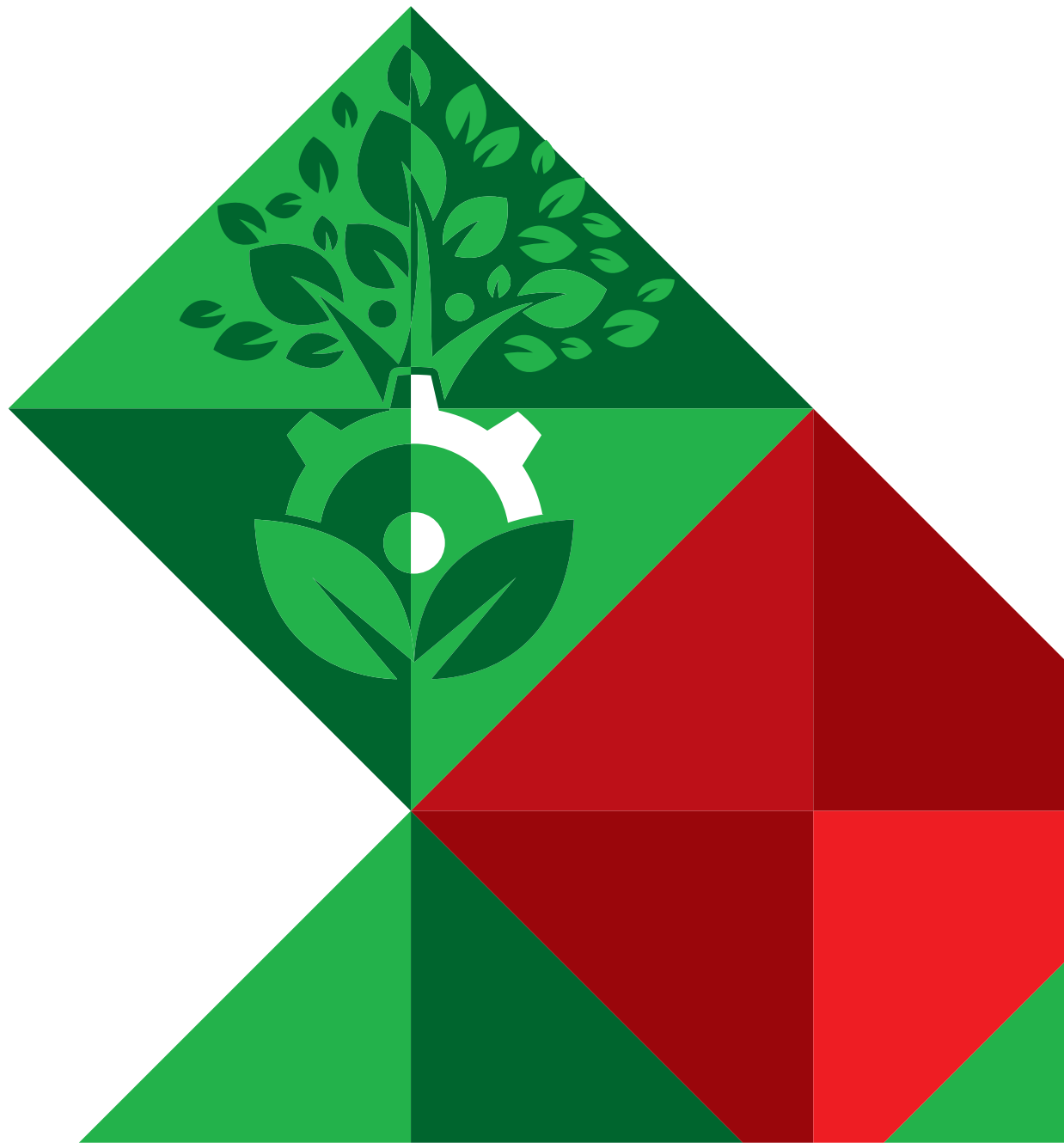


ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)



Environmental, Social and Governance (ESG)

<p>People and Communities</p> <ul style="list-style-type: none"> IFIC focuses on employee diversity & inclusion, training & development, employment practices The Bank invests in the communities through the Sustainable Livelihood Initiative and Holistic Rural Development Program The Bank provides access to financial services to communities including unbanked people 	<p>Conduct and Compliance</p> <ul style="list-style-type: none"> The Corporate Governance structure of the Bank ensures the highest levels of ethics, integrity, corporate governance and regulatory compliance The Board of Directors sets the course and evaluates the performance of compliance, risk management & internal control, information & cyber security, customer service, social and environmental responsibility in terms of sustainable finance and financial inclusiveness 	<p>Transparency with Stakeholders</p> <ul style="list-style-type: none"> The Code of Conduct of the Bank ensures transparent dealings with internal and external stakeholders.
<p>Responsible Financing and Product Responsibility</p> <ul style="list-style-type: none"> IFIC Bank does not fund projects that have an adverse impact on the environment, health and safety levels as per guidelines of Bangladesh Bank. 		

IFIC Bank PLC is dedicated to ensuring that its systems, procedures, and practices adhere to a high level of Corporate Governance. It has a well-defined and well-structured Corporate Governance framework in place to support the Board's goal of achieving long-term and sustainable value, as well as to foster a culture that values ethical behavior, integrity, and respect in order to protect the interests of shareholders and other stakeholders at all times. Alongside, the Bank increasingly has focused on social issues in response to the policy and guidelines of Bangladesh Bank, putting particular emphasis on diversity, equity and inclusion. Bangladesh Bank as a pioneer financial regulatory body has been addressing sustainability issues in its policies and regulations and guiding Banks and FIs to accommodate Environmental, Social and Governance (ESG) issues in their financing portfolio and credit/investment management. Recognizing that IFIC Bank plays a catalytic role in speeding up the adoption of environmentally friendlier output practices in the real economy.

The Board meets regularly, and meetings are scheduled much in advance (before the start of each fiscal year) in order for members to prepare ahead. When necessary, the Board will convene on an adhoc basis to discuss urgent matters. The Board met thirty (30) times in fiscal year 2023 to study and examine a variety of key items that required its direction and approval.

Initiatives Implemented to Reduce ESG Risks

Board of Directors and Board Competence

The Board of the Bank represents a well-balanced combination of experience and knowledge in the fields of law, small scale industries, agriculture, rural economy, risk management, finance, credit, information technology, and banking. When necessary, the Board also gets input from other specialists. There are two Independent Directors on the Bank's Board of Directors. One woman make up the Board of Directors of the Bank's nine members.

Age Grouping of Directors

Age limit (Years)	Number of Directors	Remarks
40-50	1	One shareholder Director
50-60	2	One Independent Director and one Government nominated Director
60-70	5	One Shareholder Director, one woman Director nominated by the Government, another one Government nominated Director, one Independent Director and Managing Director of the Bank
70-79	1	Shareholder Director

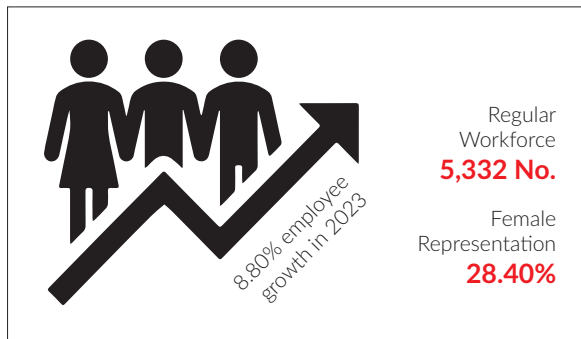
Independent Director

IFIC Bank follows relevant Bangladesh Bank circulars, rules and regulations of the Bank Companies Act, 1991 (as up to date), and Bangladesh Securities and Exchange Commission instructions regarding the composition of its Board of Directors. IFIC Bank emphasizes the combination of knowledge, skills, experience, and perception when hiring new directors. The shareholders elect the directors at the annual general meeting. We adheres to all applicable norms and regulations when it comes to nomination, removal, causal vacancies, and alternate directors. Directors of the bank are independent of management and are not involved in the day-to-day operations of the bank.

Average experience of Board Members	33 Years
Time spent by the Board cumulatively in several familiarization programs during FY23	34 hours
Independent Director	2

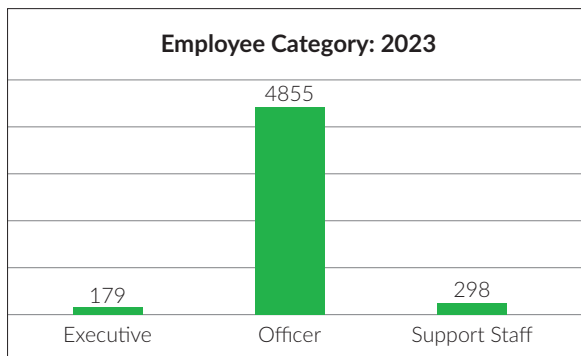
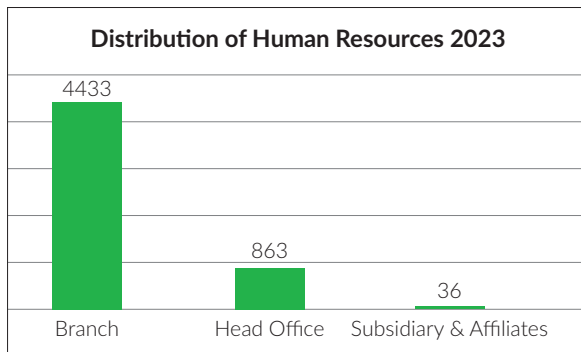
Human Management

IFIC had around 8.80% growth in number of employee from 2022-2023

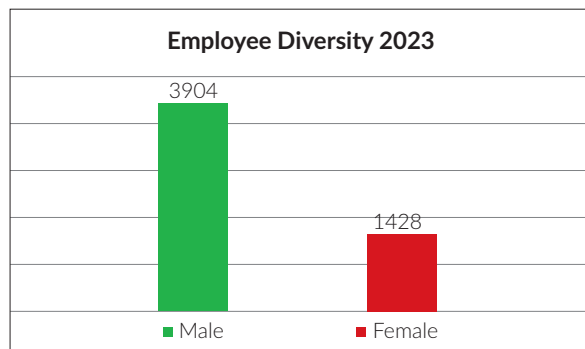
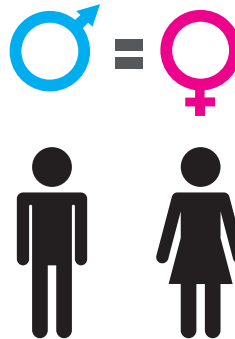


Distribution of Human Resources

IFIC had 4433 and 863 employees in its Branches and Head Office respectively and 36 employees posted in IFIC Investment Limited, IFIC Securities Limited, Oman Exchange LLC in the year 2023.



IFIC adopts a holistic approach to workforce diversity, encompassing considerations of gender because a diverse workforce unlocks a unique blend of perspectives that promotes innovation, creativity and improved organisational culture.



Technological advancement through our innovative IT system

The achievements of our Technology Team over the fiscal year have not only met but exceeded expectations, profoundly influencing our organization's technological landscape. This comprehensive analysis delves into the pivotal initiatives that have markedly enhanced our technological resilience and sustainability, exploring their key accomplishments, strategies, and broader implications within the realms of environmental, social, and governance criteria.

- 1. Privilege Access Monitoring (PAM) Integration**
Integration of Privilege Access Monitoring (PAM) mitigating the risk of unauthorized access to vital systems and sensitive data with industry standards and regulatory mandates, ensuring robust data integrity and confidentiality.

Key ESG Impacts:

- ▶ **Enhanced Cybersecurity:** PAM serves as a robust defense mechanism against potential cyber threats, fortifying our organization against internal and external risks.
- ▶ **Regulatory Alignment:** PAM implementation reinforces our adherence to data protection regulations, fostering trust among stakeholders.
- ▶ **Transparency and Accountability:** PAM facilitates meticulous audit trails, promoting transparency and accountability in access management practices.

- 2. Security Operation Center (SOC) for 24/7**
The establishment of a 24/7 Security Operation Center (SOC) underscores our proactive approach to addressing evolving cyber threats. Operating continuously, the SOC

serves as a centralized hub for real-time monitoring, detection, and response to security incidents, thereby bolstering our cybersecurity resilience.

Key ESG Impacts:

- ▶ **Real-Time Threat Detection:** The SOC's round-the-clock operation enables swift identification and response to security threats, minimizing potential damages.
- ▶ **Proactive Incident Management:** A SOC allows for proactive threat identification and mitigation, reducing the likelihood of security breaches.
- ▶ **Regulatory Compliance:** Continuous monitoring aligns with regulatory mandates, ensuring adherence to cybersecurity standards and frameworks.

3. Technology Compliance Initiatives

Our unwavering dedication to regulatory compliance is evident through successful audits and adherence to industry standards across domains such as Bangladesh Bank Audits, showcasing our commitment to financial system stability and security; ISO 27001 Surveillance Audits, reflecting proactive information security management practices; PCI DSS Compliance, ensuring secure payment transactions and fostering customer confidence; and SWIFT CSP Audits, reinforcing our dedication to securing financial messaging and adhering to global best practices. These technology compliance initiatives underscore our commitment to maintaining the highest standards of security and integrity in our operations.

ESG Significance:

- ▶ **Trust and Credibility:** Adherence to compliance standards enhances stakeholder trust and confidence.
- ▶ **Risk Mitigation:** Compliance initiatives mitigate legal and financial risks, ensuring alignment with regulations and international standards.

4. Deployment of the Zscaler Web Secure Gateway

The integration of the Zscaler Web Secure Gateway signifies a strategic move within our ESG framework towards bolstering a secure and streamlined network infrastructure. This security solution fortifies our internet security policies, offering advanced threat protection and ensuring secure access to critical applications and data. By prioritizing such technological enhancements, we align with environmental, social, and governance criteria, mitigating risks and optimizing opportunities for sustainable growth and responsible operations.

Key ESG Impacts:

- ▶ Security
- ▶ Scalability: Easily accommodating the bank's growing needs without significant infrastructure overhauls.
- ▶ Global Threat Intelligence: Leveraging a global threat intelligence network ensures timely threat identification and mitigation, safeguarding data integrity.

5. Implementation of IBM FS9500 Storage

IBM FS9500 exemplifies our dedication to harnessing leading-edge storage technologies. This transition guarantees peak performance, scalability, and data security, aligning us with industry best practices and preparing us for forthcoming technological innovations. By prioritizing such advancements, we actively manage

risks and seize opportunities within the environmental, social, and governance spheres, ensuring sustainable growth and responsible resource management.

Key ESG Impacts:

- ▶ **Enhanced Data Security:** Improved encryption and access controls ensure heightened data protection.
- ▶ **Scalability and Performance:** Modern storage solutions offer scalability and improved performance, supporting efficient data management.
- ▶ **Disaster Recovery Capability:** Enhanced redundancy and disaster recovery capabilities minimize data loss risks and ensure high availability.

6. National Integrated Know Your Customer (NIKASH)

The successful implementation of NIKASH BEFTN software underscores our ESG commitment to optimizing financial processes and improving customer interactions. NIKASH enables secure electronic fund transfers, fostering financial inclusivity and operational efficiency in banking activities. By prioritizing such initiatives, we address environmental, social, and governance criteria, ensuring sustainable practices and positive impacts on stakeholders and communities.

Key ESG Impacts:

- ▶ **Enhanced Customer Experience:** Streamlined transactions and expanded transaction sessions improve customer convenience and satisfaction.
- ▶ **Financial Inclusion:** NIKASH accommodates various debit transactions, promoting accessibility and inclusivity in financial services.

7. Card Management System (CMS)

The successful implementation of the Card Management System (CMS) represents a significant advancement within our ESG framework, optimizing our card-related services to enhance environmental, social, and governance criteria. CMS streamlines card issuance and authorization processes, ensuring a seamless and secure customer experience. By prioritizing such enhancements, we address risks and opportunities related to sustainability, customer satisfaction, and governance standards, ultimately contributing to our organization's overall resilience and responsible business practices.

Key ESG Impacts:

- ▶ **Operational Efficiency:** CMS automation reduces manual efforts, enhancing operational efficiency and resource allocation.
- ▶ **Customer-Centric Service:** Enhanced card management processes foster customer satisfaction and loyalty, promoting sustainable relationships.
- ▶ **Agility and Adaptability:** CMS provides flexibility to adapt to evolving industry standards and customer expectations, ensuring long-term resilience.

In summary, our Technology Team's initiatives within the ESG framework highlight our dedication to technological excellence, security, and sustainability. These efforts, spanning from cybersecurity enhancements to compliance initiatives and technological integrations, collectively fortify a resilient, secure, and future-ready technological infrastructure. As we progress, these accomplishments stand as pillars for sustained growth and resilience amidst the evolving digital landscape, aligning with our ESG principles and commitments to environmental stewardship, social responsibility, and effective governance.