (72%), 122 female (28%)—total 440.
  - **Mid level:** 143 male (88%), 19 female (12%)—total 162.
  - **Senior management:** 36 male (90%), 4 female (10%)—total 40.

Gender-wise Employees

Workforce Distribution Across Organizational Levels



What this means: Female representation is strongest at entry level (28%) and narrows at mid level (12%) and senior management (10%). We are focusing on progression pathways— mentoring, sponsorship, and unbiased performance processes—to improve female representation in decision-making roles.

Recruitment & Retention

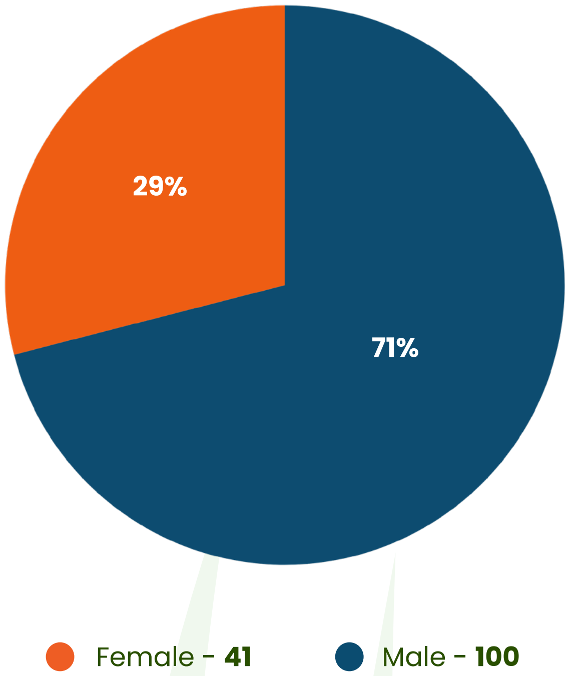
- **2024 recruitment:** 106 hires—80 male (75%), 26 female (25%). While this indicates ongoing inflow of female talent, it trails the current entry-level female share (28%), highlighting room to sharpen outreach and hiring practices.

- **2024 turnover:** 141 separations—100 male (71%), 41 female (29%). Given overall female workforce share (23%), this suggests a retention gap we are addressing through flexible policies, career support, and inclusive culture initiatives.

Employee Dynamics

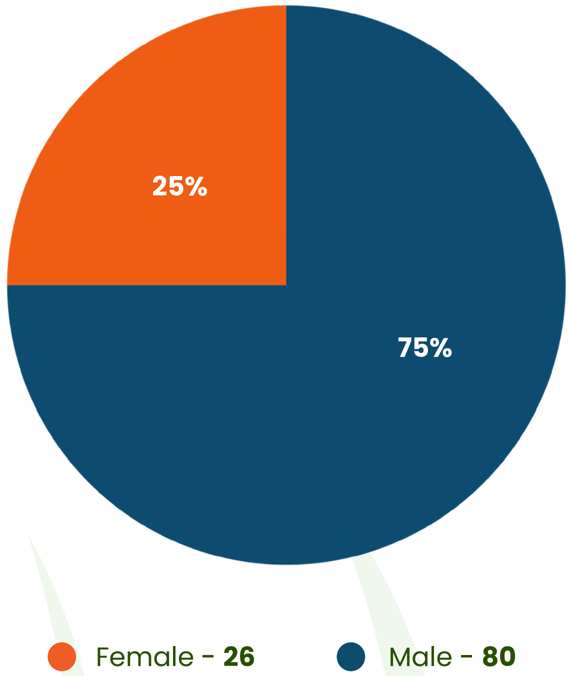
Recruitment and Turnover Analysis by Gender

Employee Turnover



Total Turnover - 141

Employee Recruitment



Total Recruitment - 106

*Recruitment & Turnover information is only for FT

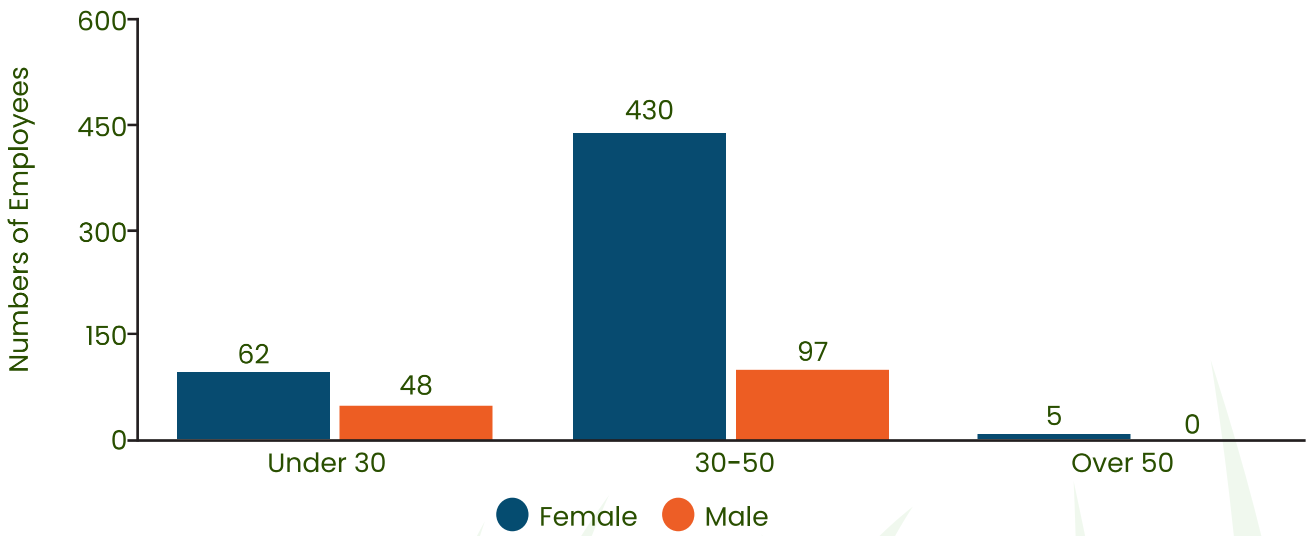
Our actions: We are strengthening return-to-work support, leadership development for women, and unbiased succession planning; we are also refining hiring targets at entry level to at least match current female representation and, over time, exceed it to build a sustainable pipeline.

Age Diversity & Future Pipeline

- **Under 30:** 110 employees—62 male (56%), 48 female (44%). This cohort shows the strongest gender balance and serves as a critical pipeline for future leadership.
- **30–50:** 527 employees—430 male (82%), 97 female (18%). We are focusing mid-career development and lateral mobility to elevate women's progression in this segment.
- **Over 50:** 5 employees—100% male. This reflects historical sector patterns; our long-term objective is balanced representation across senior tenure bands as more women advance and remain in leadership.

Gender-wise Employees

Workforce Distribution Across Organizational Levels



13 Policies & Guidelines

IPDC Finance PLC operates under a robust governance framework that ensures ethical conduct, regulatory compliance, and sustainable business practices. These policies are not static; they are periodically reviewed and updated to reflect changes in regulations, market dynamics, and organizational priorities. The overarching goal is to maintain transparency, fairness, and accountability across all operations.

Policy Review & Approval Process

To maintain relevance and effectiveness, IPDC follows a structured approach for policy formulation and revision:

- **Regular Review:** Policies are assessed at defined intervals to ensure alignment with current laws and strategic objectives.
- **Drafting & Consultation:** The designated Policy Owner initiates updates, prepares drafts,and shares them with the Policy Review Task Force (PRTF) for feedback.
- **Board Oversight:** After incorporating recommendations, policies are presented to the relevant board subcommittees for review and then submitted to the Board of Directors for final approval.

This multi-tiered process ensures that every policy is vetted thoroughly before implementation, reinforcing governance integrity.

Risk Management Policies

Risk management is embedded in IPDC's operational DNA, supported by specialized policies:

- **Environmental & Social Risk Management (ESRM) Policy:** Integrates sustainability and climate-related risks into credit appraisal and decision-making.
- **Sustainable Finance Policy:** Aligns lending practices with Bangladesh Bank's Green Taxonomy and IPDC's Net Zero Strategy 2050.
- **Credit Risk Policy:** Defines rigorous credit appraisal standards and segregation of duties between originators and approvers.
- **Operational Risk Guidelines:** Framework for identifying, monitoring, and mitigating operational risks.

- **IT Security Policy:** Ensures compliance with ICT security standards to safeguard data and prevent cyber threats.

Internal Control & Monitoring

IPDC maintains strong internal controls to safeguard assets and ensure accurate reporting:

- **Control Activities:** Approvals, authorizations, reconciliations, and segregation of duties.
- **Information & Communication:** Systems for timely and accurate data flow across departments.
- **Monitoring:** Regular internal audits, gap analysis, and corrective actions, supplemented by external audit reviews.

Sustainability & Ethical Guidelines

IPDC's sustainability agenda is reinforced through clear ethical boundaries:

- **Exclusion List:** Prohibits financing of activities that are environmentally harmful, socially detrimental, or ethically controversial (e.g., child labor, illegal logging, weapons, pornography, fixed chimney kilns).
- **Climate Action Commitment:** Adoption of a Net Zero Strategy 2050, integrating emission reduction targets into operations and lending.
- **CSR & ESG Reporting:** Transparent disclosures aligned with Bangladesh Bank sustainability guidelines.

These policies collectively ensure that IPDC remains a trusted financial institution, balancing profitability with purpose. By embedding governance, risk management, and sustainability into its core operations, IPDC not only complies with regulatory requirements but also builds resilience and stakeholder confidence.

14 Fair Dealing, Transparency and Trust

14.1 Our Commitment

IPDC's business philosophy places ethical conduct at the core of value creation. We embed fairness in customer interactions, transparency in reporting, and trust in governance across all operations and financing activities. This commitment is reflected in our Board-approved policies, public disclosures, audited results, and day-to-day practices.

14.2 Governance that Safeguards Integrity

Board oversight & committees

IPDC's Board sets the tone for ethics and transparent conduct, with clear responsibilities delegated to Board-level and management committees—Audit Committee, Risk Management Committee, Executive Committee, and the Sustainable Finance Committee (SFC). The SFC and Sustainable Finance Unit integrate ESG and climate considerations into credit lifecycle, disclosures, and stakeholder engagement.

Policies & compliance

The company operates under a Board-approved Sustainable Finance Policy aligned with Bangladesh Bank's guidelines and a formal Environmental & Social Risk Management (ESRM) Policy (adopted 2018). IPDC also affirms compliance with IFRS/IAS, Finance Company Act, Companies Act, and regulator circulars in its Corporate & Financial Reporting Framework statement.

Independent assurance

In 2024, IPDC maintained an AAA (long-term) and ST-1 (short-term) national credit rating, reflecting strong governance, transparency and resilience. Corporate Governance Auditors are appointed separately, and the Audit Committee reports publicly in the Annual Report.

14.3 Fair Dealing with Customers & Counterparties

Customer-centric service standards

IPDC prioritizes simple documentation, timely loan disbursement, and safe deposit handling—identified as material priorities by stakeholders. Service excellence and operational efficiency initiatives are embedded across branches and processes, including faster file processing and technology- enabled platforms (Core Banking, Dana) to reduce turnaround time and information asymmetry.

Transparent pricing & responsible lending

Following the shift to market-driven interest rates in 2024, IPDC emphasized disciplined underwriting, portfolio quality, and prudent provisioning. Classified loan ratio remained 5.83%—well below NBFC sector levels—supporting fair outcomes for both depositors and borrowers.

Grievance redress & accessibility

Stakeholder engagement mechanisms (feedback collection, grievance handling, training, literacy) are formalized; sustainable finance help desks operate in all branches to guide customers to climate-aligned, affordable products.

14.4 Transparency in Reporting & Disclosures

Integrated & sustainability reporting

IPDC's Annual Report presents integrated financial and non-financial information following the IIRC framework and IFRS S1 & S2 guidance, with dedicated sustainability sections (governance, climate strategy, financed emissions, portfolio breakdowns, SDGs). Forward-looking statements and materiality are explicitly disclosed.

Climate & financed-emissions disclosure

In 2024, IPDC completed its first portfolio-level GHG accounting in collaboration with the Joint Impact Model (JIM), aligned with PCAF standards.

No penalties & insider-trading compliance

The report confirms no penalties or violations in 2024, and states that Board members, senior management, and their families were not involved in insider trading and remained compliant with all provisions.

14.5 Building Trust with Stakeholders

Materiality & engagement.

IPDC's materiality matrix (environmental, social and governance topics) is derived from ongoing stakeholder engagement (customers, employees, investors, regulators, suppliers, communities). High-priority items include strong corporate governance, efficient risk management, safety of deposits, transparent procurement, and on-time regulatory reporting.

Responsible supply chain & payments.

IPDC communicates and upholds transparent procurement processes, timely supplier payments, and contractual compliance. The Sustainability scorecard discloses supplier payments and purchase volumes; broader initiatives address eco-friendly office practices, waste segregation, energy conservation and paper reduction.

Sectoral exclusions.

To protect reputation and uphold societal trust, IPDC applies a strict exclusion list (e.g., illegal trade, forced/child labour, weapons, pornography, fixed-chimney brick kilns operations impacting UNESCO/Ramsar sites), ensuring that financing avoids activities inconsistent with fair dealing and public interest.

14.6 Trust Indicators

- AAA / ST-1 credit rating sustained (ECRL); CAR 18.09%—well above regulatory minimum.
- No penalties for regulatory violations; explicit insider-trading compliance statement.
- Detailed climate disclosures via the Joint Impact Model.
- Materiality matrix & stakeholder channels publicly disclosed; sustainable helpdesks across branches.
- Classified loan ratio 5.83%; disciplined provisioning and recovery practices to protect depositor trust.

14.7 Looking Ahead

- Deepen transparency by expanding ISSB-aligned data systems and sectoral transition plans.
- Strengthen fair-dealing controls in retail/CMSME through digital verification, simplified documentation, and continuous customer education.
- Enhance stakeholder trust via periodic climate scenario analysis updates, ESG-linked KPIs in performance scorecards, and open reporting on grievances and resolutions.

15 Data Privacy & Information Security

In an increasingly digital financial ecosystem, sustainability depends not only on environmental stewardship and strong governance, but also on robust data privacy and cybersecurity. For IPDC Finance PLC, protecting customer information, securing transactions, and maintaining resilient operations are essential to trust, business continuity, and compliance. IPDC embeds ICT security within its governance and risk frameworks, aligning with Bangladesh Bank's ICT security guidelines and global good practices, and discloses its approach across the Annual Report and Sustainability Report.

15.1 Standards & Compliance

- **Regulatory alignment:** ICT policies and controls operate in line with Bangladesh Bank requirements and relevant laws and regulations.

- **Policy governance:** Information security policies are periodically reviewed via a formal policy lifecycle (drafting by the policy owner, review by the Policy Review Task Force, sub-committee vetting, and Board approval) to reflect changing risks and best practices.

This governance ensures confidentiality, integrity, and availability (CIA) remain anchored in IPDC's Integrated Risk Management Framework and Internal Control System, with continuous monitoring and audit oversight.

15.2 Proactive Cyber Defence

IPDC's posture has shifted from reactive to proactive, combining continuous monitoring, preventive controls, and periodic assurance:

- **Security operations framework:** 24×7 log monitoring, alerting, and incident handling to detect anomalies early and minimize operational disruption.

- **Email security gateway:** Phishing filtration, content controls, and data handling policies guard against leakage and social-engineering attacks.

- **Vulnerability Assessment & Penetration Testing (VAPT):** Regular internal/external exercises to identify and remediate weaknesses; findings feed risk registers and patch cycles.

16 Membership of Associations

IPDC Finance maintains active membership in several prominent industry and business associations, reinforcing its commitment to collaboration, advocacy, and best practices within the financial sector. These memberships enable IPDC to contribute to policy dialogues, stay aligned with regulatory developments, and promote sustainable finance initiatives.

Key Associations

- Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)
- Bangladesh Leasing & Finance Companies Association (BLFCA)
- International Chamber of Commerce (ICC)
- Foreign Investors' Chamber of Commerce & Industry (FICCI)
- Metropolitan Chamber of Commerce and Industry (MCCI)
- Bangladesh Association of Publicly Listed Companies (BAPLC)
- Dhaka Stock Exchange PLC (DSE)
- Chittagong Stock Exchange PLC (CSE)
- Central Depository Bangladesh Limited (CDBL)

These memberships reflect IPDC's strategic engagement with both local and international platforms to foster financial inclusion, sustainability, and governance excellence.

Key Associations

ADFIAP
financing sustainable development

BLFCA
BANGLADESH LEASING AND FINANCE COMPANIES ASSOCIATION

ICC INTERNATIONAL CHAMBER OF COMMERCE
The world business organization

FICCI
FOREIGN INVESTORS' CHAMBER OF COMMERCE & INDUSTRY

MCCI
Since 1904

BAPLC

DHAKA STOCK EXCHANGE LTD.
ঢাকা স্টক এক্সচেঞ্জ লিঃ

CSE CHITTAGONG STOCK EXCHANGE

Central Depository Bangladesh Limited

17 Complaint Management Process

17.1 Our Commitment to Open Communication

IPDC ensures that grievance redressal is accessible, confidential, and inclusive. The complaint management framework is designed to uphold fairness, transparency, and trust across all levels of the organization.

17.1 Key Mechanisms for Reporting Complaints

1. Talk-to-Me Box

- Physical boxes are placed in all IPDC offices to allow employees to report unusual matters or concerns anonymously.

- This initiative supports an open-door communication policy, encouraging staff to raise issues without fear of retaliation.

2. HRIS-Based Anonymous Reporting

- Employees can now lodge complaints through the Human Resource Information System (HRIS) with the option to hide their identity.

- This digital channel ensures confidentiality and faster escalation of issues.

3. Shushoma Platform

- A dedicated platform exclusively for female employees to raise concerns related to workplace safety, harassment, or any issue impacting their well-being.

- Shushoma reflects IPDC's commitment to gender-sensitive grievance handling and empowerment.

17.3 Compliance and Monitoring

- Adherence to the Code of Conduct and Ethics is mandatory for all employees, embedded in employment terms.
- Annual training on the Code of Conduct ensures awareness and accountability.
- IPDC enforces zero tolerance for non-compliance, with disciplinary actions taken immediately based on merit.
- Internal and external audits are conducted yearly to verify compliance and implement corrective measures.

17.4 Recognition and Culture of Integrity

Employees demonstrating exemplary ethical behavior and performance are rewarded annually under categories such as Excellence Awards, reinforcing a culture of sincerity and accountability.

17.5 Future Enhancements

- Expand digital grievance dashboards for real-time tracking and analytics.
- Strengthen gender-focused support systems under Shushoma with counseling and legal aid partnerships.
- Integrate customer complaint channels with sustainability helpdesks for unified service experience.

18 Sustainability in Our Operations

18.1 Our Commitment to the UN Sustainable Development Goals (SDGs)

Advancing the United Nations Sustainable Development Goals (SDGs) is central to fostering a sustainable and inclusive future. At IPDC, we are committed to integrating the SDGs into our financial activities and business strategy. By aligning our operations, investments, and financing decisions with the SDGs, we aim to mitigate business and sustainability risks, unlock new growth opportunities, and reinforce our position as a responsible and forward-looking corporate citizen. This approach underscores our dedication to creating long-term value for all stakeholders while contributing meaningfully to Bangladesh's sustainable development agenda.

18.2 Fulfillment of The SDGs

SUSTAINABLE DEVELOPMENT GOALS

Supporting and promoting the United Nations Sustainable Development Goals (SDGs) are essential for fostering a sustainable future. That is why IPDC is committed to supporting sustainable goals through its financial activities. We believe by aligning our operations and investments with the SDGs, we can mitigate business and environmental risks, tap into new market opportunities, and enhance our reputation as responsible corporate citizens.

Our Participations

1 NO POVERTY

- Promoted innovation and entrepreneurship.
- Empowered SMEs to flourish and generate economic value, hence easing impoverishment.
- Assisted local NGOs in community growth by financing their activities.

2 ZERO HUNGER

- Financed in Sustainable Agriculture, which enhances food production and resilience, fostering long-term food security and eradicating hunger.

3 GOOD HEALTH AND WELL-BEING

- Invested in healthcare service organizations.
- Stimulated workplace health trainings and initiatives to improve the well-being of employees.
- Arranged sporting and team building events to enhance employee motivation.

8 DECENT WORK AND ECONOMIC GROWTH

- Applied digital innovation to promote financial inclusion by providing financial products and services to the unbanked.
- Financed infrastructure initiatives, including renewable energy, transportation, and affordable housing, which spurred economic growth.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Financed in Green/Environmentally Friendly Establishments to promote sustainable industries, driving innovation and infrastructure, and reducing carbon footprints.

10 REDUCED INEQUALITIES

- Supplied mobile and online banking services to increase the accessibility of financial services minimizing geographic inequalities.
- Raised financial literacy through workshops to help marginalized people and women entrepreneurs build businesses sustainably.

11 SUSTAINABLE CITIES AND COMMUNITIES

- Invested in agricultural initiatives to enhance food security, reduce food waste, and encourage the development of sustainable food systems
- Empowered small businesses that prioritize sustainable technologies, such as solar panels or energy-efficient appliances

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Implemented environmentally friendly office procedures
- Financed practices that are eco-friendly and responsible such as gifting plants to every employee for New Year 2024
- Placed designated "recycled paper" container near printers and workstations

13 CLIMATE ACTION

- Provided aid to the affected communities during the mass flood in southern Bangladesh
- Engaged in climate-resilient initiatives that contribute to the reduction of net greenhouse gas emissions into the atmosphere

14 LIFE BELOW WATER

- Offers Blue Economy Financing by supporting sustainable fisheries, mariculture, coastal ecotourism, renewable energy, eco ports, and green shipyards, while promoting responsible maritime transport

17 PARTNERSHIPS FOR THE GOALS

- Financed in women-led businesses and NGOs to collaborate on national development goals, strengthening multi-stakeholder cooperation, fostering shared knowledge, and promoting sustainable development

18.3 Integrating the SDGs into Financial Solutions

Our Offerings

Sustainable Agriculture	Sustainable MSME	Socially Responsible Finance

SDGs Impacted

Our financial products and services are aligned with the United Nations Sustainable Development Goals, focusing on poverty alleviation, sustainable agriculture, and inclusive economic growth.

Our Offerings

Total Product Categories 18

Low Risk Rated Projects/Initiatives using ESDD checklist (other than Green Finance, Sustainable Agriculture, Sustainable MSME, SRF and Working capital and demand loan of Green Products)

Working capital and demand loan of Green Products/ projects/ initiatives

Renewable Energy	Energy & Resource Efficiency	Alternative Energy
Liquid Waste Management	Solid Waste Management	Circular Economy & Eco-Projects Financing
Environment Friendly Brick Production	Green/Environment Friendly Establishments	Green Agriculture
Green CMSME	Green SRF	Blue Economy Financing
Information and Communication Technology	Miscellaneous	Green Bond

Impact Fund (linked to Sustainability)

SDGs Impacted

Total SGDs Targeted **9**

19 Addressing Climate Change

IPDC outlines below its approach, commitments and performance regarding climate change and related financial and operational considerations. The discussion focuses on the following key areas:

- **Strategy:** The alignment of credit portfolios with pathways that support decarbonization.

- **Climate Risk Assessment and Stress Testing:** IPDC regularly evaluates the resilience of its business model to both physical and transition risks arising from climate change. This assessment includes scenario analysis and stress testing exercises.

- **Policies for Climate Change Mitigation and Adaptation:** The organization has its plans designed to manage material impacts, risks and opportunities associated with climate change. These guide the management of climate-related exposures and inform decision making across the business.

- **Decarbonization Actions:** IPDC's initiatives aim to reduce climate risks through enhanced understanding of clients' climate profiles, monitoring the alignment of its credit portfolio in high-emission sectors, minimizing its own operational carbon footprint, and supporting clients in their transition to a low-carbon economy with appropriate green and other sustainable products.

- **Metrics and Targets:** The company discloses key metrics and targets related to greenhouse gas emissions reduction. This includes decarbonization indicators for the most carbon intensive sectors of its credit portfolio and the quantification of financed emissions. These metrics provide a transparent view of IPDC's progress towards its climate objectives.

19.1 Strategy

Mapping Key Impacts, Risks, and Opportunities to Policies and Targets

Climate Stretegy Framework

IMPACTS

GHG emissions by IPDC's clients

Net Zero Strategy

ACTIONS

- Finance green technologies and recycling initiatives
- Food and Agriculture: Support sustainable agriculture and waste reduction projects
- Vehicle Financing: Expand financing for electric/hybrid vehicles and low-emission transport solutions

METRICS AND TARGETS

- Reduce emissions in key sectors
- Promote sustainability and operational efficiency
- Align with green finance and environmental goals

RISK

Credit Risks From Physical Climate Hazards

Environmental and Social Risk Management Policy

ACTIONS

- ESDD of clients before onboarding; Continuous monitoring of portfolio risks

METRICS AND TARGETS

- Increase share of proposals with low-risk rating as per ESDD

RISK

Credit Risks From Transition to Low-Carbon Economy

Sustainable Finance Policy

ACTIONS

- ESG assessment integration in credit approval; Monitoring transition-related risks in client portfolios

METRICS AND TARGETS

- Increase green finance portfolio

RISK

Reputational Risk

Sustainable Finance Policy

ACTIONS

- Continuous monitoring of client activities; Exclusion of projects that may negatively affect IPDC's public image and sustainability commitments

METRICS AND TARGETS

- Daily monitoring of news and regular communication with clients

OPPORTUNITIES

Sustainable Finance Policy

Financing the low-carbon transition

ACTIONS

- Supporting clients in adopting low-carbon technologies and practices; Developing sustainable financial products to enable green transition

METRICS AND TARGETS

- Targeted disbursements for green financing

OPPORTUNITIES

Net Zero Strategy

Reduction of IPDC's Internal GHG Emissions

ACTIONS

- Initiatives to reduce energy consumption in operational facilities; Awareness campaigns and employee engagement programs

METRICS AND TARGETS

- Optimize internal GHG emissions per employee

19.1.1 Transition Plan for Climate Change

Scope and Limitations

The transition plan for climate change of IPDC focuses specifically on the financial as sets reflected on the company's balance sheet. While the overall strategy, risk management framework, and policies cover all organizational activities, certain targets, actions, and metrics are specific to financing operations. Notably, intermediary alignment targets pertain to financing provided to nonfinancial corporates, corresponding to the scope of assets included in the company's financed emissions inventory, particularly in the highest greenhouse gas-emitting sectors.

In the absence of sector-specific standards tailored to the financial industry, and given a regulatory environment that is still evolving with varying requirements for transition planning, IPDC applies the relevant transitional provisions outlined in ESRS standards. As a result, the company does not disclose absolute greenhouse gas emission reduction targets.

The reliance on client or third-party data to calculate emissions further limits the ability to set absolute targets at this stage. Two main challenges affect target formulation:

- Availability and reliability of client data, especially on indirect scope three emissions, are currently insufficient to create a robust baseline for long-term projections.

- Projecting decarbonization pathways and estimating clients' future financing requirements is complex due to the lack of standardized long-term macroeconomic assumptions.

IPDC continues to strengthen data quality and analysis of client transition needs. The current approach relies on medium-term objectives to guide the decarbonization of its credit portfolio by sector. This strategy aligns with the company's previous commitments and represents a practical and effective response to ongoing decarbonization challenges.

The company has established intermediary targets to reduce the emission intensity of its credit portfolios in the most carbon-intensive sectors by 2025 and 2030. Detailed information on these targets, including calculation methodology, scope, and data sources, is presented in the section covering metrics and targets related to climate impact.

In addition, IPDC has defined targets to reduce greenhouse gas emissions within its operational footprint. Actions include improving energy efficiency in buildings and promoting sustainable mobility. Any residual operational emissions are offset through the annual purchase of voluntary carbon credits equivalent to the remaining emissions.

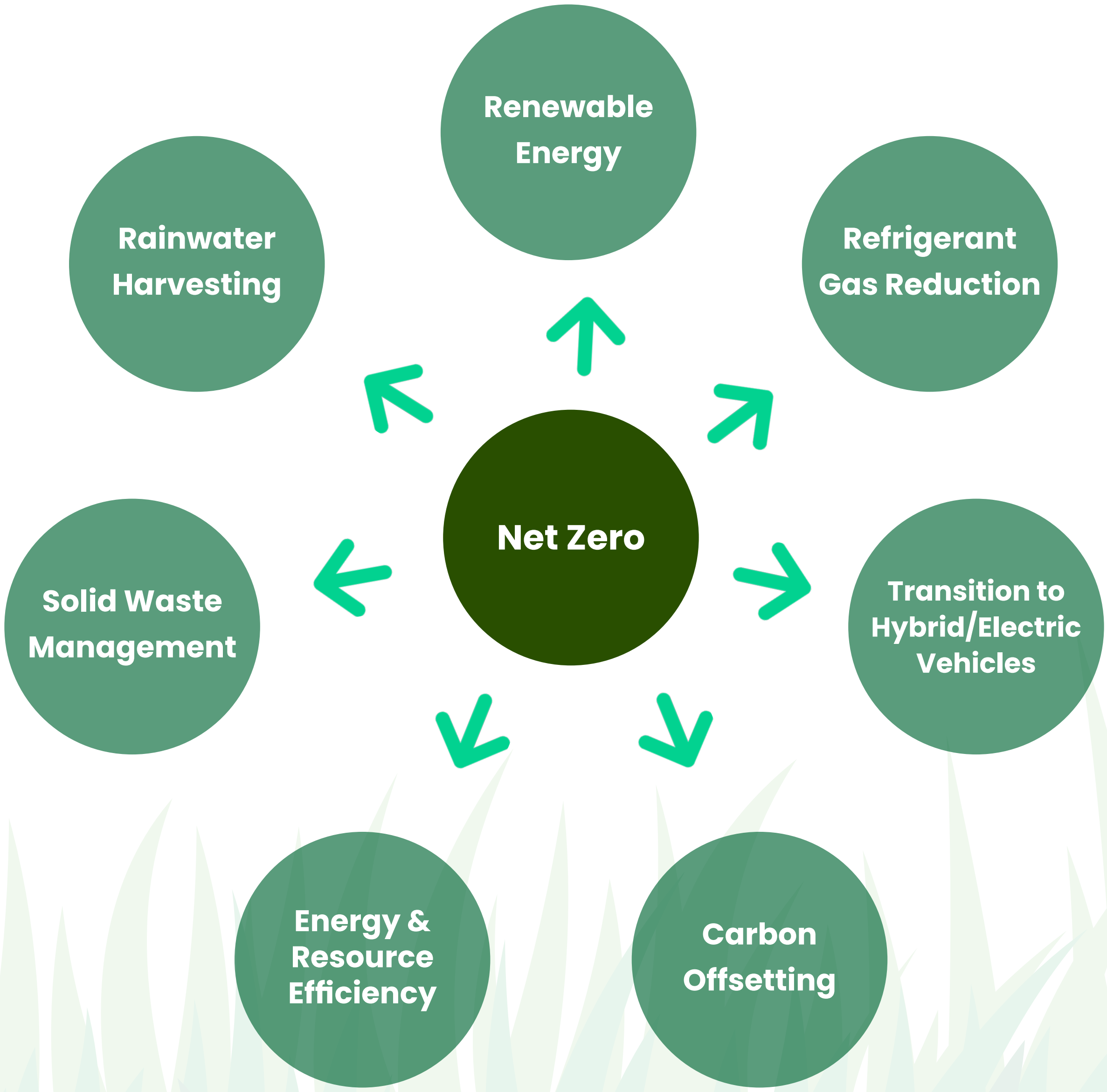
19.2 IPDC's Net Zero Strategy

IPDC Finance has developed a Board-approved Net Zero Strategy 2050. This demonstrate IPDC's strong commitment to sustainability and its leadership role in Bangladesh's financial sector. Recognizing the growing global awareness of climate change, it acknowledges that the transition to net zero is not just a responsibility, but a necessity for financial organizations striving to remain relevant and responsible in the face of environmental challenges.

The strategy includes a range of initiatives aimed at reducing IPDC's carbon footprint and promoting sustainable practices.

Key actions include investing in renewable energy, reducing refrigerant gas usage, transitioning the company fleet to hybrid/electric vehicles, implementing carbon offsetting measures, and enhancing energy and resource efficiency across operations. Additionally, IPDC is focusing on solid waste management, rainwater harvesting, and optimizing financed emissions to further minimize environmental impact.

Through these efforts, IPDC aims to achieve net zero emissions by 2050 and set a benchmark for sustainable business practices within Bangladesh's financial sector. By aligning its strategy with both national and global climate goals, IPDC is helping shape a greener, more sustainable future for the country, reinforcing its position as a financial leader dedicated to environmental stewardship and corporate responsibility. IPDC has taken a myriad of initiatives to achieve net-zero emissions by 2050.



Renewable Energy

IPDC plans to transition to 100% renewable energy by 2050, installing solar panels and exploring net metering systems. Feasibility assessments will be conducted, and partnerships with renewable energy providers will be forged. This will help reduce operational costs, lower Scope 2 emissions, and mitigate risks associated with conventional energy sources, paving the way for a more sustainable future.

Reduction in Refrigerant Gas Usage

To reduce emissions from refrigerant leaks, IPDC will transition to sustainable refrigerants with lower Global Warming Potential (GWP). Regular HVAC (Heating, Ventilation, and Air Conditioning)audits will be performed, and advanced, zero-emission cooling technologies will be introduced.These actions aim to improve HVAC efficiency, reduce harmful emissions, and foster sustainable practices in IPDC's operations, significantly lowering their environmental impact.

Fleet Transition to Hybrid/Electric Vehicles

IPDC's fleet will gradually shift to hybrid and electric vehicles to reduce fuel consumption and lower emissions. By promoting carpooling, eco-driving, and telecommuting, the company will enhance its sustainability. Additionally, incentives for using public transport and green vehicles will be provided, helping reduce the carbon footprint and aligning the fleet with net-zero goals while encouraging a greener commuting culture.

Carbon Offsetting

IPDC will implement tree plantation programs both within its premises and local communities as part of its carbon offset strategy. These initiatives aim to sequester carbon emissions, enhance biodiversity, and improve air quality. The programs also promote employee and community wellbeing, while contributing positively to the environment, helping IPDC offset its carbon footprint and make a tangible environmental impact.

Energy and Resource Efficiency

To improve energy efficiency, IPDC will upgrade to energy-efficient systems, including lighting, HVAC, and office equipment. The company will also reduce paper usage through digital transformation. These actions will not only lower energy consumption but also reduce the overall carbon footprint. By streamlining operations and cutting waste, IPDC will drive sustainability and foster a more efficient, eco-friendly working environment.

Enhanced Solid Waste Management

IPDC will implement waste segregation systems to separate biodegradable, recyclable, and nonrecyclable materials. Employees will be educated about proper waste disposal and provided with labeled bins to ensure effective waste management. By reducing landfill contributions and recovering valuable resources through recycling, IPDC aims to enhance its corporate reputation while promoting sustainability and reducing environmental harm.

Rainwater Harvesting

IPDC will install rainwater harvesting systems for non-potable purposes, such as irrigation and cleaning. This initiative will reduce the company's dependence on external water sources, promoting responsible water usage. By educating employees on the benefits of harvesting rainwater, IPDC will demonstrate its commitment to environmental stewardship, conserving water, and reducing waste in line with its sustainability goals.

Optimizing Financed Emissions

IPDC aims to reduce emissions across key sectors by financing green technologies and sustainable practices. In the RMG industry, green technologies and recycling initiatives will be supported, while sustainable agriculture and waste reduction projects will be financed in the food and agriculture sectors. Additionally, IPDC will expand financing for electric and hybrid vehicles, contributing to low-emission transport solutions and aligning with environmental goals.

As part of its Net Zero Strategy 2050, IPDC has disclosed its greenhouse gas (GHG) emissions for the first time in 2024, using the Joint Impact Model (JIM) for financed emissions. This disclosure demonstrates IPDC's commitment to transparency and climate accountability.

19.3 Management of Impacts, Risks and Opportunities Regarding Climate Change

19.3.1 Related Policies

IPDC has developed a structured set of policies that guide its operations and engagement with stakeholders. These policies ensure that financing decisions are consistent with the organization's sustainability objectives and responsible business practices.

These policies are regularly reviewed and enhanced through ongoing dialogue with key stakeholders, along with alignment to leading international guidelines and evolving sector standards. This continuous improvement process helps ensure that the institution's approach remains relevant, forward looking, and reflective of global best practices.

Policies	Policy Owner
Sustainable Finance Policy	Sustainable Finance Committee
Green Bond Policy	Sustainable Finance Committee
Environmental & Social Risk Management Policy	Head of Sustainable Finance Unit
Corporate Social Responsibility Policy	Brand & Corporate Communication

19.4 Greenhouse Gas Emissions

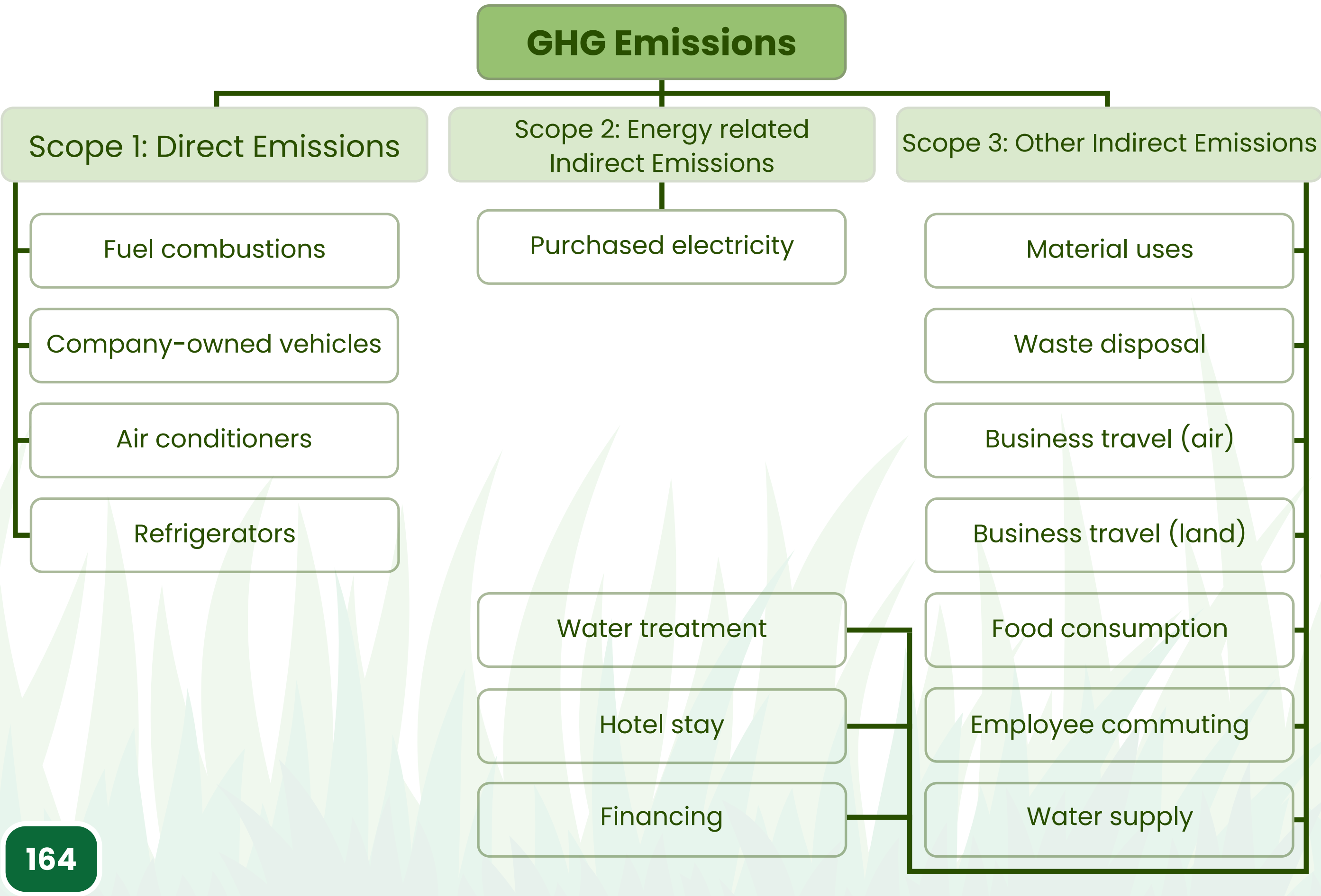
IPDC Finance, being one of the most environmentally responsible financial institutions, always integrated climate considerations into its decision-making processes, ensuring that sustainability and environmental impact are central to its operations. This proactive approach made it seamless for the company to adopt the Bangladesh Bank's climate and sustainability-related guidelines.

As the company has its own sets of strategies defining its assessment and mitigation of carbon footprints, aiming towards firm commitment of its management for achieving a Net Zero 2050, it became fareasier to promptly disclose its carbon footprint generated by the organization's direct and indirect activities as well as its exposureto the climate risk and opportunity following Bangladesh Bank's recommendation. This alignment not only strengthens IPDC's role as an environmentally responsible financial institution but also reflects itscommitment to both long-term financial stability and transition to netzero economy.

Climate-related financial disclosures provide transparent, consistent, and reliable information on how IPDC is managing climate-relatedrisks and opportunities. By making this information available, IPDC enables primary stakeholders such as investors, regulators, customers, and policymakers to make informed decisions regarding the company's financial and environmental sustainability. In addition to meeting the needs of these primary users, these disclosures help IPDC develop a clear and actionable roadmap to achieve its net-zero goals, aligning its operations with global sustainability targets. Furthermore, such disclosures offer the government valuable insights into the Greenhouse Gas (GHG) emissions across the entire financial sector, allowing for the creation of more effective, data-driven policies aimed at reducing national emissions. This transparency not only contributes to the global push for climate action but also helps shapea well informed, strategic approach for the country to achieve its long-term net-zero targets. Through these efforts, IPDC plays a vital role infostering both corporate responsibility and national progress toward a more sustainable future.

19.4.1 Scope of GHG Emissions

The company employed the Greenhouse Gas (GHG) Protocol Corporate Standard for computing its Scopes 1, 2, and 3 emissions (except financed emissions), detailed as follows:



19.4.2 Emission Calculation Methodology

IPDC has employed the 'GHG Protocol Corporate Standard' to assess the internal carbon footprint. The Greenhouse Gas Protocol (GHG Protocol) is an accounting tool used by businesses and governments. It was created in 2001, when the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) identified a need for consistency in how organizations accounted and reported emissions, and together introduced the new standard. Sincethen, it has been used by more than 1,000 businesses and organizations worldwide, including many Fortune 500 companies.

The calculating equation is:

GHG emissions = Activity X Emission Factors

For the first time IPDC has disclosed greenhouse gas (GHG) emissionat portfolio level through Carbon Accounting calculation in collaboration with the Joint Impact Model (JIM) Foundation. The JIM Carbon Accounting model follows the standards established by PCAF's(Partnership for Carbon Accounting Financials) Global GHG Accounting & Reporting framework. Developed by two PCAF signatories FMO from the Netherlands and CDC from the UK—JIM enables the measurement of financed GHG emissions associated with corporate lending portfolios allowing financial institutions in developing countries to report theirfinanced emissions in accordance with the PCAF Standard.

The JIM allows users to track financial flows within the economyand assess their broader impacts across economic (value added), social (employment), and environmental (greenhouse gas emissions) aspects. By utilizing input data, such as revenue and outstanding amount, JIM enables estimations that offer insight into the complex effects of economic activities.

Using their methodology aligned with the PCAF Global GHG Accounting and Reporting Standard for the financial sector, JIM has calculated IPDC's greenhouse gas (GHG) emissions at the portfolio level. This falls under Category 15 of Scope 3 emissions, which pertains to emissions associated with the financed activities within the portfolio.

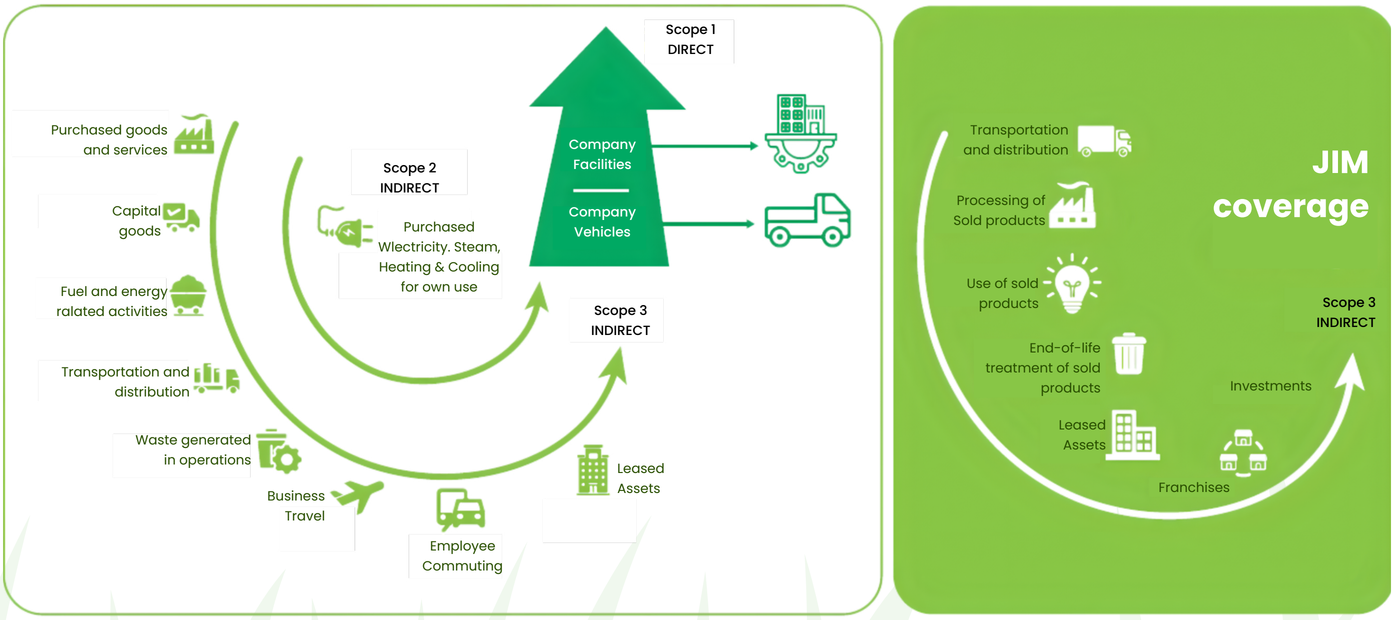
Since JIM follows the PCAF Standards, the data quality is expected tobe robust and reliable, meeting or exceeding industry standards. The use of such a well-established methodology ensures a comprehensive and accurate calculation of IPDC's financed emissions, reflecting thecompany's growing commitment to transparent and credible carbon accounting practices. Consequently, it underscores our commitment to addressing climate challenges and aligning with the SDGs.

DATA QUALITY SCORING FROM 1 TO 5

Certain (5-10% Error margin in Estimation)	Score 1	Audited GHG Emissions Date or Actual Primary Energy Data
	Score 2	Non-Audited GHG Emissions Data, or Other Primary Data
	Score 3	Averaged Data That is Peer / (Sub)-Sector Specific
	Score 4	Proxy Data on the Basis of Regain or Country
Uncertain (40-50% Error margin in Estimation)	Score 5	Estimated Data with Very Limited Support

CO_2 | CH_4 | N_2O | HFC_S | PFC_S | SF_S

Note: The data quality score represents the reliability and accuracy of GHG emissions calculations, with Score 1 being the most accurate (based on audited data) and Score 5 being the least accurate (based on estimates with limited support).



Upstream Activities | Reporting Company | Downstream Activities

19.4.3 Operational Emissions Overview: Scope 1, Scope 2 and Scope 3 (except Financed Emissions)

In 2024, total emissions from IPDC's operational activities across scopes 1, 2, and 3 (except financed emissions) reached 1,154.42 tCO_{2e} under the location-based method. On a per full-time employee basis, emissions stood at 1.36 $tCO2_{e}$. Scope 1 emissions accounted for 118.63 tCO_{2e}, while scope 2 emissions totaled 520.55 tCO_{2e}. Operational scope 3 emissions, which excludes financed emissions, amounted to 515.24 tCO_{2e}.

Scope 3 reporting is currently being refined, with ongoing efforts to improve data quality for more accurate assessments.

19.4.4 Financed Emissions Overview: Scope 3, Category 15

As of December 31, 2024, IPDC's financed greenhouse gas emissions amounted to 53,882.72 tCO_{2e} for scope one, 30,889.62 tCO_{2e} for scope two, and 80,919.46 tCO_{2e} for scope three, resulting in a total of 165,691.80 tCO_{2e} across all three scopes.

IPDC employed the Joint Impact Model (JIM), developed by the Netherlands-based JIM Foundation to compute its emissions under Scope 3, Category 15 (financed emissions). The JIM provides a framework for analyzing economic activities and evaluating their resulting effects across economic, social, and environmental dimensions, including value added, employment, and greenhouse gas emissions. By utilizing input data such as revenues from investment portfolios, the model enables informed estimations that help understand the broad and interconnected impacts of economic activities.The JIM methodology uses The Global GHG Accounting and Reporting Standard for the Financial Industry by Partnership for Carbon Accounting Financials (PCAF).

The scope of financed emissions focuses on emissions generated from the lending portfolio of the company, including debt, quasi equity, and project financing. Off balance sheet items, including assets under management, are not included in this calculation.

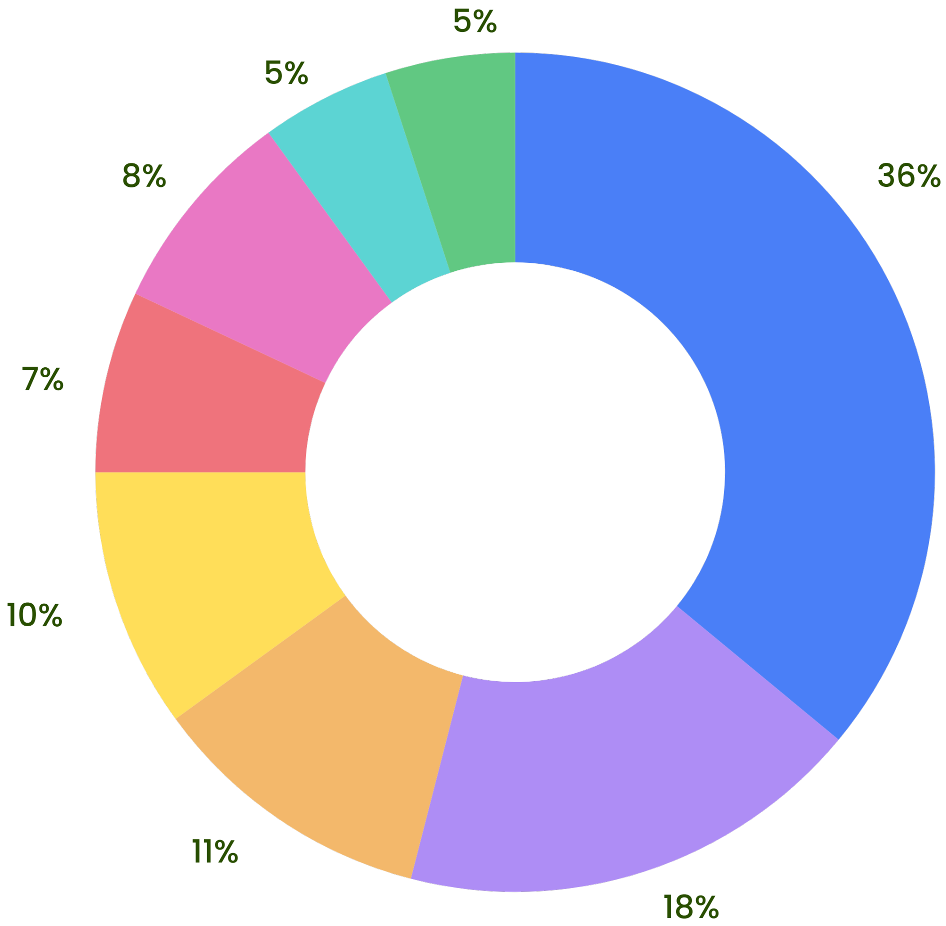
19.4.5 Summary of Greenhouse Gas Emissions by Scope

Description	Value (tCO_{2e})
Scope 1 GHG emissions	118.63
Scope 2 GHG emissions	520.55
Significant Scope 3 GHG Emissions	166,207.04
Goods and Services Purchased	87.03
Capital goods	-
Activities in the fuel and energy sectors (not included in scopes 1 and 2)	-
Upstream transmission and distribution	-
Waste generated during operation	0.27
Business trips	19.74
Employee commuting	408.09
Upstream leased assets	-
Downstream Routing	-
Processing of products sold	-
Use of Sold Products	-
End-of-life treatment of products sold	0.10
Downstream leased assets	-
Franchises	-
Investments	165,691.80
Total GHG emissions	166,846.22

19.4.6 Financed Emission by Sector

Sector-wise Emissions Breakdown

Absolute Value in tCo_{2e}



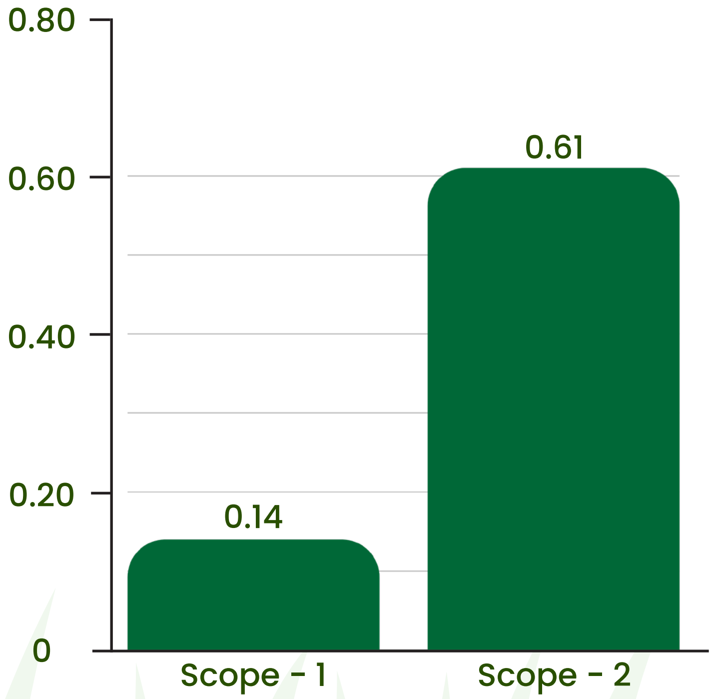
Food Processing	**8,244**	**5%**
Steel Engineering & Metallic Products	**8,356**	**5%**
Readymade Garments & Textile	**13,765**	**8%**
Packaging	**10,925**	**7%**
Rubber and Plastic	**16,102**	**10%**
Pharmaceutical	**18,605**	**11%**
Power	**29,251**	**18%**
Others	**60,443**	**36%**
Total Finance Emissions	**121,234,24 tCO_{2e}**	

19.4.7 Greenhouse Gas Emission Intensity

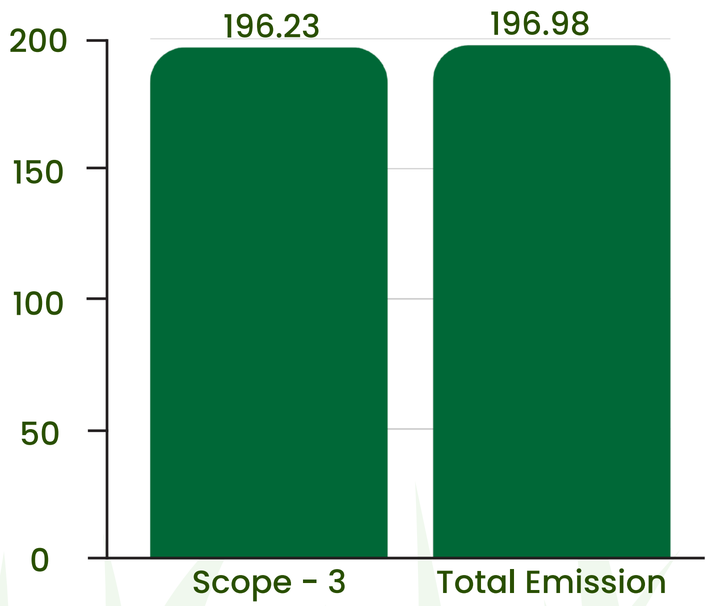
To enhance understanding and optimization of its environmental performance, IPDC calculates GHG emission intensity metrics. These metrics relate total emissions to key operational indicators, specifically on a per employee basis. The emission intensity has been determined using the year-end total workforce of 847 employees. Scope 1 emissions correspond to 0.14 tons of carbon dioxide equivalent per employee, Scope 2 emissions are 0.61 tons per employee, and Scope 3 emissions amount to 196.23 tons per employee. This results in an overall emission intensity of 196.98 tons of carbon dioxide equivalent per employee. These metrics provide a reference for understanding the average environmental impact associated with each colleague and help guide

Emissions Intensity Metrics

Scope 1 & 2 per employee intensity (tCO_{2e})



Scope 3 & Total Emission per employee intensity (tCO_{2e})



19.4.8 Environmental Initiatives

As a responsible financial institution, IPDC recognizes the environmental footprint of its operations.Therefore, the company is actively transitioning from traditional manual business practices to more sustainable methods to minimize its environmental effects. Notably, IPDC has implemented policies, goals, and practices to guide its internal an external activities, thereby committing to combating climate change by reducing both its direct impact through resource use in operations and its indirect impact through financial activities.

These efforts include participation in conservation initiatives and adherence to recognized domestic and international standards. Through this, IPDC believes it can create a substantial positive change in the environment.

Sustainable Finance Helpdesks

To mainstream green financing across its operations, IPDC has established Sustainable Finance Helpdesks in all of its branches. These helpdesks serve as dedicated points of support for clients seeking environmentally friendly and climate-aligned financial solutions. By offering tailored guidance and access to green loan products, the helpdesks enhance customer understanding and promote adoption of sustainable practices, ensuring that IPDC's financial services contribute meaningfully to a low-carbon future.

Training & Awareness

Recognizing that the journey to sustainability begins from within, IPDC conducts regular workshops and training sessions on sustainable as well as green finance. These capacity-building initiatives aim to equip employees at all levels with the knowledge and tools necessary to integrate sustainability into their day-to-day operations. As a result, staff members are empowered to champion green finance and drive meaningful environmental and social impact through their roles. The capacity and awareness raising sessions were also extended to external stakeholders such as customers, particularly to CMSMEs.

Net-Zero Emission Strategy

IPDC has adopted a comprehensive Net-Zero Emission Strategy that charts a clear path toward carbon neutrality by 2050. This company-wide initiative includes specific, measurable goals and interim milestones to ensure consistent progress. The strategy encompasses operational efficiency, green investments, and stakeholder engagement, reflecting IPDC's firm commitment to align its business model with global climate goals and build long-term environmental resilience.

Transition Finance

IPDC plays a catalytic role in supporting businesses that are transitioning from high-carbon to low-carbon operations. By offering financial products specifically tailored for transition sectors, IPDC enables companies to adopt cleaner technologies, improve energy efficiency, and reduce their environmental footprint. This initiative contributes to the broader decarbonization of the economy while maintaining economic competitiveness and innovation.

Indoor Plantation Initiative

To foster a culture of sustainability and improve workplace well-being, IPDC has implemented an Indoor Plantation Initiative across its offices. The introduction of indoor plants enhances air quality and brings a touch of nature into the work environment, creating a healthier and more aesthetically pleasing atmosphere. This green initiative underscores IPDC's commitment to environmental consciousness in both its operations and organizational culture.

Digitalization & Paper Reduction

As part of its environmental sustainability agenda, IPDC has significantly expanded the use of digital platforms such as Shiri, e-nothi, and e-Doc systems. These tools have streamlined internal processes while reducing the reliance on physical documentation. The initiative has led to a marked decrease in paper consumption, aligning with IPDC's goals of operational efficiency and eco-friendly resource use. Additionally, IPDC has implemented several measures to further reduce paper consumption:

- Defaulting to double-sided printing and maximizing paper usage.
- Previewing documents before printing to minimize errors and reprints.
- Using smaller fonts to reduce the number of printed pages when possible.
- Sharing materials electronically to eliminate the need for printed copies.
- Providing designated paper shredder near printers to encourage recycling.
- Using electronic notepads for personal notetaking on laptops.

Energy Conservation

IPDC promotes energy conservation through practical measures. These interventions help reduce overall energy consumption and operational costs while lowering the organization's carbon footprint. By embedding energy-saving practices into daily routines, IPDC demonstrates responsible resource stewardship. IPDC encourages energy-efficient practices at the individual level to ensure maximum power conservation, including:

- Particular office attire to reduce reliance on air conditioning.
- Setting thermostats on 24°C.
- Optimizing building insulation for energy conservation.
- Replacing outdated equipment with energy-efficient alternatives.
- Turning off power sources when not in use.
- Implementing water conservation measures.

Water Management

IPDC has taken proactive steps toward sustainable water use by installing water-saving devices in its facilities and promoting rainwater harvesting awareness among employees. These initiatives aim to conserve freshwater resources and reduce dependency on municipal supplies. Through responsible water management, IPDC contributes to broader efforts in addressing water scarcity and climate adaptation.

Waste Segregation

To foster a circular economy mindset, IPDC has introduced waste segregation practices across its offices. The initiative includes clearly marked recycling bins, awareness campaigns, and staff engagement programs that promote responsible disposal habits. By ensuring proper segregation of waste at source, IPDC enhances recycling efficiency and minimizes environmental harm.

Fuel Conservation

With a focus on reducing its carbon footprint, IPDC has adopted virtual meeting solutions to replace non-essential travel. The increased use of video conferencing and other digital collaboration tools has not only cut down on travel-related emissions but also improved efficiency and cost-effectiveness. This shift reflects IPDC's commitment to sustainable business practices in a digital era.

Environmental Initiatives Framework

ECO-FRIENDLY TRANSITIONS + **ENERGY CONSERVATIONS** = **SUSTAINABLE ENVIRONEMNTAL INITIATIVES**

20 Our People

IPDC's internal workforce consists of 847 employees as of December 31, 2024, with the vast majority serving under permanent contracts, summarized as follows:

WORKFORCE & HR METRICS

Section	Metric	Value
Workforce & Demographics	Average Age (years)	35
	Attrition Rate (%)	14
Recruitment	No. of New Recruits through Referral	29
	No. of New Recruits through Job Portal	70
	FTEs Recruited	106
	No. of outsourced employees converted to FTE	5
	No. of New Recruits through Campus Recruitment	2
	No. of Interns	55
	Total Recruitment FTE	106
	Total Recruitment Outsourced	77
Training & Development	Average training per employee (hours)	22.17
	Average training per female employee (hours)	21.42
	Total training hours	15,363
	E-Learning hours	5,408
	External training hours	4,547
	In-house training hours	5,768
	AML & CFT training hours	5,624
	Green finance training hours	1,051
	Mental well-being training hours	1,059
	Orientation sessions hours	1,990
Performance Management	PIP conducted	69
	PIP passed	40
	Promotions	45
	Innovation ideas submitted	89
	Innovation contributors	37

The following section outlines the company's approach to strategy, policies, and actions related to its internal workforce.

Strategy

The company's strategy places people at the center of its organizational priorities. The Human Resources function plays a central role in translating these priorities into practice.

Due to technological advancement in recent years, our human capital management strategy shifted to making a complete digitalization of employeelife cycle events, data driven decision making and developing a tech-savvy workforce. We also emphasized equally on effective implementation ofDiversity, Equity and Inclusion (DEI), appreciating innovation at work and curating our work culture towards an engaged and agile organization.

Our focus areas and priorities for human capital management in the year 2024 were as follows:

- **Digitalization of Employee Life Cycle:** We implemented a newHRIS platform Estishon in the year 2023. In 2024, few enhancements were made to make complete digitalization of employee life cycle events and for better data driven decision making.

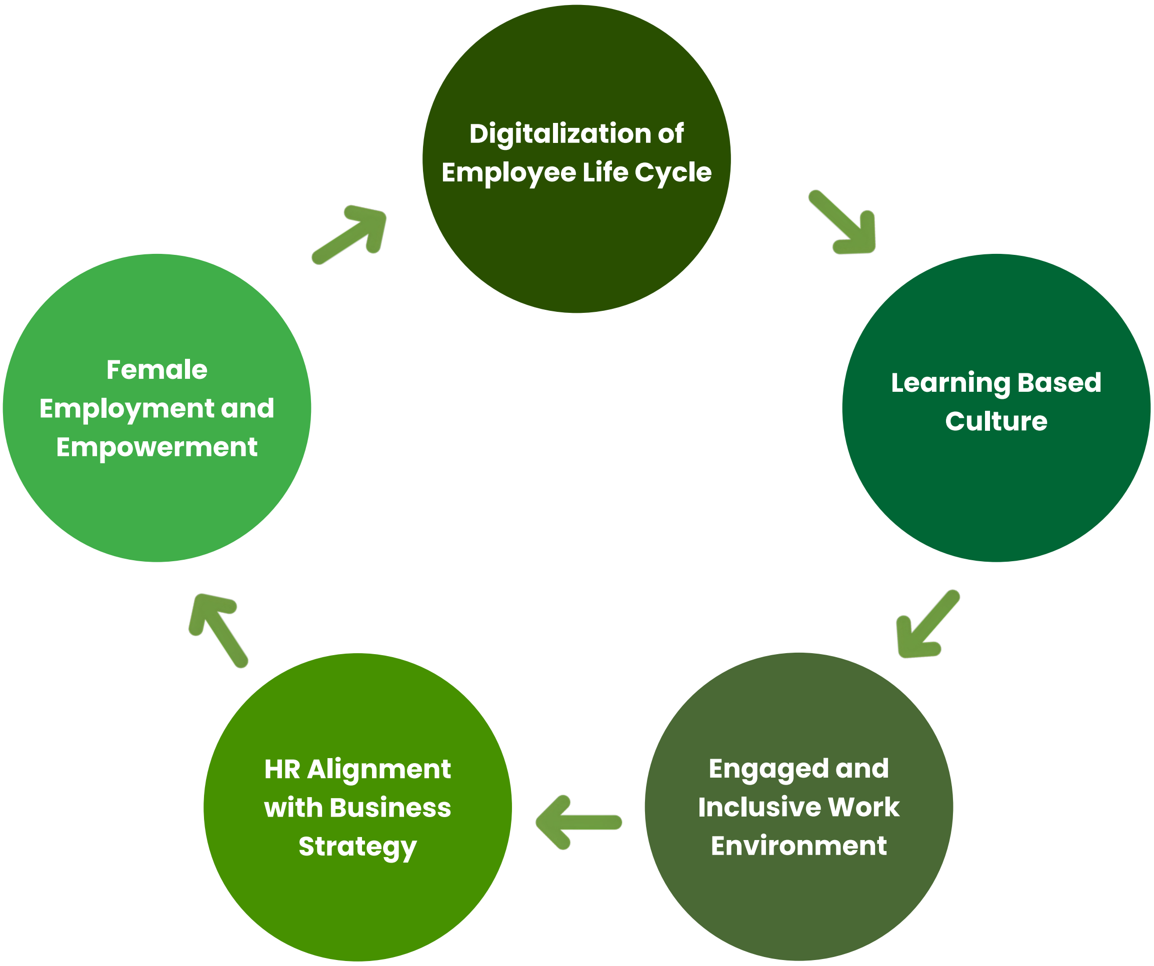
- **Female Employment and Empowerment:** In 2024, we collaborated with International Finance Corporation (IFC), for female employment and empowerment. At present, we have the highest male, female ratio(77:23) in the industry. Our focus also remained on other aspects of DEI.

- **Learning Based Culture:** We not only focused on need-based learning but adopted methodologies for creating a culture ofcontinuous learning todevelop a tech-savvyand dynamic workforce.

- **Engaged and Inclusive Work Environment:** We continuouslythrive to improve our work culture where everyone feels valued and respected. In 2024, we conducted a culture assessment survey among employees to find out the aspirational gap and take corrective measures.

- **HR Alignment with Business Strategy:** Our all-time focus remained on aligning HR strategy with business. HR Business Partners (HRBPs) were tagged with Business units, monitored their performance everymonth, assisted the min performing better through effective collaboration and aligning HR with Business.

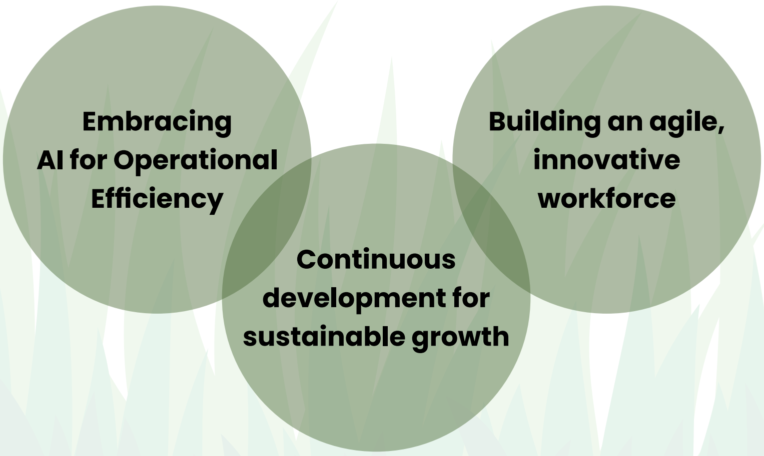
HR STRATEGIC CYCLE



Our long-term HR strategy involves the following:

- Embracing AI for operational efficiency.
- Nurturing an agile workforce who are innovative, passionate and tech-savvy.
- Continuous development for sustainable growth.

STRATEGIC HR PILLARS



Through its double materiality assessment, IPDC has identified the key impacts, risks, and opportunities connected to its internal workforce, which are presented in the subsequent sections.

Policies

IPDC has a wide range of corporate and HR policies that guide the management of its internal workforce and address the material impacts, risks, and opportunities identified.

Actions

The company provides an overview of the initiatives undertaken to reduce material impacts and risks and to advance the opportunities associated with its internal workforce. These efforts include promoting an inclusive work environment, preventing discrimination, harassment, and workplace violence, preventing psychosocial risks, advancing professional equality, engaging with civil society, and supporting ongoing skills development.

Targets and Metrics

IPDC reports on its set objectives. The accompanying metrics include detailed information on the composition of the internal workforce, employee mobility, and the conditions under which employees work, such as employment arrangements, working hours, fair compensation, social dialogue, access to social protection, work and life balance, and health and safety. They also cover measures related to equal treatment, including professional equality, training and skill development, inclusion of persons with disabilities, diversity, and safeguards against violence and harassment.

As an employer committed to responsible conduct, IPDC places strong emphasis on safeguarding the rights of all individuals who work within or on behalf of the institution, including both employees and contracted workers. It strives to ensure that every worker operates in conditions that uphold health, safety, fairness, and dignity. Because the organization's activities span diverse markets and business areas, employees may encounter varying degrees of risk depending on their regional context and functional responsibilities.

To better understand these conditions, the organization carried out a review of its impacts to determine the significant negative effects that could influence its workforce, along with the related financial risks and potential opportunities for the institution.

The review incorporated perspectives from a wide range of stakeholders, including employees, regulators, customers, and investors. This assessment relied on internal evaluations of employeerelated risks conducted across different operations and locations, taking into account both specific incidents and underlying risk factors. Although the identified impacts and risks do not stem directly from the organization's strategic priorities, the institution remains attentive to the concerns of all parties who may be affected.

Key impacts identified

The assessment brought attention to a number of concerns linked to isolated incidents, including:

- **Discrimination, inequality, and exclusion:** In certain instances, employees may en counter unfair treatment at different points in their careers, such as during recruitment, performance assessments, promotions, or compensation decisions.

- **Workplace violence and harassment:** Interactions among colleagues can, on rare occasions, escalate into verbal or physical aggression or situations of harassment. Employees may also face short term exposure to these risks when dealing with customers or external parties, particularly in situations involving disrespectful behavior.

Material Risks Identified

The organization has recognized two major risks that may result in financial implications:

- **Psychosocial risks:** Shifts in work practices and the fast pace of organizational and environmental change can place significant pressure on employees. This strain may intensify when paired with ineffective or inappropriate managerial behavior. Such conditions can lead to short term impacts on employee health, including heightened psychosocial stress and an increased likelihood of burnout. Evolving work arrangements, including the expanded use of remote work, may also contribute to reduced physical activity and related health concerns.

- **Human resources legal risks:** Concerns related to fairness, including issues involving discrimination, harassment, or improper handling of employment contracts, may create grounds for disputes between the organization and its employees. Legal claims arising from these matters can result in considerable expenses and may ultimately have negative financial consequences for the organization.

Material Opportunities Identified

The organization has also identified several opportunities that support its corporate strategy and align with its social responsibility objectives:

- **Opportunities related to gender diversity:** Strengthening gender representation, especially in leadership positions, fosters a more inclusive and balanced workplace. This diversity supports greater innovation, enhances employee engagement, and improves the organization's ability to attract and retain talent, which in turn contributes to stronger overall performance.

- **Opportunities related to work life balance:** The introduction of initiatives that allow employees to better balance personal and professional responsibilities, including programs that encourage participation in community service, helps nurture a culture of solidarity. These efforts support employee well being, increase commitment, and enhance the organization's reputation as an employer of choice. Improved retention also reduces the costs associated with external recruitment.

- **Opportunities related to skills development:** Training and professional development initiatives strengthen employee capabilities and help build a workforce prepared for future needs. These programs enhance satisfaction and retention, decreasing reliance on external hiring. They also expand mobility and career prospects within the organization, contributing to a more resilient and high performing workforce.

SUMMARY OF MATERIAL IMPACTS, RISKS, OPPORTUNITIES, POLICIES, ACTIONS, METRICS AND TARGETS

Category	Title	Policies	Actions	Metrics	Targets
Impacts	Discrimination inequality and exclusion	Code of conduct Human Resources Manual Long Term Incentive Award program Employee Performance Bonus Policy	Inclusion initiatives	Characteristics of employees Social dialogue Diversity metrics Adequate compensation Persons with disabilities Training and skills development metrics Worklife balance metrics Remuneration metrics Incidents complaints and severe human rights impacts	Raise share of women in the Senior Management Position population
	Violence and Harassment at work		Reporting System for Incidents of Discrimination and Harassment, Remedial actions (disciplinary and support Measures, postinvestigation follow-ups)	Characteristics of employees, Health and safety metrics, Incidents, complaints and severe human rights impacts	There are zero incidents in 2024 and the target is to maintain this while monitoring indicator on the number of alerts and number of sanctions
	Social Protection for Employees		Whistleblowing system	Characteristics of Employees Social Dialogue Health and Safety Metrics Work-life Balance Metrics	100% of employees covered by listening and psychological support systems

Category	Title	Policies	Actions	Metrics	Targets
Risks	Psychosocial risks	Code of conduct Human Resources Manual Long Term Incentive Award program Employee Performance Bonus Policy	Training and awareness programmes on mental health and psychosocial risks Psychological support	Characteristics of employees Health and safety metrics	100% of employees covered by listening and psychological support systems
	HR Legal Risks		Preventive actions regarding respect for persons Managerial training	Characteristics of employees Incidents complaints and serious human rights impacts	Monitoring indicator on alerts and number of sanctions
Opportunities	Gender diversity	Human Resources Manual	Inclusive Recruitment, Awareness Raising	Characteristics of employees Diversity metrics Training and skills development metrics Worklife balance metrics Remuneration	Raise share of women in the SMP population; Raise share of women among Management Traineees
	Skills development	Human Resources Manual Long Term Incentive Award program Employee Performance Bonus Policy	Skills management Skills management tool Continuous development Internal mobilities Training initiatives	Skills development	Raise share of employees who have completed at least 4 training courses

WELLNESS AND HEALTH INITIATIVES

Breast Cancer Awareness Session

Emotional Resilience Sesssion

Mental Health Wellbeing Session

Physiotherapy Session

21 CSR Overview

At IPDC Finance, Corporate Social Responsibility (CSR) is more than a commitment. It's a core philosophy that defines how we operate. We believe meaningful growth goes beyond financial success; it involves empowering communities, fostering inclusivity, and creating opportunities for a brighter tomorrow. With this vision, we engage in initiatives that contribute to the nation's socioeconomic development and help individuals benefit from shared progress.

Our CSR strategy aligns with our mission to uplift women, empower youth, and support underprivileged populations. This is reflected in our work across vital sectors like education, healthcare, and environmental sustainability, driving change through impactful programs and partnerships.

Sustainability lies at the heart of our business. We take proactive steps to reduce environmental impact, support renewable energy, and partner with like- minded organizations to build a safer, more livable world for future generations.

At IPDC Finance, we don't just dream of a better tomorrow and we actively work to build it alongside our partners, stakeholders, and the communities we serve.

21.1 Our CSR Approach

IPDC Finance embraces Corporate Social Responsibility (CSR) as a core part of its commitment to sustainable and inclusive development in Bangladesh. Believing that financial institutions play a vital role in shaping a better society, IPDC focuses on long-term social impact over short- term charity. Its CSR approach centers around five key pillars: education and youth development, women empowerment, healthcare and well- being, environmental sustainability, and crisis response.

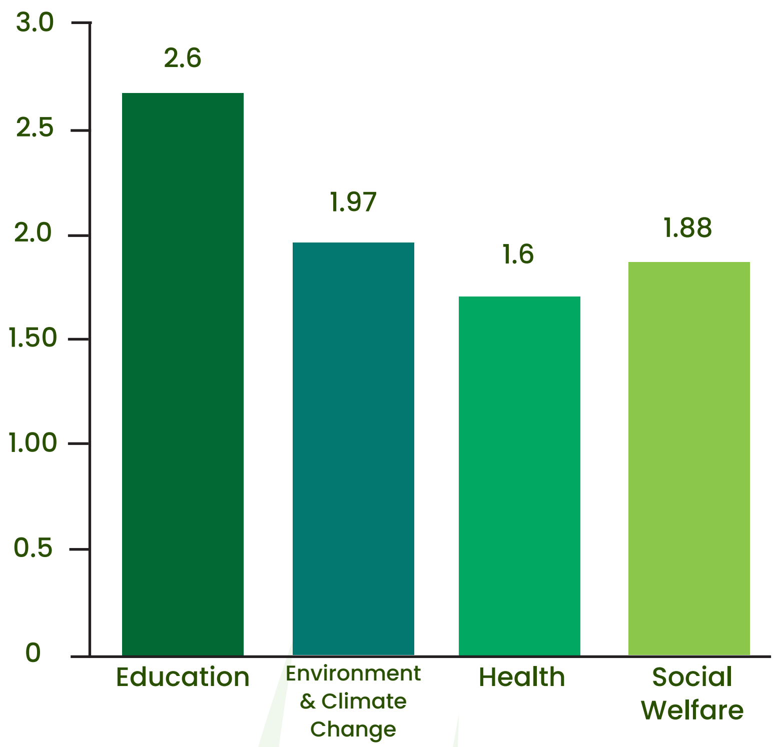
Programs include scholarships and mentorship for underprivileged youth, financial literacy for women entrepreneurs, community health initiatives, and timely disaster relief. Environmental stewardship is integrated into operations through green financing and eco-conscious programs. A dedicated CSR Committee under the Board ensures governance, impact tracking, and alignment with national goals and the UN SDGs.

Partnerships with NGOs, government bodies, and community groups amplify the effectiveness of its initiatives. IPDC's CSR model underscores that responsible finance is about creating lasting value for both people and the planet.

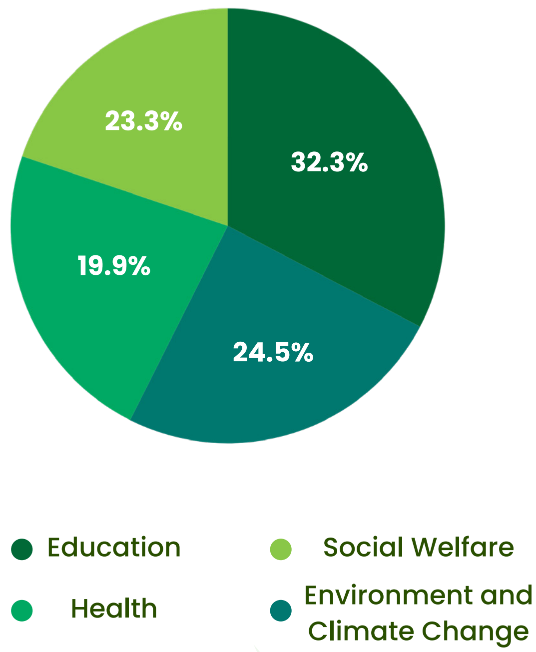
21.2 CSR Expenditure

In 2024, IPDC's CSR spending was distributed across four areas. Education received the largest share at BDT 2.60 million. Environment & Climate Change was next, with BDT 1.97 million. Health accounted for BDT 1.6 million, and Social Welfare received BDT 1.88 million. The total amounted to BDT 8 million.

Sector-wise CSR Spending in 2024 (in BDT mn)



Sector-wise CSR Expenditure



21.1 CSR Initiatives in 2024

Funding the Education of 50 Children in Partnership with JAAGO Foundation

Since 2021, IPDC Finance PLC. has partnered with JAAGO Foundation to sponsor the education of 50 underprivileged children as part of their long-term CSR commitment. Through this initiative, IPDC covers the children's educational expenses, including learning materials, nutrition, and healthcare support, ensuring access to quality education and holistic development. This partnership reflects IPDC's dedication to empowering youth and fostering inclusive, sustainable growth in underserved communities.

Monthly Stipend to National Table Tennis Player Sadia Mou for Her Education

As a part of its commitment to empowering youth and promoting inclusive development, IPDC Finance provides a monthly stipend to Sadia Mou, a promising Bangladeshi National Table Tennis Player, to support her education. This initiative reflects IPDC's dedication to nurturing talent beyond the conventional and enabling young individuals to pursue both academic and athletic excellence.

By easing her financial burdens, IPDC helps Sadia focus on her goals and continue representing Bangladesh with pride. This support not onlyuplifts individual potential but also strengthens the foundation for a more inclusive and progressive society.

Climate Resilient Sustainable Agricultural Solutions Workshops in Partnership with ActionAid

As part of its commitment to sustainable development, IPDC Finance partnered with Action Aid to organize a workshop on climate resilient and sustainable agricultural solutions. This initiative aimed to equip local farmers with the knowledge and tools needed to adapt to climate change and improve agricultural productivity. By encouraging sustainable farming methods, the workshop contributed to enhancing food security and strengthening community resilience against environmental challenges.

Donation to Flood Victims Across Bangladesh through Obhijatrik & IPDC Branches

As part of its commitment to community resilience and disaster response, IPDC Finance extended support to flood-affected communities across Bangladesh by donating essential relief materials through Obhijatrik Foundation and its nationwide branch network. This initiative aimed to alleviate the suffering of those impacted by devastating floods, providing emergency food, clean water, and hygiene supplies. Through a collaborative effort with Obhijatrik and the active involvement of IPDC employees, the relief efforts reached some of the most vulnerable populations in remote and severely affected regions. The initiative not only addressed immediate humanitarian needs but also reinforced IPDC's values of empathy and social responsibility. By mobilizing its resources and people, IPDC ensured a swift and meaningful response, reaffirming its commitment to building a more compassionate and resilient society.

Tree Planation Across all over Dhaka City

As part of its commitment to environmental sustainability, IPDC Finance initiated a comprehensive tree plantation program across various locations in Bangladesh, aiming to promote greener urban spaces and mitigate the impacts of climate change. Employees and volunteers actively participated in the initiative, reflecting IPDC's dedication to creating a cleaner, healthier environment for future generations. In addition to organizing its own plantation drives, IPDC also extended financial support to Enroute Foundation to further expand tree plantation efforts. This partnership not only amplified the impact but also encouraged collaborative action towards long-term ecological restoration.

Blanket Distribution Through Dhrubotara Youth Development Foundation

As part of its winter outreach initiative, IPDC Finance partnered with Drubotara Youth Development Foundation to distribute blankets to underprivileged and vulnerable communities across the country. This effort aimed to provide warmth and comfort to those most affected by the harsh winter, reflecting IPDC's continued commitment to supporting marginalized groups and promoting

social welfare through compassionate action.Tree Planation Across all over Dhaka City As part of its commitment to environmental sustainability, IPDC Finance initiated a comprehensive tree plantation program across various locations in Bangladesh, aiming to promote greener urban spaces and mitigate the impacts of climate change. Employees and volunteers actively participated in the initiative, reflecting IPDC's dedication to creating a cleaner, healthier environment for future generations. In addition to organizing its own plantation drives, IPDC also extended financial support to Enroute Foundation to further expand tree plantation efforts. This partnership not only amplified the impact but also encouraged collaborative action towards long-term ecological restoration.

Child Marriage Prevention Loan In Collaboration With Amal Foundation

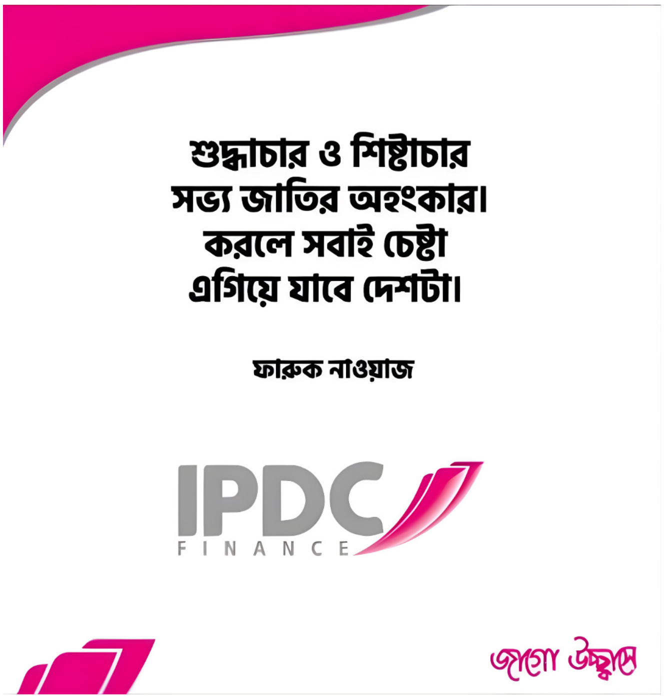
Child Marriage Prevention Loan In CollaborationWith Amal Foundation As part of its social responsibility, IPDC Finance partnered with AMAL Foundation to provide Child Marriage Prevention Loans to 100 families in vulnerable communities. This initiative helps reduce economic pressures that lead to early marriages and encourages continued education for young girls. By addressing one of the root causes of child marriage, IPDC actively contributes to safeguarding the future and well- being of children in underserved areas. The program represents a forward-thinking approach that combines financial empowerment with social impact, enabling families to invest in their daughters' education and personal development rather than resorting early marriage. This collaboration underscores IPDC's commitment to creating meaningful change and promoting gender equality in Bangladesh.

Nationwide Workshops On Financial Literacy

As part of its commitment to inclusive growth, IPDC Finance organized nationwide workshops on financial literacy for its employees and customers. Covering topics like budgeting, savings, and responsible borrowing, the initiative aimed to empower participants with the knowledge to make informed financial decisions and contribute to sustainable economic development. These workshops were designed to bridge the knowledge gap in personal finance management, helping individuals build better financial habits and plan for their future with confidence. By fostering financial awareness and capability, IPDC reinforces its role as a catalyst for economic empowerment and community development across Bangladesh.

Anti-Money Laundering Communication Through Press Ad

As part of its commitment to transparency and ethical banking practices, IPDC Finance publishes Anti-Money Laundering (AML) awareness press advertisements twice a year. These ads aim to educate consumers about the risks and implications of money laundering, while reinforcing the importance of compliance with financial regulations. Through this initiative, IPDC upholds its responsibility to promote a secure financial environment and foster informed consumer behavior. The campaign reflects IPDC's proactive approach to regulatory compliance and public awareness, ensuring that stakeholders understand the critical role of financial integrity in safeguarding the banking sector and the broader economy from illicit financial activities.



Breast Cancer Awareness Seminar With Aamra Nari

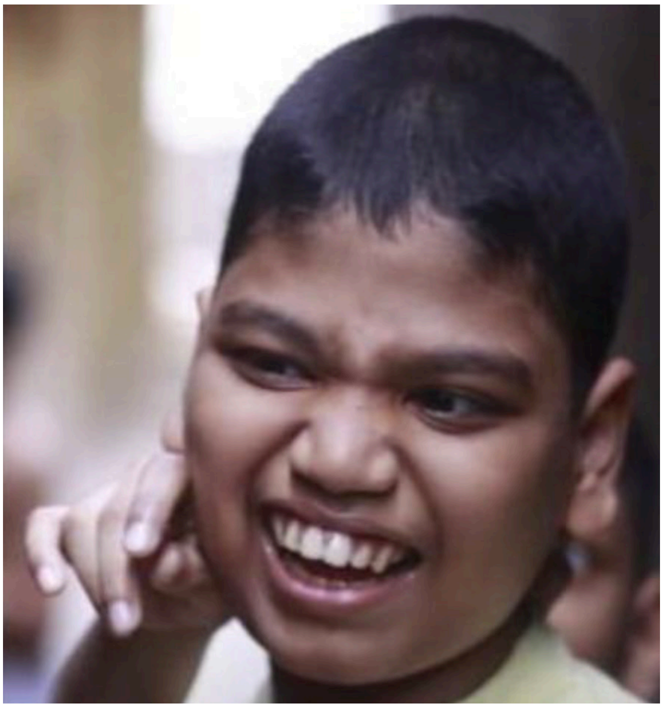
Demonstrating its dedication to creating a healthier society, IPDC Finance, in collaboration with Aamra Nari, hosted a Breast Cancer Awareness Seminar to promote early detection and prevention. The session educated employees and stakeholders on vital health practices, reflecting IPDC's commitment to supporting community wellbeing through awareness initiatives. This initiative underscores IPDC's holistic approach to corporate responsibility, extending beyond financial services to address critical health concerns. By fostering awareness and encouraging proactive health measures, IPDC contributes to building a more informed and resilient community, particularly in empowering women to take charge of their health and well-being.

Workshop & Support To Under Privileged Students Of Hashimukh Foundation

IPDC Finance hosted a workshop in collaboration with Hashimukh Foundation to support the educational and personal development of underprivileged students. The initiative aimed to inspire and empower these young minds by equipping them with knowledge, motivation, and essential life skills through engaging sessions and interactive activities. This program reflects IPDC's commitment to creating opportunities for marginalized youth, fostering their potential, and contributing to a more equitable society. By investing in education and skill development, IPDC helps build a brighter future for the next generation and reinforces its role as a socially responsible organization.

Climate Resilient Rainwater Harvesting With SAJIDA Foundation

In response to the pressing challenges faced by the climate-vulnerable communities of Mongla, IPDC Finance, in partnership with SAJIDA Foundation, embarked on an initiative aimed at significantly improving access to fresh water and enhancing Water, Sanitation, and Hygiene (WASH) practices. This climate-resilient rainwater harvesting project demonstrates IPDC's commitment to environmental sustainability and community empowerment. By implementing sustainable water management solutions, the initiative addresses critical water scarcity issues while promoting climate adaptation strategies that benefit vulnerable populations and contribute to building more resilient communities for the future.



Holistic Development Support to Disable Children in Vatara Slum With the Help of DRRA

with the IPDC Finance, in collaboration Developmental Rehabilitation and Research Association (DRRA), is providing holistic development support to children with disabilities living in the Vatara slum. This initiative focuses on inclusive education, therapy, healthcare, and skill- building to ensure these children receive the care and opportunities they need to thrive. By addressing the unique challenges faced by children with disabilities in underserved communities, IPDC demonstrates its commitment to creating an inclusive society where every child has the opportunity to reach their full potential. This program not only provides essential services but also empowers families and communities to support the holistic development of children with special needs.

22 Conclusion & Forward-Looking Statements

As we reflect on our sustainability journey in 2024, we are proud of the progress made in embedding ESG principles across our operations, products, and partnerships. From leading in sustainable finance disbursement to adopting transparent climate-related disclosures and advancing inclusive workplace practices, IPDC continues to strengthen its position as a responsible financial institution.

However, we also acknowledge that sustainability is a dynamic, evolving pursuit. The challenges of climate change, inequality, and economic resilience demand continuous innovation, accountability, and collaboration.

Looking Ahead

In 2025 and beyond, IPDC remains steadfast in its commitment to:

- Scale up green and sustainable finance across key sectors.
- Expand our climate risk management framework and implement sectoral transition strategies.
- Strengthening our data and reporting systems in line with evolving global standards such as that of ISSB.
- Deepen partnerships with communities, civil society, and regulators to achieve shared sustainability goals.
- Invest in internal capacity building, particularly in ESG literacy, digital transformation, and leadership for sustainable development.
- Maintain a robust feedback mechanism to engage all stakeholders in shaping our sustainability priorities.

We envision IPDC as a future-ready, climate-resilient financial institution that delivers long-term value by enabling inclusive, green growth. Our sustainability strategy is not a standalone effort; it is deeply interwoven with our business model, corporate governance, and social purpose.

Appendix

GRI Content Index

GRI Standard	Report Topic
GRI 1	About This Report
GRI 2	Snapshot of IPDC; Company Overview
	Scope & Boundary
	About This Report
	Data Governance & Quality
	Company Overview; Value Chain section
	Our People
	Governance; Board of Directors
	Board of Directors
	Board of Directors
	Governance
	Governance; Committees
	Oversight of Sustainability Reporting
	Governance; Audit Committee
	Complaint Management Process
	Qualifications and Expertise
	Governance
	Messages from Chairman & MD
	Policies & Guidelines
	Governance; Risk Management
	Complaint Management
	Complaint Management
	Fair Dealing; Compliance
	Stakeholder Perspectives
GRI 3	Materiality Determination
	Material Risks and Opportunities
	Sustainability Disclosures
GRI 201	Economic Performance
GRI 203	Sustainable Finance; CSR
GRI 205	Governance; Internal Controls
GRI 205	Governance
GRI 302	Environmental Initiatives
GRI 305	GHG Emissions – Scope 1
	GHG Emissions – Scope 2
	Financed Emissions
	Emission Intensity
GRI 403	Our People
GRI 404	Our People
GRI 405	Board Architecture
GRI 413	CSR Overview
GRI 418	Data Privacy & Information Security

Appendix

IFRS S1 Content Index

IFRS S1 Requirement	Disclosure Area	Report Topic
General disclosure objective	Sustainability-related risks & opportunities	Sustainability Disclosures
Governance	Oversight of sustainability risks	Governance
Strategy	Business model & value creation	Company Overview; Strategy
Strategy	Effects on financial position & cash flows	Strategic Response to Risks
Risk management	Processes to identify & manage risks	Integrated Risk Management
Metrics & targets	Performance measurement	Target-Setting & Monitoring
Value chain	Upstream & downstream impacts	Value Chain
Time horizons	Short, medium, long term	Strategic Planning Horizons
Financial materiality	Impact on access to capital	Strategic Response section
Data quality & assumptions	Estimation uncertainty	Application of Assumptions
Forward-looking information	Safe harbor	Forward-Looking Statements

Appendix

IFRS S2 Content Index

IFRS S2 Requirement	Disclosure Area	Report Topic
Governance	Board oversight of climate risks	Governance; Board Role
Governance	Management's role	Sustainable Finance Committee
Strategy	Climate-related risks & opportu-nities	Addressing Climate Change
Strategy	Transition plan	Transition Plan for Climate Change
Strategy	Net Zero commitment	Net Zero Strategy
Strategy	Scenario considerations	Climate Risk Management
Risk management	Identification & assessment	Climate Risk Framework
Risk management	Integration into ERM	Integrated Risk Management
Metrics	Scope 1 emissions	GHG Emissions – Scope 1
Metrics	Scope 2 emissions	GHG Emissions – Scope 2
Metrics	Scope 3 emissions	Financed Emissions
Metrics	Emissions intensity	Emission Intensity
Targets	Climate targets	Net Zero Strategy
Methodologies	Calculation approaches	Emission Calculation Methodol-ogy
Uncertainty	Measurement limitations	Underlying Uncertainty

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