



# Bank Alfalah

The Way Forward



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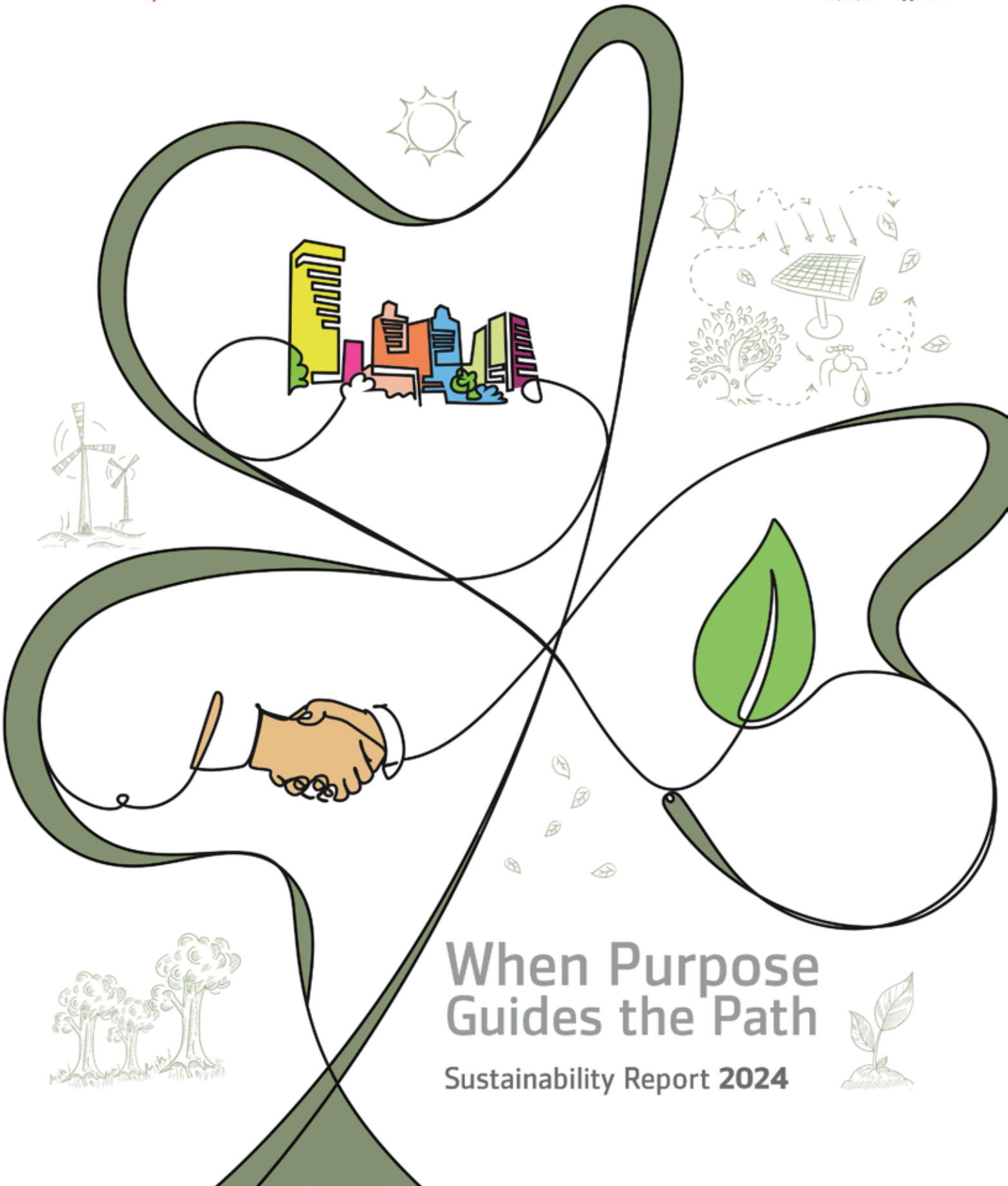
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Bank Alfalah Limited  
B. A. Building, I. I. Chundrigar Road  
Karachi, Pakistan.  
111 777 786



Bank Alfalah  
The Way Forward



# When Purpose Guides the Path

Sustainability Report **2024**



Ranked amongst the Top 5 Companies  
on the Pakistan Stock Exchange (PSX) in 2024

Committed to a sustainable way forward by improving the **social**, **economic** and **environmental capital** of the people.



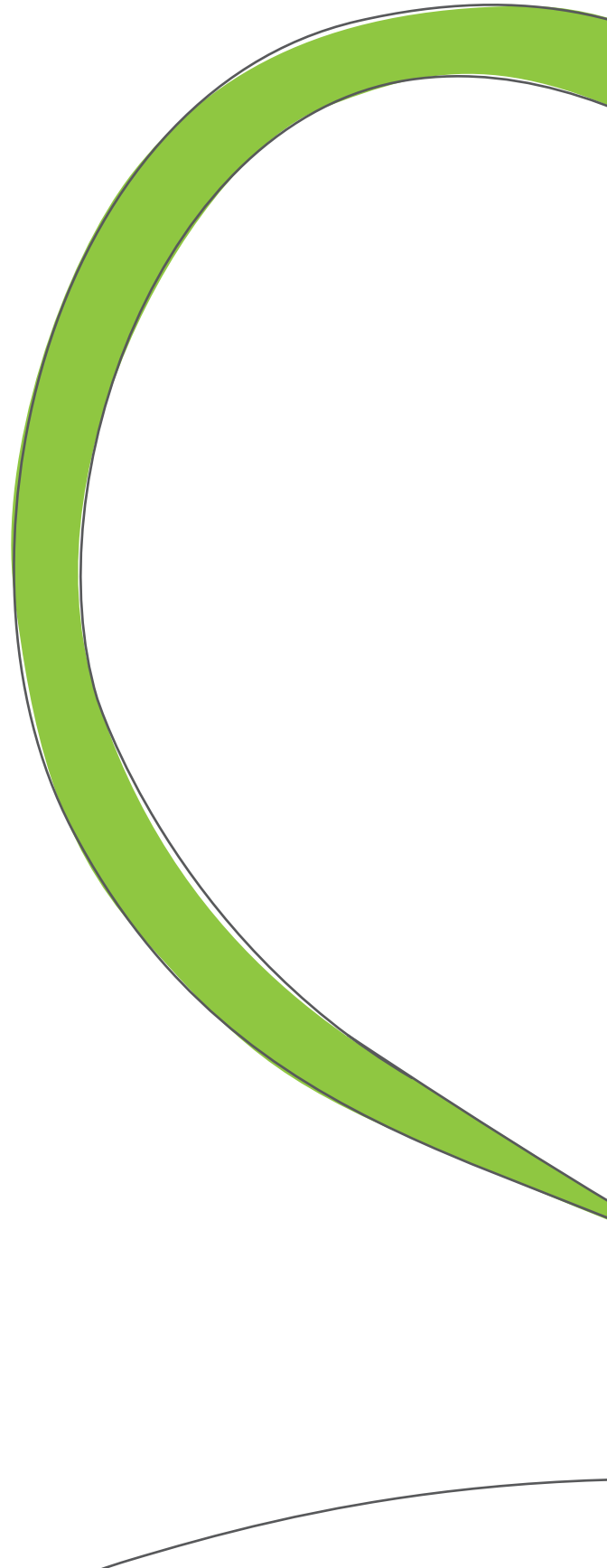


# راه فلاح

RAH-E-FALAH

Rah-e-Falah is an initiative of the Bank that embodies a commitment to a sustainable way forward by improving the people's social, economic, and environmental capital.

It is dedicated to developing **innovative** and **progressive** approaches that have a lasting impact on people's lives and the planet.





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# CREATING SHARED IMPACT

# CREATING SHARED IMPACT



**Marketing  
and Publicity**  
PKR 3.867 Bn

**Deposits**  
PKR 2.137 Tn



**Gross  
Advances**  
PKR 1.156 Tn



**Donations  
and Charity**  
PKR 550.8 Mn

**Taxes**  
PKR 58.902 Bn



**Dividends**  
PKR 8.50  
Per share



**Suppliers and  
Vendors**  
PKR 26.820 Bn



**Employees'  
Salaries and  
Benefits**  
PKR 37.1 Bn





# **DIGITISING LIVES**

In 2024, Bank's valuable customers contributed PKR 233 million towards various sustainable causes, while giving back to society by simply clicking a few taps on the platform





# AWARDS AND RECOGNITION - 2024

## 2024

### Pakistan Banking Association

- Winner Best Bank for Digital Excellence: 2024
- Winner Best Bank for Customer Engagement: 2024

### Top 25 Companies Award

Top 25 Listed Companies by the Pakistan Stock Exchange (PSX)

### South Asian Federation of Accountants

- Gold – Best Presented Annual Report across South Asia

### Annual CFA Pakistan Excellence Awards

- Best Investor Relations for financial institutions for the 11th successive year
- Best Environment, Social and Governance Reporting for financial institutions for the 2nd successive year
- Best Digital Banking Services for commercial banks for Fiscal Year 2023
- Transaction of the Year for Fiscal Year 2023.
- Best Conventional Income Fund Manager for Fiscal Year 2024.
- First Runner-Up in the Best Bank Award in the Large Bank category
- First Runner-Up in Best Conventional Equity Fund Manager for Fiscal Year 2024.
- First Runner-Up in Best Islamic Equity Fund Manager for Fiscal Year 2024
- First Runner-Up in Best Asset Management Company for Fiscal Year 2024

### WWF Pakistan

- Bank Alfalah Head Office is awarded as certified 'Green Office Building'

### National Forum for Environment & Health

- 21st Annual Environmental Excellence Award efforts for stewardship in sustainable future.

### Euromoney

- Best Investment Bank of the Year 2024 in Pakistan

### Annual Report Awards

Awarded by the Institute of Chartered Accountants of Pakistan (ICAP) & Institute of Cost and Management Accountants of Pakistan (ICMAP)

- Best Corporate Report: Second Position in the banking category
- Sustainability Reporting: Merit Certificate

### Shaukat Khanum Memorial Cancer Hospital and Research Centre

- Received Shaukat Khanum Social Responsibility Award for Collaboration and CSR Initiatives

### Pakistan Digital Award

- Best Banking Tech of the Year
- Global Digital Award
- Best e-commerce website for AlfaMall

### Dragon Awards

- Best cause, charity marketing or public sector campaign

### Global Islamic Finance Awards (GIFA)

- Best Islamic Banking Window Operations Award 2024
- Islamic Banker of the Year 2024 – Dr. Muhammad Imran, Group Head of Islamic Banking

**The Professional Network in collaboration with UNEP (United Nations Environment Programme) and UNGC (United Nations Global Compact).**

- Bank Alfalah Wins at the 10th International Environment, Health & Safety Awards

**Pakistan Business Council (PBC) & International Finance Corporation (IFC)**

- Second Place - Employer of Choice Awards for Gender Diversity
- Second Runner-Up Gender2Equity Initiative

**The Digital Banker**

- Winner – Best Bank for Supply Chain Finance in Pakistan
- Winner – Best Bank for Trade Finances in Pakistan



# BANK ALFALAH IMPACT METRICS



## FOCUS ON CUSTOMER-CENTRICITY AND INNOVATION

- Total Branches: 1,153
- Total Deposits: PKR 2.1 Tn
- ATMs and CDMs 1,700+
- Digital Sales and Service Centres: 4
- Digital Lifestyle Branch: 1
- Total Digital Transactions: 84%
- Migration of Cash Deposit Transactions to CDMs: 53%



## DEVELOPMENT OF HUMAN CAPITAL

- Total Colleagues: 16,132
- Male: 12,796 (79.3%)
- Female: 3,336 (20.7%)
- Increase in employees: 11.5%
- Maternity Leave: 178
- Paternity Leave: 271
- Salaries and Benefits: PKR 37.1 Bn
- Colleagues Trained: 15,479
- Training hours: over 300,000
- Average hours of training per year per employee: 16 hours
- Career Advancement Training: 346
- Medical Coverage: PKR 598 Mn
- Ration Distributed: 3,500
- Attrition: 16.9%
- Staff availing Child Care Allowance: 365



## CONTRIBUTION TO ECONOMY

- Total Taxes: PKR 58.9 Bn
- Imports: PKR 1,600+ Bn
- Exports: PKR 500+ Bn
- Remittances to Pakistan: USD 5.4 Bn
- BISP Beneficiaries: 4.3 million Women
- Financial Literacy Training: 7,000+ beneficiaries
- Dividends Paid: PKR 23.2 Billion
- Zakat Paid PKR 186.3 Mn



## SUBSIDISED FINANCING

- SME Financing Borrowers: 7,792
- Financing: PKR 52.3 Bn
- Revive and Rise (Loans for Flood-impacted Communities): 700 beneficiaries with PKR 200 Mn

# BANK ALFALAH IMPACT METRICS



## ENVIRONMENT SUSTAINABILITY

- Green Banking Financing: PKR 26.6 Bn
- Bagasse: 3 Wind: 4 Solar: 2 Hydro: 2
- Solar-Powered ATMs: 155



## CORPORATE SOCIAL RESPONSIBILITY

- Flood Impacted Community Rehabilitation: Over PKR 1.8 Bn
- Benefited Colleagues Impacted by Floods: 515, with PKR 105.3 Mn
- Sustainable CSR: PKR 146 Mn
- Islamic Charity: PKR 45 Mn
- Zakat Collection: PKR 186.3 Mn
- Employee Welfare: PKR 76 Mn (Education+Health+Marriage+House Building)



## COMMUNITY OUTREACH

- Healthcare: 10 medical units, community centre and medical ward
- Patients Served: 184,064
- Houses Built: 2,448
- Facilities Developed: Computer Lab, Solar Panels, Financial Literacy Exhibit
- Plantation: 25,000 Mangroves
- Education: 2,700+
- Promoting Inclusive Sports: 1,500 Athletes Persons with Disability
- Vocational Training: Trained over 350 individuals

# CHAIRMAN'S MESSAGE

## Giving Back to the Community

The Bank remained at the forefront in supporting the flood-impacted communities through various relief and rehabilitation activities after the devastating floods in 2022, which impacted around one-third of the country. The aim of the Bank was to redevelop communities in a balanced, equitable, and financially inclusive manner for a sustainable way forward. The Bank has joined forces with over 25 partners for working in the health, housing and educational sectors, with a disbursement till date of over PKR 1.8 billion. Through this programme, the Bank has made significant impact towards supporting flood-impacted communities.

## Sustainability

The Bank's enduring commitment to foster a sustainable future, we have undertaken a series of initiatives designed to enhance our community's social, economic, and environmental capital in an eco-friendly manner. Building upon this foundation, and as part of our strategic approach to sustainable banking practices, the Bank partnered with the International Finance Corporation (IFC) to collaborate on the development of green strategies. This partnership serves as a testament to our goal of providing environment-friendly banking operations. The partnership covers a multifaceted approach aimed at enhancing our green banking initiatives. It encompasses a comprehensive diagnostic assessment conducted by the IFC to evaluate the green banking portfolio of the Bank. Furthermore, this collaboration will facilitate the exploration and capitalisation of opportunities in green finance, such as the issuance of green bonds and the financing of sustainable infrastructure projects.





# PRESIDENT AND CEO'S MESSAGE



## REFLECTIONS OF THE THIRD SUSTAINABILITY REPORT

**Dear Stakeholders,**

With this third edition of our Sustainability Report, we have set our sights on the road ahead for sustainable business operations, and holistic corporate social responsibility for an inclusive future. The report presents sustainability strategy

and partnerships which have translated into social impact, environmental stewardship, and adding economic value.

### **Advancing Global Goals**

During the year we deepened our alignment with the UN Sustainable Development Goals (SDGs) and

internationally recognised sustainability framework. This approach ensures that as our footprint consistently expands, our policies and performance metrics become measurable and continue to improve as we evolve.

Our Green Financing portfolio now stands at PKR 26.6 billion, channeled through renewable energy financing transactions such as 3 bagasse-fueled power projects, 4 wind farms, 2 solar plants, and 2 hydro facilities and other eco-friendly financing of electric vehicles etc. Additionally, our network of solar-powered ATMs has expanded to 155.

Our advisory engagement with the International Finance Corporation (IFC) has progressed from concept to roadmap. Building on the State Bank of Pakistan's Environmental and Social Risk Management (ESRM) framework already implemented at Bank Alfalah.

### **Enhancing Human Capital**

Our workforce stands at 16,000 professionals aimed towards a unified vision and values of our Bank. Women now represent 21% of the team, reflecting steady progress toward balanced representation, while six-month maternity and five-day paternity leave, child allowance and flexible work timings that let women advance their careers without compromise to their well-being.

We reinvested PKR 39.6 billion in pay and benefits, while more than 1,400 learning programmes delivered 300,000 hours of upskilling, preparing colleagues to excel in a rapidly evolving financial space. These commitments sharpen skills, lift engagement, and improve retention by fostering ownership of day-to-day operations.

### **Community Relief and Reconstruction**

Guided by our Chairman, His Highness Sheikh Nahayan Mubarak Al Nahayan, the Board's US \$10 million contribution to Pakistan's 2022 flood-relief catalyzed a two-phase response:

1. **Immediate Relief (2022):** rapid deployment of resources via trusted NGO partners to deliver food, shelter, and medical aid.
2. **Long-Term Rebuilding (2023 onward):** targeted investments in healthcare, emergency response, housing, education, and livelihoods to help communities regain self-sufficiency.

These initiatives are now embedded in a wider policy framework that weighs environmental, social, and economic capital with equal importance. These programmes now operate within a holistic policy framework that gives equal weight to environmental stewardship, social well-being, and economic value.

### **Corporate Social Responsibility**

- Flood-impacted community rehabilitation: our PKR 1.8 billion in last two years.
- Colleagues supported during floods: 515, with relief totalling PKR 105.3 million.
- Sustainable-CSR projects: PKR 146 million  
Islamic-charity contributions: PKR 45 million.

### **Community Outreach**

- 10 medical units, one community centre, and one medical ward established, serving 184,064 patients.
- 2,448 houses rebuilt for displaced families
- New community facilities: computer lab, solar-panel installations, and a financial literacy exhibit.
- 25,000 mangroves planted to restore coastal ecosystems.
- Education initiatives reaching 2,700+ students  
Inclusive-sports programmes engaging 1,500 athletes and persons with disabilities.
- Vocational training provided to more than 350 individuals.

### **Looking Ahead**

The year 2024 marked the start of an accelerated drive to engage our communities and colleagues alike. As a Caring Bank, we will amplify our involvement across all business lines and geographies, ensuring that every transaction, product, and partnership contributes to shared and sustained prosperity. I thank all my colleagues for walking this path of the Bank's journey towards sustainability. I look forward to building stronger foundations together.

Sincerely,  
**Atif Bajwa**  
**President and Chief Executive Officer**



# Significant Changes in the Organisation

There are no significant changes from prior year with respect to:

- the Ownership and
- Business Model of the Bank; except the incorporation of a new Exchange Company

## Select Corporate Affiliations



## Organisational Value Chain

Please refer to 'Organisational Overview' section of the Annual Report, 2024 for disclosure on this.

Scan here to view the Annual Report 2024





# SUSTAINABILITY FORWARD





# ABOUT THE REPORT

The sustainability report for the period from **1st January** to **31st December 2024** is a testament to the Bank's commitment towards sustainable business operations and Corporate Social Responsibility (CSR). The Bank embarked upon this journey last year, and since then, it has been a great learning experience to constantly improve and benchmark the sustainability reporting standards by publishing the sustainability report annually. The reporting period of the sustainability report is the same as the reporting period of the annual report.

Throughout the journey, a concerted effort was made to enhance reporting standards and sustainability practices. Gratitude is extended to the entire Bank for its involvement in this endeavour and its contribution to improving the organisation's reporting standards. Bank Alfalah did not make any changes in the last sustainability report as there are no restatements of the previous year's information.

Over the past year, significant strides have been made in upgrading Corporate Social Responsibility and Sustainability Investment Policy Guidelines. A new vision has been adopted, emphasising a commitment to a sustainable future by enhancing social, economic, and environmental capital in alignment with the UN Sustainable Development Goals (SDGs).

## Reporting Framework

The Bank has presented this report using the Global Reporting Initiative (GRI) as a guideline. GRI is a comprehensive framework for reporting sustainability performance and impacts. Through these standards, Bank Alfalah has identified key impact areas and material topics, aligning business operations with sustainable practices. Notably, the Bank's dedication to reporting excellence has been recognised, with nominations amongst the top 5 companies in reporting standards by the Pakistan Stock Exchange (PSX).

Throughout the report, adherence to the Pakistan Stock Exchange (PSX) and Securities and Exchange Commission of Pakistan (SECP) guidelines on sustainability are maintained in the best possible manner, keeping current business operations in mind and committing to continuous improvement, ensuring transparency and accountability in reporting practices. As Bank Alfalah continues its journey towards sustainability, this report serves as a reflection of its ongoing commitment to responsible business practices and positive societal impact.

**Publishing Date:** May 19, 2025

# THE 17 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



# SCOPE OF THIS REPORT

The Scope of this report is as follows:

**Reporting year:** The report covers our environmental, social and governance (ESG) performance for the calendar year 2024 (Jan – Dec 2024)

**Scope of work:** Unless otherwise indicated, it covers our operations in Pakistan only.  
HQ address: B. A. Building, I. I. Chundrigar Road, Karachi, Pakistan.

**Monetary values:** All monetary values mentioned are in Pakistani Rupees (PKR). Though the report boundary is Pakistan operations of Bank Alfalah (the "Bank"), the financials presented in the report correspond to the consolidated financial position of Bank Alfalah Limited (the "Bank") and its subsidiaries as at 31 December 2024.

**External Assurance:** Selected disclosures in the report have been externally assured in accordance with GRI Standards by CSRCP Pakistan

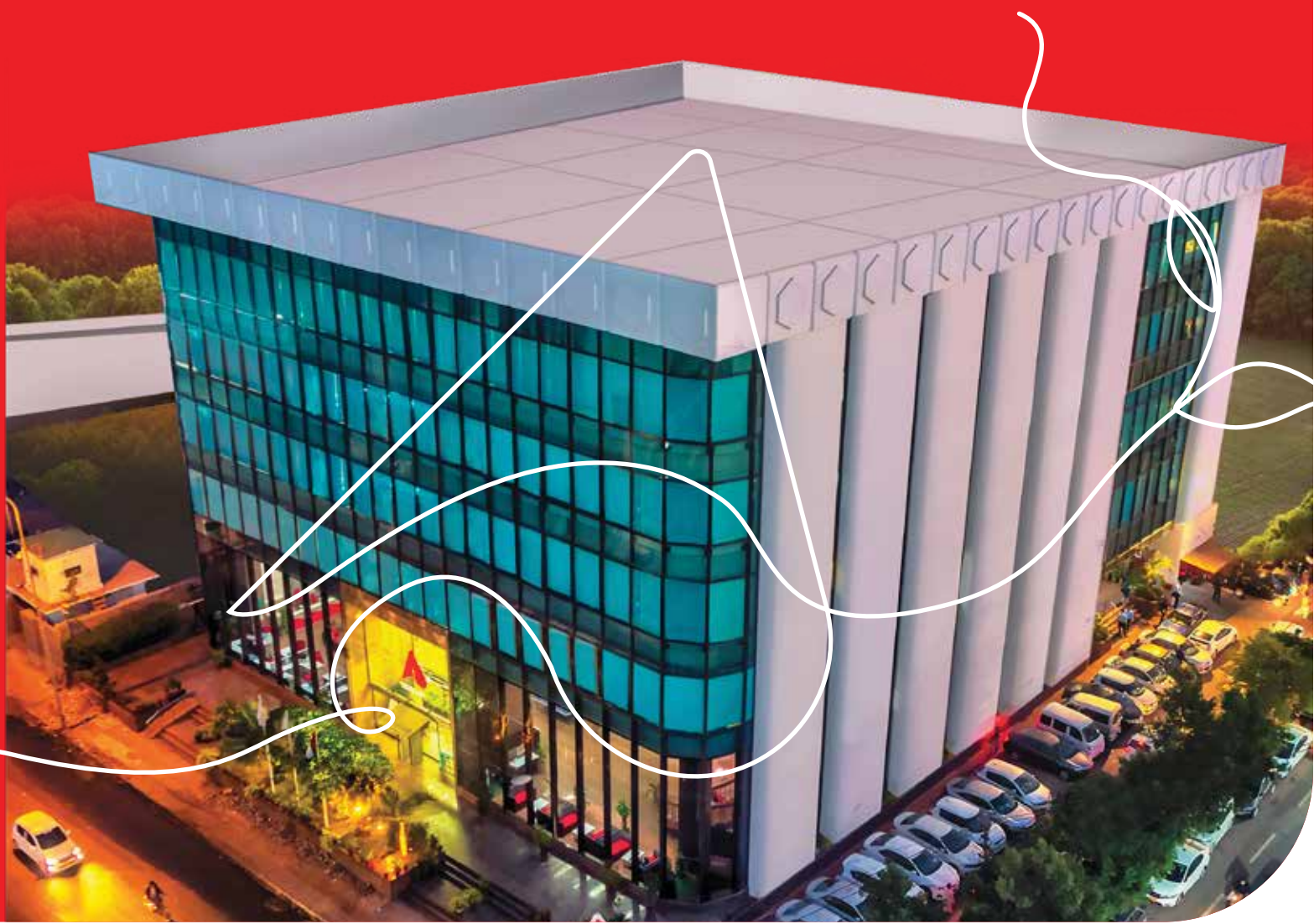
**Contact Point:** For any enquiries about this report, please contact: Talha Hyder - Manager Corporate Communication [talha.hyder@bankalfalah.com](mailto:talha.hyder@bankalfalah.com) and Madiha Javed Qureshi, Head Corporate Communication, [madiha.qureshi@bankalfalah.com](mailto:madiha.qureshi@bankalfalah.com)

We share information about our Sustainability policies and performance through a variety of channels, including our Annual Report, several other reports and presentations, regulatory filings, press releases and direct engagements with stakeholders. We have a dedicated Sustainability page on our website to make it easier to obtain the material we publish on these themes.

This annual Sustainability Report is intended to summarise and highlight our efforts on ESG topics relevant to our business and stakeholders, as well as guide readers to where they may get more comprehensive information on specific topics of interest. Unless otherwise specified, all data in this report pertain to the reporting year (as of December 31, 2024).

Errors, if any, discovered following publication of the report will be corrected and displayed on our website. In consideration to the environment, our reports are published as downloadable PDF files on our website.





# ABOUT BANK ALFALAH

Bank Alfalah is one of the largest commercial banks in Pakistan, with a network of over 1,100 branches across more than 240 cities in the country, and international presence in Afghanistan, Bangladesh, Bahrain and the UAE. The Bank also has a representative office in Abu Dhabi. Bank Alfalah is majority-owned by the Abu Dhabi Group. Incorporated as a public limited company on 21st June, 1992 under the Companies Act, 2017, Bank Alfalah commenced its banking operations in the same year. The Bank provides financial solutions to consumers, corporations, institutions and governments through a broad spectrum of products and services, including corporate and investment banking, digital banking, consumer banking, securities brokerage, commercial, SME and agri finance, currency exchange, insurance, asset management, Islamic and credit/asset financing solutions.





# VISION

To inspire and empower people to do things differently and shape their own path in life and business.



# MISSION

We look at the market with fresh eyes to find new opportunities, and seek new ways of enabling our customers to succeed and advance the world of finance.

# VALUES

- **YOU – CUSTOMER CARE:** We always put the customer and their needs front and centre.
- **YOUR NEEDS – COLLABORATION:** We do all we can to understand and anticipate what will help our customers find their own way and achieve their ambitions.
- **YOUR WAY – CREATIVITY AND INNOVATION:** We do things differently, challenging the status quo to find new and better ways to move ourselves and our customers forward.
- **THE RIGHT WAY – CONDUCT AND INTEGRITY:** We always act with integrity and transparency in everything we do. It is the cornerstone of our business and brand.



## CORE VALUES



## ETHICS AND CODE OF CONDUCT

Integrity and honesty are at the heart of our business and brand. Our internal ethical standards and code of business conduct are the results of shared moral convictions. The objectives of our underlying policies are to ensure that the Bank is recognised as a professionally run and successfully managed institution with high ethical standards.

A detailed statement of the Code of Ethics and Business Practices is in place and is signed by every employee and submitted to the Bank's Human Resource and Learning Group (HRLG) on an annual basis. The Code of Ethics is available on the Bank's website. The Code contains detailed guidelines, which aim to facilitate the Bank's employees to:

- Conduct business with honesty, transparency and integrity in a professional manner
- Understand and comply with legal/regulatory requirements and internal policies and procedures of the Bank
- Exhibit exemplary personal conduct towards the Bank, its employees and customers, and maintain the desired decorum both during office hours and at other times

Besides emphasising adherence to legal/regulatory requirements and internal policies and procedures of the Bank, the Code contains specific guidelines with reference to managing conflicts of interest, political affiliations, conduct, KYC, gifts and entertainment, corporate ethical policies, fraud, theft, illegal activities, etc.



# CULTURE

Bank Alfalah firmly holds the belief that a supportive culture can effectively communicate its strategic objectives through its core values and principles.

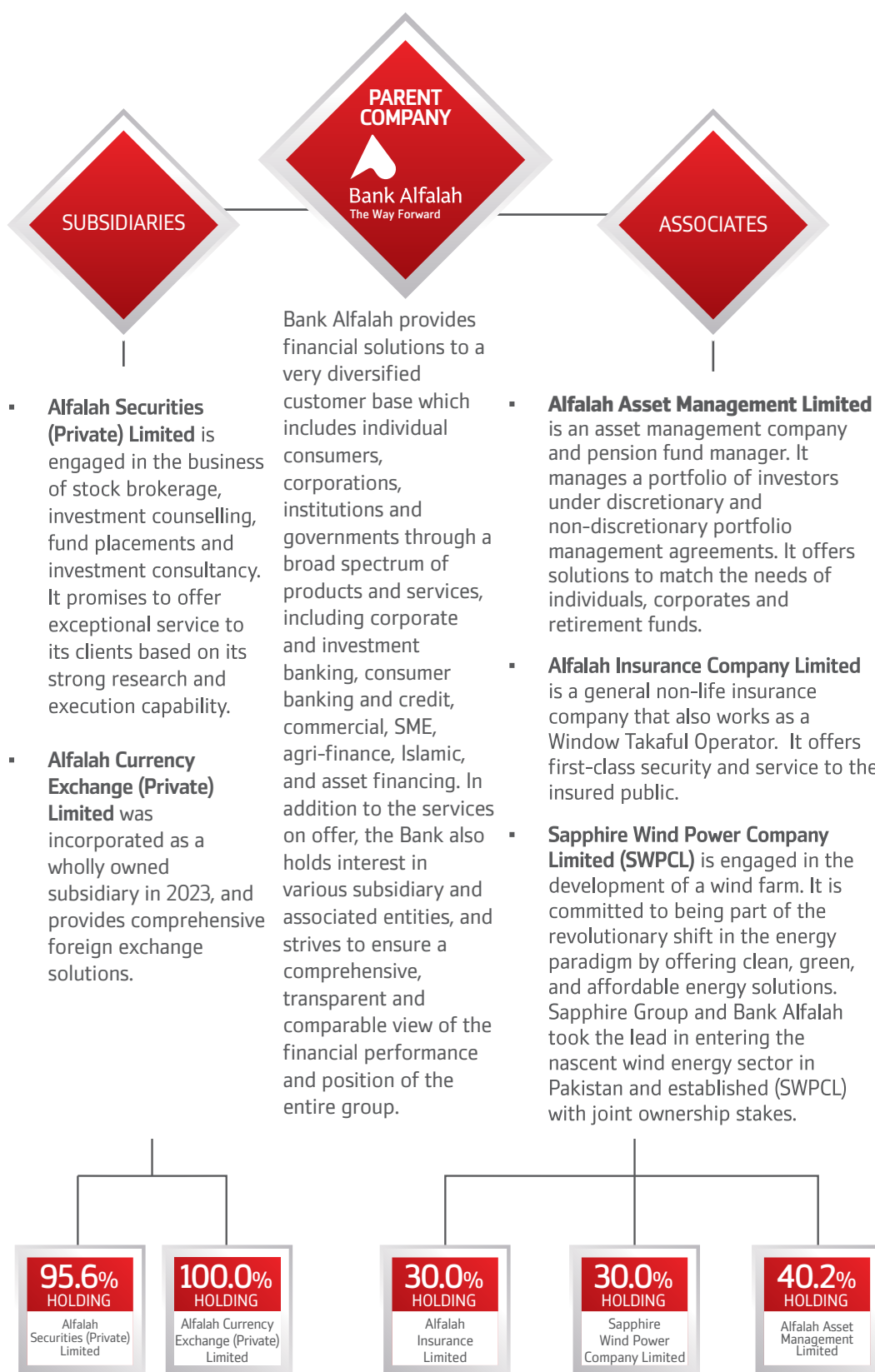
This fosters a more varied and inclusive setting, enabling employees to discover their meaningful contributions. The Bank has embraced a culture that embeds its values, synchronising them with its strategy.

The foundation of the Bank's Cultural Strategy lies in the following principles:

- One Bank, One Team
- Focus on Customers
- Inspire and Empower our People



# GROUP OWNERSHIP STRUCTURE



**Nature of relationship:** Shareholding and nomination of directors on the boards of subsidiaries and associates.  
**Country of origin:** Holding, subsidiaries and associates are companies incorporated in Pakistan.

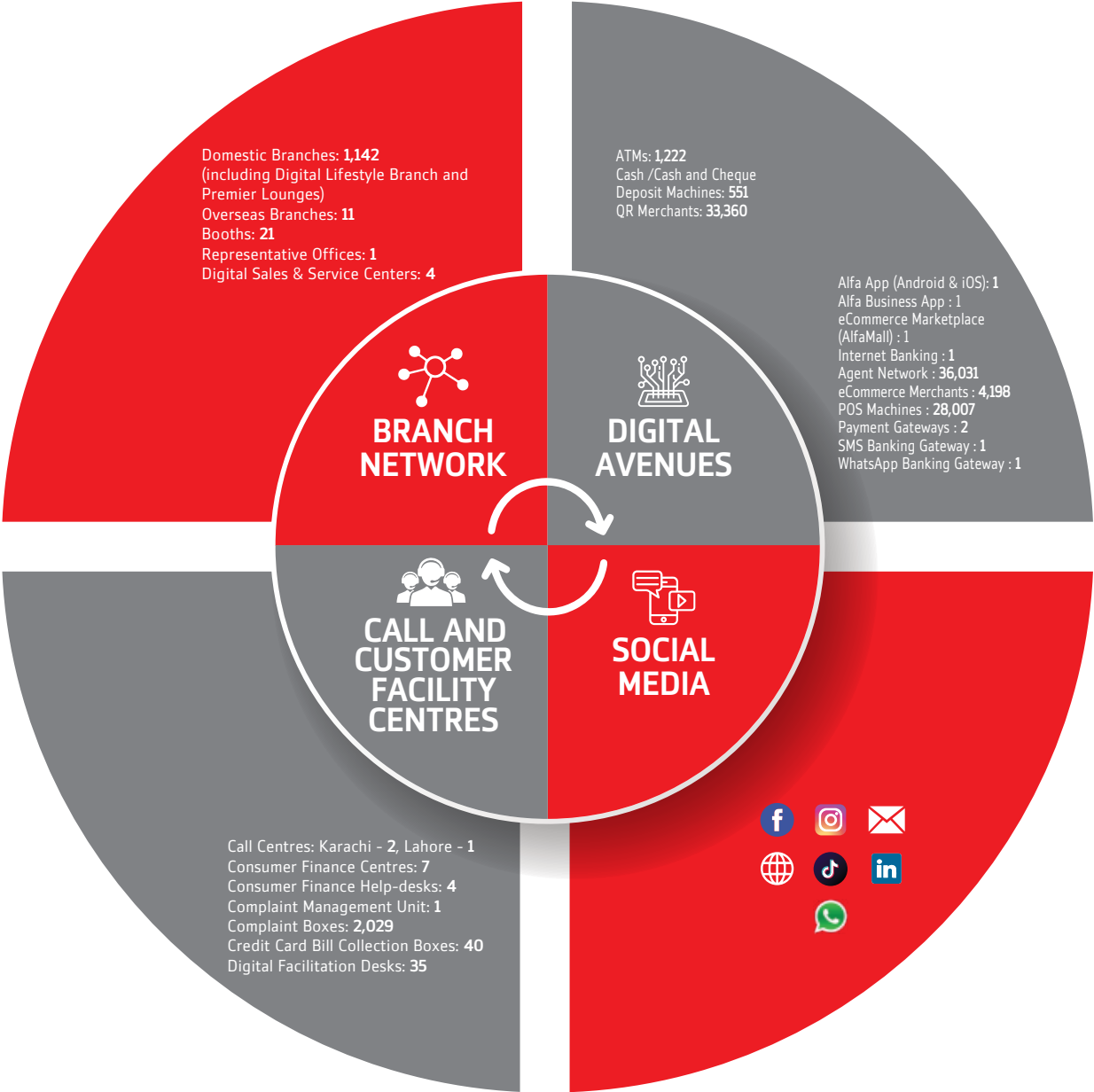
# CATEGORIES OF SHAREHOLDERS

As at December 31, 2024

S.No.	Categories of Shareholders	No of Shares Held	Percentage
1	Directors. Chief Executive Officer their Spouse (s) and Minor Children, if any.	441,112,516	27.97
2	Associated Companies, Undertakings and Related Parties	428,945,534	27.20
3	NIT and ICP	4,926,019	0.31
4	Banks Development Financial Institutions, Non Banking Financial Institutions	81,355,750	5.16
5	Insurance Companies	98,067,268	6.22
6	Modarabas and Mutual Funds	59,441,996	3.77
7	General Public a) Local b) Foreign	188,759,137 80,888,650	11.97 5.13
8	Others a) Foreign Companies b) Joint Stock Companies c) Provident Funds, Pension Funds, Gratuity Funds and other entities	50,770,065 123,956,864 18,941,320	3.22 7.86 1.20
		1,577,165,119	100.00

# PRESENCE

Bank Alfalah is connected with you via 100,000+ touch-points.



# BRANCH NETWORK

## PAKISTAN

Bank Alfalah is one of the largest private banks in Pakistan with a network of 1,142 branches in more than 240 cities across Pakistan.

## AFGHANISTAN

### Branch Banking Operations

Services offered to clients include Retail and Wholesale Banking.

## BAHRAIN

### Offshore Banking Unit

Services offered to corporate clients include Deposits, Trade Finance, Advances, Treasury and Foreign Exchange services.

## UAE

### Wholesale Banking Branch in Dubai and One Representative Office in Abu Dhabi.

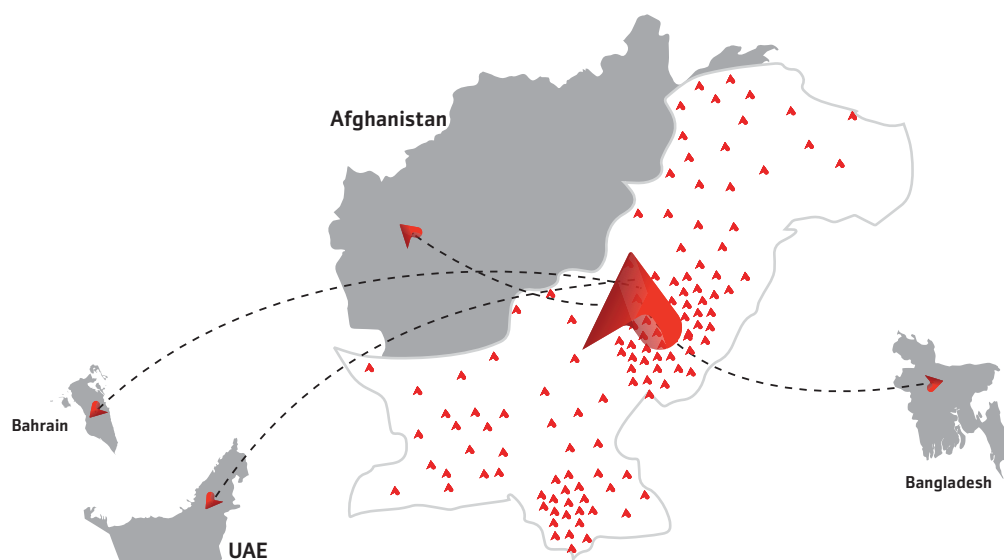
Services offered to corporate clients include Deposits, Trade Finance, Advances, Treasury and Foreign Exchange services.

## BANGLADESH

### Branch Banking Operations

The branches provide financial solutions to consumers, corporates, and the government through a broad spectrum of products and services, including Deposit Accounts, Self-service Banking and Wholesale Banking.





### CATEGORIES AND TYPES OF BRANCHES

Category	Branch & Sub-Branch
Conventional	706
Digital	1
Corporate	8
Islamic	427
<b>Domestic</b>	<b>1,142</b>
Overseas	11
<b>Grand Total</b>	<b>1,153</b>

### OVERSEAS OPERATIONS-COUNTRIES

Country	Branch & Sub-Branch
Bangladesh	7
Afghanistan	2
Bahrain	1
UAE	1
<b>Total</b>	<b>11</b>
Country	Representative office
UAE (Abu Dhabi)	1

### PAKISTAN OPERATIONS-PROVINCES

Province	Branch & Sub-Branch
Punjab	696
Sindh	216
KPK	99
ICT	74
Balochistan	43
Gilgit Baltistan	7
AJK	7
<b>Grand Total</b>	<b>1,142</b>

### PAKISTAN OPERATIONS-REGIONS\*

Regions	Branch & Sub-Branch
<b>Conventional</b>	
North	186
South	179
East	169
West	173
<b>Corporate</b>	<b>8</b>
<b>Islamic</b>	
North	124
South	77
East	121
West	105
<b>Grand Total</b>	<b>1,142</b>

\*Bank's internal categorisation

Pakistan Operations – Cities:

Please visit the Bank's website for branch network - <https://www.bankalfalah.com/list-of-branch-network/>

## PRODUCT SUITE

Refer to the Business, Products and Services in the Annual Report, 2024, page 68 to 96  
Financial Performance, Table 1: Financial Performance

## HIGHLIGHTS

Deposits

**PKR 2.1 Tn**

Revenues

**PKR 171 Bn**

Profit After Tax

**PKR 38.3 Bn**

Earning Per Share

**PKR 24.30**

Capital Adequacy Ratio

**17.96%**

Market Capital (Dec '24)

**PKR 131,425 Mn**

## CREDIT RATING

ENTITY RATING  
LONG TERM

**AAA**

ENTITY RATING  
SHORT TERM

**A1+**

ENTITY OUTLOOK

**STABLE**

RATING OF DEBT  
INSTRUMENT-TFC VI (ADT1)

**AA+**

RATING OF DEBT  
INSTRUMENT-TFC VIII (ADT1)

**AA+**



# SUSTAINABILITY APPROACH







# CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

COMMITTED TO A SUSTAINABLE WAY FORWARD BY IMPROVING THE SOCIAL, ECONOMIC AND ENVIRONMENTAL CAPITAL OF THE PEOPLE

## SUSTAINABILITY PHILOSOPHY

Sustainability is one of the key areas the Bank focuses on by ensuring that its operations are directed towards creating a more sustainable future. In an ongoing commitment to advancing sustainable practices, the board has approved aligning the Sustainability and CSR initiative with the Sustainable Development Goals (SDGs). This strategic alignment is designed to contribute and uphold Bank Alfalah's overarching sustainability strategy. The SDGs are bifurcated into three fundamental areas, each intricately interwoven with Bank Alfalah's core principles. These areas include Social Capital, which focuses on fostering societal well-being and inclusivity; Economic Capital, which emphasises responsible financial practices and economic empowerment; and Environmental Capital, which is dedicated to environmental stewardship and sustainable practices. By adopting this approach, Bank Alfalah is reinforcing its commitment to societal and environmental betterment and strategically positioning itself to contribute meaningfully to the broader global agenda of sustainable development goals.









# SUSTAINABILITY JOURNEY

## 2016

- ◆ Started reporting on sustainability in the annual report.

## 2017

- ◆ State Bank Pakistan (SBP) introduced Green Banking guidelines in 2017.

## 2018

- ◆ The first Green Banking Policy was approved by the Bank.

## 2019

- ◆ Engaged IFC for diagnostic advisory on Green Business facilitations.

## 2022

- ◆ Launched First Sustainability Report.
- ◆ Won merit award from ICAP on Sustainability Reporting.
- ◆ SBP issued its Environmental and Social Risk Management (ESRM) Implementation manual.



## 2023

- ◆ Adopts State Bank of Pakistan's (SBP) Environmental and Social Risk Management (ESRM) framework.
- ◆ Bank Alfalah will work with IFC to develop a green banking roadmap and its impact measurement capabilities and explore avenues for sustainable financing.
- ◆ Worked with IFC for internal capacity building for carrying out ES due diligence of high-risk projects through external consultant.
- ◆ Revamp the policy of aligning business operations and CSR with sustainable development goals.
- ◆ Attended a training on GRI Standard.
- ◆ Launched Second Sustainability Report.
- ◆ The Bank presented the sustainability report using global reporting initiative as a guidance.

## 2024

- ◆ The Head Office has been recognised as a Green Office by WWF
- ◆ Initiated projects that are aligned with all 17 UN SDGs
- ◆ Launched the third Sustainability Report.



# IMPLEMENTING SECP CSR GUIDELINES

To align with the Securities and Exchange Commission of Pakistan (SECP) Corporate Social Responsibility (CSR) guidelines, Bank Alfalah is voluntarily contributing to the following principles:

1. Utilise the CSR governance benchmark and terms of reference of the CSR committee provided in the guidelines for self-assessment and facilitation purposes.
2. Integrate the output of CSR commitment into a board-level CSR policy to ensure alignment with organisational objectives and values.
3. Incorporate CSR activities as a regular agenda item in board meetings.
4. Entrust the CSR committee with the responsibility of transparently and effectively supervising CSR activities, providing specialised oversight, and regularly reporting progress to the Board.
5. Define a systematic approach for reporting the implementation status of CSR initiatives to both internal and external stakeholders, ensuring transparency and accountability.
6. Develop a comprehensive CSR report to provide stakeholders with insights into the Bank's CSR initiatives, progress, and impact on the community and environment.
7. By aligning with the SECP CSR guidelines, Bank Alfalah aims to demonstrate its commitment to corporate social responsibility and contribute positively to society and the environment.

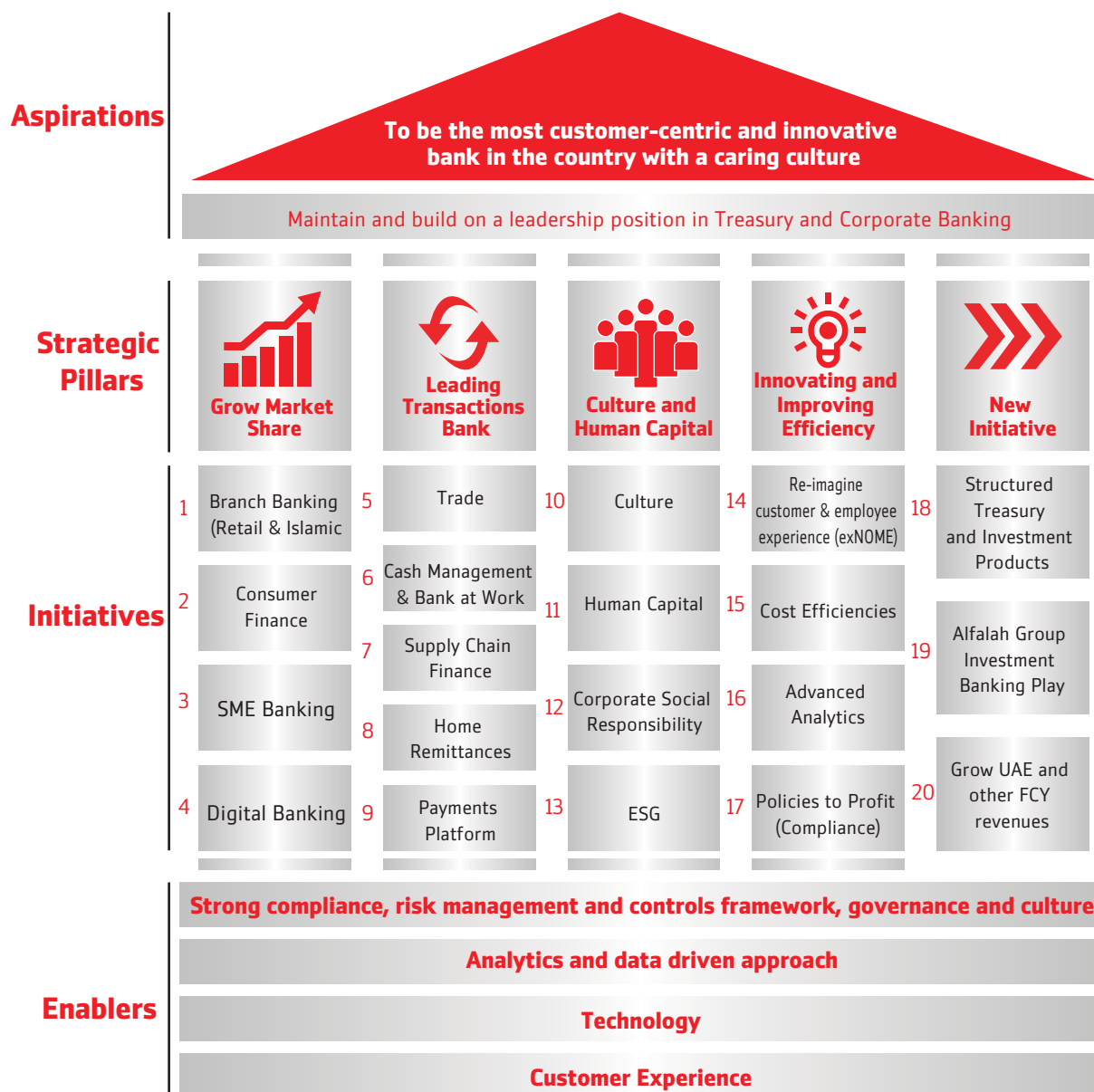
Disclosure of how the concept of Sustainability embedded in the Corporate Strategy and Culture, please refer to 'Sustainability Forward' section of this report for this disclosure.



# SUSTAINABILITY STRATEGY

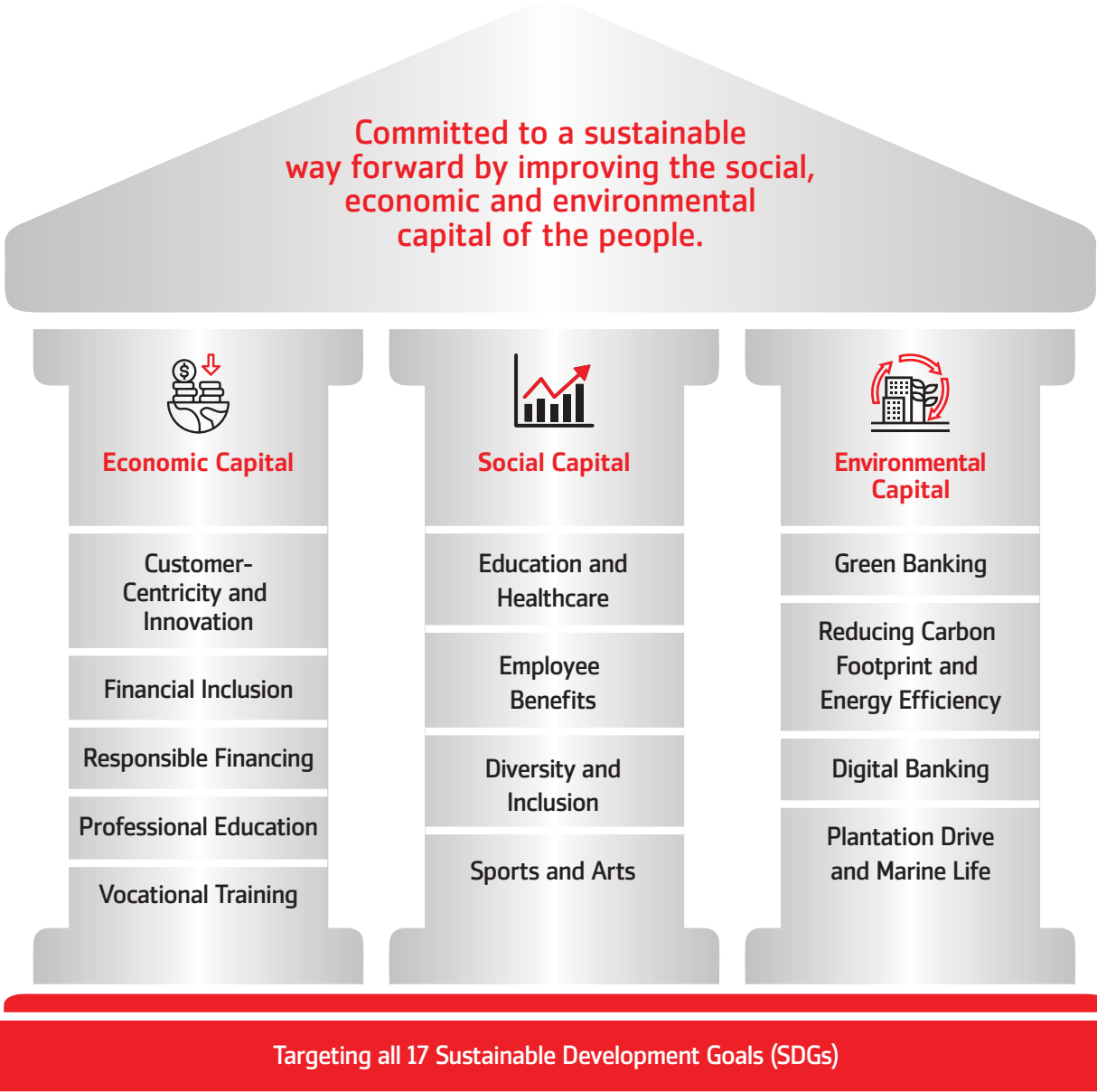
Bank Alfalah's strategic priorities align with Sustainability values as mentioned below.

## Key Pillars and Enablers



Our governance process identifies pertinent Sustainability-related issues and produces clear strategies with goals, targets and action plans for mitigation and adaptation. Bank Alfalah commitment to strategic sustainable development is expressed in our Sustainability Framework shown below.

# PILLARS OF SUSTAINABILITY







# FOCUS AREAS OF SUSTAINABILITY

## 1. SOCIAL CAPITAL

- Diversity and Inclusion
- Employee Benefits
- Education and Healthcare
- Sports and Arts

## 2. ECONOMIC CAPITAL

- Customer-centricity
- Innovation
- Financial Inclusion
- Responsible Financing
- Vocational Training
- Professional Education



## 3. ENVIRONMENTAL CAPITAL


- Green Banking
- Reducing Carbon Footprint
- Energy Efficiency
- Recycling Processes
- Waste and Water Management Plantation Drives
- Marine Life and Beach Cleaning

## Criteria for Selecting a Partner for Sustainability


1. Values and Mission Alignment
2. Measurable Impact and Effectiveness
3. Financial and Compliance Accountability
4. Alignment with SDGs and the Bank's CSR strategy
5. Transparency and Utilisation Report

## UN Sustainability Goals, GRI Standards and Bank Alfalah's Contributions


UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
<b>1 NO POVERTY</b> 	<ul style="list-style-type: none"> <li>Equal rights to ownership, basic services, technology and economic resources (1.4)</li> </ul>	Significance of the indirect economic impacts [GRI Standard 203-2]	<ul style="list-style-type: none"> <li>End extreme poverty in all forms</li> </ul>	<ul style="list-style-type: none"> <li>The Bank generously supports various communities irrespective of their cast, creed, race and color. The purpose is to build a stronger nation. Refer to the CSR part within this section of the Annual Report and note 31 of the unconsolidated financial statements for more details.</li> </ul>
	<ul style="list-style-type: none"> <li>Eradicate extreme poverty (1.1)</li> <li>Reduce poverty (1.2)</li> </ul>	Significant proportion of employees are compensated based on wages subject to minimum wage rules. [GRI Standard 202-1] & 203-2]		<ul style="list-style-type: none"> <li>The Bank ensures minimum wage payments to all its employees including contractual staff. The guidelines followed are prescribed by the provincial / federal government.</li> </ul>
	<ul style="list-style-type: none"> <li>Mobilizes resources to implement policies to end poverty (1.A)</li> </ul>			<ul style="list-style-type: none"> <li>Bank Alfalah uplifted poverty-ridden communities by stepping forward and supporting government initiatives like the Government's Ehsaas emergency cash-disbursement, Ehsaas Kafaalat and SBP low-cost housing programs, especially to cater to the affected of the natural calamities and pandemics</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah supports the social initiative Roshan Samaaji Khidmat of State Bank of Pakistan (SBP) for Overseas Pakistanis who can now make Zakat &amp; Donation payments are made digitally through their Roshan Digital Account (RDA) using their Alfa app or Internet Banking.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah customers can help the poverty-stricken through Zakat and donations received via internet banking, the Alfa App, Alfa Payment Gateway and QR Scanning.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah has digitally integrated renowned institutions such as Edhi Foundation, Sindh Institute of Urology And Transplantation (SIUT), Shaukat Khanum Memorial Hospital, Indus Hospital, JDC Welfare Organization, Al Khidmat Foundation, Akhuwat Foundation, Alamgir Welfare Trust, The Citizens Foundation and Sundus Foundation, among others, are enabling the Bank's customers to donate digitally.</li> </ul>
	<ul style="list-style-type: none"> <li>Build resilience to environmental, economic and social disasters (1.5B)</li> </ul>	[GRI Standard 203-2]		<ul style="list-style-type: none"> <li>Bank Alfalah provides financing under SBP Schemes i.e. Islamic SME Asaan Finance (I-SAAF) and Prime Minister Youth Business &amp; Agri Finance Scheme (PMYB&amp;AFS) for the growth of small businesses and to create employment opportunities. These low rate financing schemes are aimed at making the funds available targeted towards the low income class that strives towards economic development of the country.</li> </ul>
<b>2 ZERO HUNGER</b> 	<ul style="list-style-type: none"> <li>Universal access to safe and nutritious food (2.1)</li> </ul>	[GRI Standard 203-2]	<ul style="list-style-type: none"> <li>Achieve food security through sustainable agriculture</li> </ul>	<ul style="list-style-type: none"> <li>In Ramadan of the current year, Bank Alfalah used CSR funds (approximately PKR 8 million) to distribute ration bags through a partner NGO i.e. Alamgir Welfare Trust.</li> </ul>

UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
	<ul style="list-style-type: none"> <li>Universal access to safe and nutritious food (2.1)</li> </ul>			<ul style="list-style-type: none"> <li>Bank Alfalah's Agri department is active in disbursing agricultural loans to farmers and allied industries. During the year, the Bank disbursed Rs. 58.0 Bn agricultural loans.</li> </ul>
	<ul style="list-style-type: none"> <li>Achieve Universal Health Coverage (3.8)</li> </ul>	<p>Organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided [GRI Standard 403-6a &amp; 203-2]</p>	<ul style="list-style-type: none"> <li>Ensure health coverage across the board for employees and their dependents</li> <li>Easy access to medicines and vaccines</li> </ul>	<ul style="list-style-type: none"> <li>Bank Alfalah provides medical coverage to all employees and their dependents, which not only includes hospitalization but follow up treatments as well.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah, under the Employee Welfare Program, facilitates employees with additional medical grants during emergencies or for treatment of employees and their families (insured dependents), where health insurance limit is exhausted as per the Bank's hospitalization policy. The welfare program supports employees and also provides grants for education and marriage.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah designs its employee experience strategy around a Happiness Framework which covers workplace support and the five well-being areas: emotional, mental, physical, financial and career well-being. All employee initiatives and engagements are designed to strengthen these key areas.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah provided Laboratory Diagnostic Kits &amp; Reagents in order to provide the free of cost treatment to thalassemia patients of AMTF.</li> <li>Bank Alfalah provided three dialysis machines which will be used to provide free dialysis to the needy patients of Dar-us-Shifa Foundation.</li> <li>Bank Alfalah provided Laboratory Diagnostic Kits &amp; Reagents in order to provide the free of cost treatment to thalassemia patients of AMTF.</li> <li>Bank Alfalah provided three dialysis machines which will be used to provide free dialysis to the needy patients of Dar-us-Shifa Foundation.</li> <li>Bank Alfalah provided one X-ray Machine, one Curapuls (Short waves) and one Sonopulse (Sound-waves) to Alamgir Welfare Trust International for their Alamgir Health Care Centre.</li> <li>Bank Alfalah provided one CBC Analyser and 01 Blood Bank Refrigerator to Sundas Foundation, in order to provide the best treatment to Thalassemia and Hemophilia patients free of cost.</li> <li>Islamic Banking Group arranged a visit to Sundas Foundation to celebrate Independence Day with the children. Staff from different branches generously donated Blood and distributed giveaways to the ill children.</li> <li>The Bank Alfalah Islamic Banking employees, visited children affected with thalassemia at the Afzaal Memorial Foundation in Karachi. The group made a significant contribution by donating 18 bottles of blood, in solidarity to helping young patients in need.</li> </ul>


UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
	<ul style="list-style-type: none"> <li>Tobacco Control (3.A)</li> </ul>	[GRI Standard 203-2]	<ul style="list-style-type: none"> <li>Easy access to medicines and vaccines</li> </ul>	<ul style="list-style-type: none"> <li>All of Bank Alfalah's offices/branches are no smoking zones. Further smoking is being discouraged through regular communication and HSE trainings.</li> <li>Bank Alfalah adheres to the Bank's Exclusion List, which is aligned with the State Bank of Pakistan's Exclusion List. The Bank does not support activities related to tobacco unless the customers hold proper licenses and permits issued by the relevant government authorities.</li> </ul>
	<ul style="list-style-type: none"> <li>Fight communicable diseases (3.3)</li> </ul>	<p>Voluntary health promotion services and programs offered to workers to address major non-work related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.</p> <p>[GRI Standard 403 - 6b &amp; 203-2]</p>		<p>Bank Alfalah has a dedicated Health, Safety, and Environment (HSE) team committed to ensuring the well-being of its staff and the safety of the workplace. The team actively promotes awareness around health, safety, and overall employee well-being through an engaging communication program featuring:</p> <ul style="list-style-type: none"> <li>Classroom Trainings: Offering in-depth sessions on health, safety protocols, and wellness practices.</li> <li>Emails: Sending regular updates, tips, and important notices to keep employees informed about health and safety matters.</li> <li>Informative Videos: Broadcasting videos on staff screens to deliver quick, easy-to-understand information on key safety and well-being topics.</li> </ul> <p>Through this proactive approach, the Bank ensures that all employees have access to the knowledge and resources needed to maintain a safe and healthy work environment.</p>
				<ul style="list-style-type: none"> <li>Bank Alfalah conducted blood donation activities in major cities to support the noble cause and commitment to play its role towards humanitarian and welfare causes in the society. All employees and families have access to blood provision in case of emergency.</li> <li>Bank Alfalah's staff has received First Aid training from professional and qualified trainers. This training equips employees with the necessary skills to handle unforeseen medical emergencies and provide immediate first aid assistance.</li> <li>Bank Alfalah organized flu vaccination for its staff at discounted rates, promoting a healthy and safe workplace. This initiative reflects the bank's commitment to the well-being of its employees.</li> <li>In order to strengthen safety practices, Bank Alfalah provided training to vendors / service providers. This training will assist vendors to provide their services within an efficient and safe manner.</li> </ul>
	<ul style="list-style-type: none"> <li>Increase health financing and support health workforce in developing countries (3.C)</li> </ul>	[GRI Standard 203-2]		<ul style="list-style-type: none"> <li>Bank Alfalah donated to health organizations such as Shaukat Khanum Memorial Cancer Hospital and Research Centre, Zindagi Trust, Alamgir Welfare Trust, and Protection and Help of Child Abuse &amp; Neglect (PAHCHAAN).</li> </ul>



UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
				<ul style="list-style-type: none"> <li>Further, the Bank gave charity to Patients Aid Foundation, Indus Hospital &amp; Health Network, Alamgir Welfare Trust, and Al Mustafa Welfare Society.</li> <li>Bank Alfalah provided financing to hospitals through SBP refinancing schemes for capacity enhancement.</li> </ul>
	<ul style="list-style-type: none"> <li>Free primary and secondary education (4.1)</li> <li>Equal access to quality per-primary education (4.2)</li> </ul>	[GRI Standard 203-2]	<ul style="list-style-type: none"> <li>Provide primary education to all children</li> <li>Universal access to higher education and vocational training</li> </ul>	<ul style="list-style-type: none"> <li>Bank Alfalah financially supported the following NGO/institutions to promote education: <ul style="list-style-type: none"> <li>Karawan-e-Hayat</li> <li>Zindagi Trust</li> <li>Habib University</li> <li>Deaf Reach</li> <li>Institute of Business Administration, Karachi (IBA)</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>Equal access to affordable technical, vocational and higher education (4.3)</li> </ul>	<ul style="list-style-type: none"> <li>Hours of training that the organization's employees have undertaken during the reporting period. [GRI Standard 404-1]</li> </ul>		<ul style="list-style-type: none"> <li>The Bank believes in developing its employees through technical and soft skills trainings. The Bank conducts various training programs for its employees. During the year, over 180 thousand hours of training were imparted to bank's staff.</li> <li>Bank Alfalah signed MoUs with educational institutions: <ul style="list-style-type: none"> <li>Zindagi Trust,</li> <li>Habib University, and,</li> <li>IBA,</li> </ul> to fund scholarships to deserving candidates </li> </ul>
	<ul style="list-style-type: none"> <li>Eliminate all discrimination in education (4.5)</li> </ul>	[GRI Standard 404-1]		<ul style="list-style-type: none"> <li>Bank Alfalah provided funds to entities such as Protection and Help of Child Abuse &amp; Neglect (PAHCHAAN), Karwan-e-Hayat, Zindagi Trust &amp; Special Olympics Pakistan, NOWPDP and Care Foundation to empower children with education.</li> <li>Bank Alfalah's Raah-e-Falah initiative allows the employees to voluntarily support organizations like TCF with career counseling, and involvement in Rahbar and Baghban programs</li> </ul>
	<ul style="list-style-type: none"> <li>Higher education scholarships (4.B)</li> </ul>	[GRI Standard 203-2]		<ul style="list-style-type: none"> <li>Bank Alfalah offers educational benefits in the form of cash rewards, career progression benefits, fee reimbursements and financial assistance to augment continued development of its people. During 2024, Bank Alfalah extended educational benefits of PKR 14 Million to 250 staff members.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah provided funds for rehabilitation of Adamjee Government Science College, Karachi in order to improve the quality of education for the needy and poor children through Karachi Relief Trust.</li> <li>Bank Alfalah purchased &amp; Installed classroom items (Computers, Multimedia Projectors, Rostrums, Desks &amp; Chairs) in Bahria Model College Gwadar through Sahil Welfare Association.</li> </ul> <p>Bank Alfalah uplifted and upgraded Govt. Primary School Kappar (Balochistan), covering the costs of materials (Cement Bags, Cement Blocks, Metal Rods, Distemper, Desks &amp; Chairs). This initiative aims to provide a better environment and high quality education to underprivileged students through Sahil Welfare Association.</p>



UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
<b>5</b> <b>GENDER EQUALITY</b> 	<ul style="list-style-type: none"> <li>End discrimination against women and girls (5.1)</li> </ul>	<p>Number and rate of new employee hires by gender Percentage of individuals within the governance bodies by gender</p> <p>[GRI Standard 202-1, 401 -1 &amp; 3, 405-1]</p>	<ul style="list-style-type: none"> <li>Overcome inequalities faced by women and girls in education, work and pay</li> </ul>	<ul style="list-style-type: none"> <li>The Bank, in compliance with the SBP has developed a Shari'ah compliant 'Islamic Refinance and Credit Guarantee Scheme for Women Entrepreneurs' to provide financing facilities to women entrepreneurs in order to meet financing needs of their businesses.</li> </ul>
			<ul style="list-style-type: none"> <li>End discrimination against women and girls everywhere</li> </ul>	<ul style="list-style-type: none"> <li>With an intent of making women financially independent, the Bank focuses on improving female participation in the banking sector through Accessibility, Usage, Quality and Promotions of the financial services offered to them. Bank Alfalah now has propositions under the ambit of "Falah Women" as its separate brand identity.</li> </ul>
			<ul style="list-style-type: none"> <li>Achieve a work environment where all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and can contribute fully to the organization's success.</li> </ul>	<ul style="list-style-type: none"> <li>Bank Alfalah Islamic partnered with IBA to provide scholarships to 5 students of which 4 were female.</li> </ul>
			<ul style="list-style-type: none"> <li>To provide a safe work environment for its women employees that is free from all forms of abuse, harassment, and discrimination.</li> </ul>	<ul style="list-style-type: none"> <li>Bank Alfalah focuses on inclusion of more women in its workforce, evidenced by the rise in the Bank's female representation ratio from 12% in 2018 to 20.7 % in 2024.</li> <li>During the year, 1,136 new female employees were hired. This represents 25.25%.</li> <li>For a holistic approach to manage the strategy execution, the Bank established a D&amp;I Council with Senior Management.</li> </ul>
			<ul style="list-style-type: none"> <li>To ensure opportunities with a focus on financial inclusion by evaluating competitive practices both locally as well as in the international markets and understanding the challenges</li> </ul>	<ul style="list-style-type: none"> <li>The Bank has gender diversity of 13.3% female ratio at Senior Management level. This is in addition to female representation in governance bodies or management committees.</li> <li>Bank Alfalah launched a woman specific program – Welcome Back Program to improve institutional diversity and to position the Bank as an organization that values diversity. The Welcome Back Program is an initiative that gives women a chance to rejoin the workforce after taking a career break due to personal or professional reasons.</li> </ul>

UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
	<ul style="list-style-type: none"> <li>End all violence against and exploitation of women and girls (5.2)</li> </ul>	[GRI Standard 203-2]	<p>faced by women customers in general to make simplified procedures with shorter turnaround times while staying compliant with the regulatory practices.</p>	<ul style="list-style-type: none"> <li>Bank Alfalah being an equal opportunity employer takes pride in its non-discriminatory and merit based practices with a prime focus on maintaining a conducive and secure work environment for its employees and has strict policies in place to counter harassment and misconduct towards women. There is a separate Anti-Harassment Committee representative of high level management where employees can report their grievances and harassment incidences.</li> <li>Bank Alfalah is always uncompromisingly committed to offering a work environment where all employees feel secure and have growth opportunities equally. In order to impart awareness on Whistle Blowing, Harassment at Workplace and how to handle it, the Bank regularly conducts exclusive sessions in collaboration with all stakeholders for its employees.</li> </ul>
	<ul style="list-style-type: none"> <li>Participation in leadership and decision making (5.5)</li> </ul>	<p>Composition of the highest governance body and its committees by gender. Nomination and selection processes for the highest governance body and its committees</p> <p>Individuals within the organization's governance bodies by diversity (Gender)</p> <p>[GRI Standard 102-22&amp;24, 405-1]</p>		<ul style="list-style-type: none"> <li>Bank Alfalah obtains annual feedback from its female employees on the Bank's policies, benefits, culture and environment to make improvements in its policies. The Bank conducts focus groups, pulse check surveys, exit interviews and maintain a dedicated communication channel for women to stay in constant contact.</li> <li>Bank Alfalah has launched Bank Alfalah Islamic Women Account for women. It is a profit-bearing deposit account designed specifically for women. It operates on the principles of Mudarabah, allowing women to earn halal profits on their savings while providing them with financial security and accessibility.</li> <li>SHELEAD is in-house signature leadership development program for women, enabling women to drive their careers forward, overcome self-limiting beliefs, and build strategic networks. It uses discussions, self-reflection activities and videos as training methodologies.</li> <li>Ignite - Sponsorship Program is designed to facilitate women to seek career guidance from a senior leader who will act as a Coach for them. With this, the Bank aims to develop and groom a stronger women talent pipeline for leadership roles.</li> </ul>
	<ul style="list-style-type: none"> <li>Universal access to reproductive health and rights (5.6)</li> </ul>	[GRI Standard 203-2]		<ul style="list-style-type: none"> <li>Bank Alfalah offers a six month paid maternity leave to all its female employees and the only bank to offer a maternity cover incentive to the employees who serve as maternity covers for the women availing maternity leaves.</li> <li>Bank Alfalah actively supports its female and single parent employees through its child care policy. This initiative anchors the Bank's commitment to working mothers/single parents as it provides them ease in arranging for a day care/care taker whilst setting their sights on their careers.</li> </ul>


UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
	<ul style="list-style-type: none"> <li>Equal rights to economic resources, property ownership and financial services (5.A)</li> </ul>	[GRI Standard 203-2]		<ul style="list-style-type: none"> <li>Bank Alfalah has women-centric products such as the Alfalah Pehchaan account to provide exclusive banking services to empower women and Asaan Pehchaan Digital Account to facilitate women on the Bank's Digital Account Opening Platform.</li> <li>Furthermore, in line with the policy on Banking on Equality, the Bank is working on numerous initiatives aimed at financial inclusion and facilitation of women customers. The Bank has a dedicated section on its website for women.</li> <li>During the year, financial literacy sessions were conducted for women in rural communities, to emphasise on the importance of financial independence and their own bank accounts. Topics covered included budgeting, savings, the benefits of having a personal bank account. By addressing these aspects, the sessions sought to enhance women's financial literacy, enabling them to make informed decisions about their finances providing them the autonomy to manage their economic well-being efficiently.</li> <li>Bank Alfalah Islamic has successfully introduced Falah Asaan Women Digital Account to facilitate easy digital account opening for females, particularly of low income and unbanked segment. The shari'ah compliant savings proposition is available to female masses of all ages and professions nationwide.</li> <li>Bank Alfalah Islamic also offers its women customers special fee waivers in house and auto financing. This empowers BAFL's female customers to build their own assets.</li> </ul>
	<ul style="list-style-type: none"> <li>Promote empowerment of women through technology (5.B)</li> </ul>	[GRI Standard 203-2]		<ul style="list-style-type: none"> <li>The bank has a dedicated platform for women financial services on its website to enable ease of information for women customers.</li> </ul>
<b>6</b> CLEAN WATER AND SANITATION 	<ul style="list-style-type: none"> <li>Safe and affordable drinking water (6.1)</li> </ul>	[GRI Standard 203-2]	<ul style="list-style-type: none"> <li>Water Conservation</li> </ul>	<ul style="list-style-type: none"> <li>In order to provide staff with safe and drinkable water, Bank Alfalah is ensuring only those brands with lab tested water are utilized..</li> </ul>
	<ul style="list-style-type: none"> <li>Improve water quality, wastewater treatment and safe reuse (6.3)</li> </ul>	<ul style="list-style-type: none"> <li>How the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts</li> </ul>		<ul style="list-style-type: none"> <li>In order to increase water usage efficiency, Bank Alfalah has installed sensor-based taps and water optimizers at select locations.</li> </ul>
	<ul style="list-style-type: none"> <li>Increase water-use efficiency and ensure freshwater supplies (6.4)</li> </ul>	<ul style="list-style-type: none"> <li>[GRI Standard 303-1a &amp; c]</li> </ul>		<ul style="list-style-type: none"> <li>Clean, fresh water is being supplied to Bank Alfalah's buildings and branches.</li> <li>Reduced and responsible consumption of water is taught to employees and janitorial staff through various internal communications and signage.</li> </ul>



UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> <li>Promote access to research, technology and investment in clean energy technology (7.A)</li> </ul>	[GRI Standard 203-2]	<ul style="list-style-type: none"> <li>Develop means to provide affordable and sustainable energy to everyone</li> </ul>	<ul style="list-style-type: none"> <li>Bank Alfalah has 30% holding in Sapphire Wind Power Company Limited which has a wind farm in the country and offers clean energy solutions.</li> <li>Bank Alfalah installed a 10KW solar panel system at the Parents Voice Association. The solar panels will provide a continuous supply of electricity, reduce electricity costs, and help maintain comfortable classroom temperatures, as well as support various activity rooms for mentally handicapped children at the school.</li> </ul>
			<ul style="list-style-type: none"> <li>Invest in clean energy sources such as solar and wind</li> </ul>	<ul style="list-style-type: none"> <li>Bank Alfalah offers a green product namely of 'Alfalah Green Energy' for customers willing to install solar energy equipment for generation of electricity in order to facilitate Green Businesses.</li> <li>Bank Alfalah's Investment Banking division has supported sustainable energy initiatives by financing pioneering projects like Shams Power, a solar energy venture, and Lumen Energia, Pakistan's first biomass-powered steam boiler. These projects leverage innovative technologies to deliver renewable, environmentally clean energy solutions. By reducing reliance on fossil fuels and lowering carbon emissions, they contribute significantly to combating climate change and advancing the transition toward a greener future.</li> </ul>
	<ul style="list-style-type: none"> <li>Increase global percentage of renewable energy (7.2)</li> </ul>	<ul style="list-style-type: none"> <li>Fuel consumption within the organization from non-renewable sources,</li> </ul>		<ul style="list-style-type: none"> <li>Bank Alfalah is striving efforts in adoption of clean energy sources to develop sustainable means and reduce substantial amount of energy consumptions through various sources e.g. Solar Panel systems, long backup UPS, inverter ACs, LED lights etc.</li> <li>Approximately 193 Tons of carbon dioxide equivalent has been offset with clean source of energy within 2024.</li> <li>Bank Alfalah provides sales of solar panels and related equipment on installments (Buy Now Pay Later) at 0% markup on AlfaMall – Bank's own ecommerce marketplace.</li> </ul>
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> <li>Promote policies to support job creation and growing enterprises (8.3)</li> </ul>	[GRI Standard 203-2]	<ul style="list-style-type: none"> <li>Promote entrepreneurship</li> <li>Create jobs through economic policies and performance</li> <li>Provide opportunities for decent work to all and end slavery and human trafficking</li> </ul>	<ul style="list-style-type: none"> <li>Bank Alfalah employs over 16,000 individuals and continues to hire hundreds of candidates each year.</li> <li>The Bank expanded its branch network in smaller cities facilitating job creation.</li> <li>Bank Alfalah's operations in Bangladesh, Bahrain, UAE and Afghanistan enable job creation.</li> </ul>

UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
			<ul style="list-style-type: none"> <li>Provide opportunities for fresh graduates to grow and develop within the organization</li> </ul>	<ul style="list-style-type: none"> <li>Bank Alfalah, in compliance with the SBP offers credit to SMEs at affordable mark-up rates through the Prime Minister's Kamyab Jawan Youth Entrepreneurship Program. This has enabled inclusion of untapped markets, allowed entrepreneurs to set up new businesses and further expand existing businesses.</li> </ul>
	<ul style="list-style-type: none"> <li>Diversify, innovate and upgrade for economic productivity (8.2)</li> </ul>	<p>Type and scope of programs implemented and assistance provided to upgrade employee skills.</p> <p>Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.</p> <p>[GRI Standard 404-2]</p>	<ul style="list-style-type: none"> <li>Create jobs through economic policies and performance</li> <li>Provide benefits for the employees to gauge in their further studies</li> <li>Deliver learning and development opportunities within the organization</li> </ul>	<ul style="list-style-type: none"> <li>Bank Alfalah's rigorous learning strategy enables employees to build their skill-set through a series of technical and soft skills programs available on the learning management system and in classroom settings.</li> </ul>
	<ul style="list-style-type: none"> <li>Full employment and decent work with equal pay (8.5)</li> </ul>	<ul style="list-style-type: none"> <li>Total number and rate of new employee hires during the reporting period</li> <li>Percentage of senior management at significant locations of operation that are hired from the local community.</li> </ul>	<ul style="list-style-type: none"> <li>Provide opportunities for quick and easy access to funds</li> </ul>	<ul style="list-style-type: none"> <li>Through its Welcome Back Program, Bank Alfalah aims to improve institutional diversity and to position the Bank as an organization that values diversity. This Program gives women a chance to rejoin the workforce after taking a career break due to personal or professional reasons.</li> </ul>
				<ul style="list-style-type: none"> <li>4,497 new candidates were hired by Bank Alfalah during 2024 to support its expansion.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah operates in more than 240 cities across Pakistan. Preference while hiring is given to the youth from the local community.</li> </ul>
				<ul style="list-style-type: none"> <li>As part of the code of conduct compliance, Bank Alfalah ensures that it operates as an equal opportunity employer to become the employer of choice. The bank realizes the significance of inducting for right talent hence a key consideration factor in the hiring decision is ensuring the best competency and cultural fit</li> </ul>

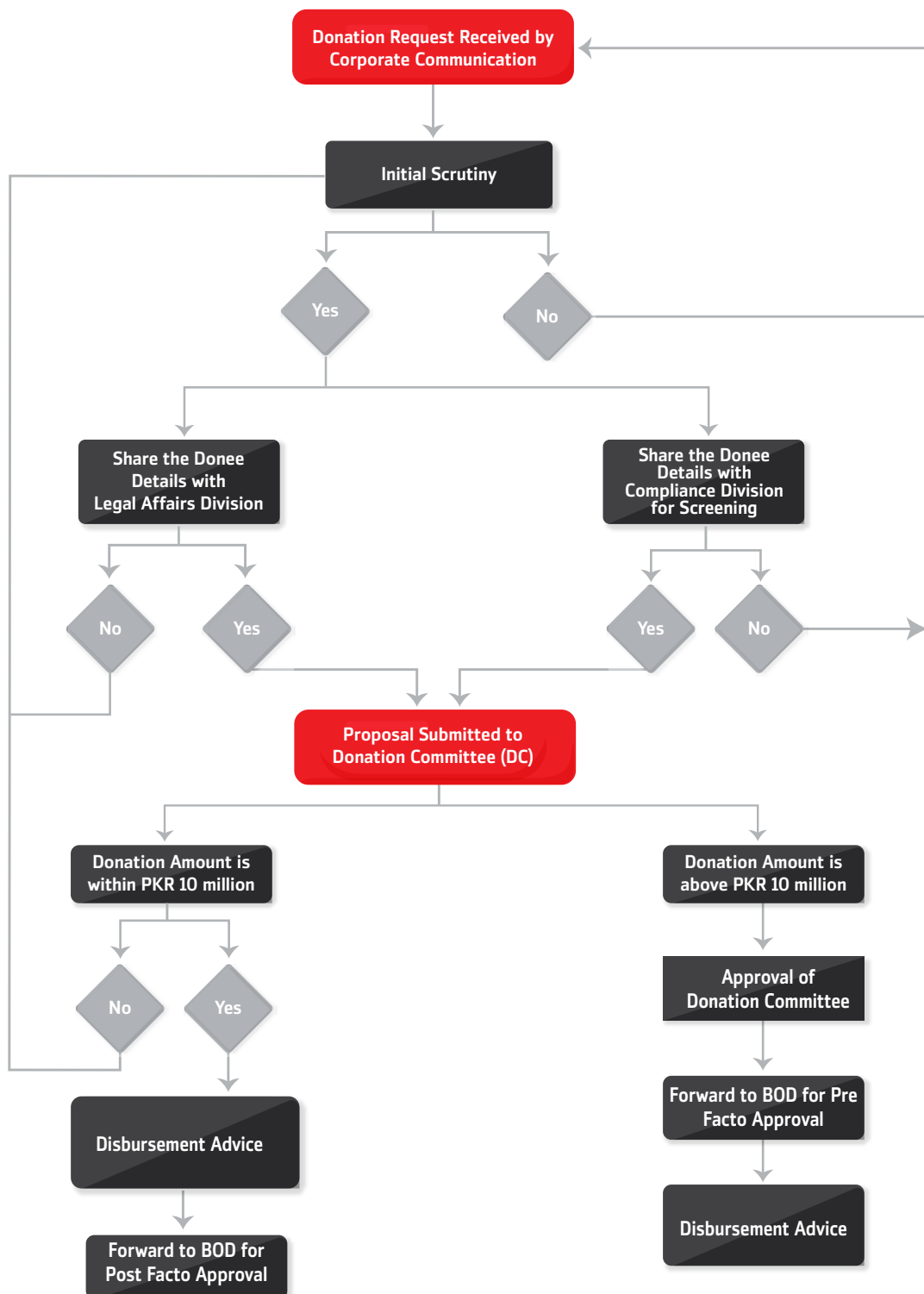
UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
	<ul style="list-style-type: none"> <li>Promote youth employment, education and training (8.6)</li> </ul>	[GRI Standard 202-2 & 401-1]		<ul style="list-style-type: none"> <li>Bank Alfalah's premium Management Trainee Program 'AlfaLead' ensures that fresh graduates are hired from universities locally and internationally to ensure that a middle level management pipeline is created with young talent. There are various other batch hiring in multiple avenues and departments which are opened by Bank Alfalah to cater to fresh graduates from universities across Pakistan and minimal experience providing great work opportunity to fresh graduates.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah's Internship Program further works in bringing in candidates pursuing their degrees for a flavor of the organization so that they have the right experience to join the company after graduation.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah's Learning Team works specifically understanding the training and development needs of each department and their employees and arranges specific trainings as per their job requirements for them to perform better in their roles.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah offers policies and benefits supporting employees in their higher studies by providing reimbursements.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah also offers education assistance for colleagues opting for further qualifications</li> </ul>
	<ul style="list-style-type: none"> <li>Universal access to banking, insurance and financial services (8.10)</li> </ul>	[GRI Standard 203-2]		<ul style="list-style-type: none"> <li>Bank Alfalah Islamic along with SBP team successfully conducted two financial literacy sessions in Thatta for local women handicraft workers and university students. The sessions were organized and hosted by UN women for women's economic empowerment. The audience was made aware of how banking products and services can uplift them economically.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah Islamic in collaboration with Indus Earth Trust organized financial education program for women. The audience was introduced to digital account opening process via RAPID. On spot account opening activity was conducted through tablets</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah also boasts its footprint of Agent Network in the country to serve the Government to person (G2P) mandates, allow for easy Money Transfer, Bill Payments and Airtime purchase activities using its Branchless Banking license.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah is focused towards financial inclusion of the underserved and the unbanked for which it offers numerous initiatives like Branchless Banking, Agent Network, QR/Proximity Payments, Cash Deposit Machines, Remote Account Opening (RAPID and Roshan Digital Account), and G2P initiatives including the World Bank affiliated program of BISP.</li> </ul>



UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
	<ul style="list-style-type: none"> <li>Increase aid for trade support (8.A)</li> </ul>	[GRI Standard 203-2]		<ul style="list-style-type: none"> <li>Bank Alfalah developed a remittance loan offering which allows loans to be offered to remittance beneficiaries. For further details on products offered by the Bank, please refer 'Organizational Overview'.</li> <li>Bank Alfalah offers SBP's Temporary Economic Refinance Facility (TERF) to its clients in order for them to expand their presence and contribute in terms of exports to help bridge the country's trade deficit.</li> <li>To promote export of non-traditional items, the Bank offers export refinance schemes in partnership with the central bank. Additionally, the Bank offers a number of import and export on and off book loan facilities.</li> </ul>
<b>9</b> INDUSTRY INNOVATION AND INFRASTRUCTURE 	<ul style="list-style-type: none"> <li>Increase access to financial services and markets (9.3)</li> </ul>	<ul style="list-style-type: none"> <li>Invest in innovation and infrastructure to promote digital inclusion, sustainable industry practices and scientific research</li> </ul>	<ul style="list-style-type: none"> <li>Provide opportunities for quick and easy access to funds</li> <li>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster</li> </ul>	<ul style="list-style-type: none"> <li>Bank Alfalah, in addition to expanding remote ADC services and transaction touch points (by deploying ATMs/CDMs/CCDMs across Pakistan), has launched innovative products on its digital application platform (Alfa) to make financial services and market accessible to all. These include digitally enabled investments, insurance, deposit products and consumer loans.</li> <li>Bank Alfalah is expanding its network of merchant hotspots in the form of Digital Sales and Service Centers in market locations to digitalize and expand the business throughput of the merchants in the vicinities.</li> </ul>
	<ul style="list-style-type: none"> <li>Enhance research and upgrade industrial technologies (9.5)</li> </ul>	<ul style="list-style-type: none"> <li>Direct economic value generated and distributed</li> </ul>		<ul style="list-style-type: none"> <li>The Bank has over 1,100 branches across Pakistan and is connected with its customers through 100,000+ touchpoints. These include ATMs, Cash Deposit Machines, Cheque and Cash Deposit Machines, POS machines, Agents, QR codes, website.</li> <li>The Bank opened Pakistan's first Digital Lifestyle Branch in Karachi, and also operates via four Digital Sales and Service Centers. The Digital Lifestyle Branch boasts the first of its kind banking-cum-lifestyle solutions of BNPL Store, Digital lockers, Digital Sales &amp; Service Center, Securities, Investments and Consumer Financing Desks, Shared workspaces and a café.</li> <li>Bank Alfalah, in compliance with the SBP offers credit to SMEs at affordable mark-up rates through the Prime Minister's Kamyab Jawan Youth Entrepreneurship Program. This has enabled inclusion of untapped markets, allowed entrepreneurs to set up new businesses and further expand existing businesses.</li> <li>To better facilitate digital payments and deposit mobilization, the Bank facilitates on-boarding of NGOs/ trusts/ hospitals/ educational institutes on digital platforms. The Bank's solutions help connect the donors to the platforms working towards advancement of underprivileged segments of the society. Some partners successfully on-boarded are Indus Hospital &amp;</li> </ul>

UN Sustainability Goal	Sub-Goal	GRI Standard	Intended Impact	Bank Alfalah's Contribution
				Health Network, Al-Khidmat Foundation Pakistan, Alamgir Welfare Trust, SUNDUS Foundation, The Patient Behbud Society and Shahid Afridi Foundation.
	<ul style="list-style-type: none"> <li>Reduce transaction costs for migrant remittances (10.C)</li> </ul>	[GRI Standard 203-2]	<ul style="list-style-type: none"> <li>Bridge widespread income inequality through financial regulation, development aid and safe migration opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Bank Alfalah's products and services such as the Roshan Digital account, Rapid account, Cash-over-Counter payments, Instant Account Credit to BAFL and Ilink member bank account holders, same day account credit to other bank holders via RTGS and money exchange partnerships are a step ahead towards equality of access to financial avenues.</li> </ul>
	<ul style="list-style-type: none"> <li>Empower and promote the social, economic and political inclusion of all (10.2)</li> </ul>	Reduce inequality within and among countries		<ul style="list-style-type: none"> <li>Bank Alfalah facilitates remittance payments by having partnered with world renowned Money Transfer Operators, Financial Technology Companies, Banks, and Exchange Houses. As a proud PRI member bank, Bank Alfalah also facilitates remittances under the SBP PRI Rebate Scheme whereby remitters benefit from zero remitting charges. The Bank's network of 1,100+branches facilitates the walk-in beneficiaries especially in rural areas in receiving cash over the counter remittances from their nearest branch, thereby reducing the cost of travel, etc. Bank Alfalah has also conducted various marketing campaigns to create awareness of the use of legal banking channels for sending remittances to Pakistan.</li> </ul>
				<ul style="list-style-type: none"> <li>Bank Alfalah established a dedicated network model branches specializing to serve PWDs (Persons with Disabilities). The branches (Islamic as well as conventional branches) are facilitated with modern infrastructure, technologies and facilities to help improve the financial inclusion of the specially abled community.</li> <li>Bank Alfalah Islamic has contributed PKR 3.6 million to support the cause of promoting education for children with disabilities through its collaboration with Deaf Reach organization.</li> </ul>
	<ul style="list-style-type: none"> <li>Safe and affordable housing (11.1)</li> </ul>	<ul style="list-style-type: none"> <li>Extent of development of significant infrastructure investments and services supported.</li> <li>Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</li> </ul>	<ul style="list-style-type: none"> <li>Create good and affordable public housing in cities</li> <li>Involve more citizens in urban planning</li> <li>Invest in public spaces and green initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Further, the Bank offers multiple variants of housing loans as a part of its own product suite. These are for salaried class as well as self-employed. The available products, covering both conventional loans and Islamic financing, can be availed on fixed and variable rate terms.</li> </ul>

# MONITORING MECHANISM OF CSR FUNDS



After the disbursement of donations amount, the NGO submits the utilisation report within a year.

# QUOTES OF SUSTAINABILITY CHAMPIONS



**Faisal Farooq Khan**  
Chief Human Resource Officer

“

At Bank Alfalah, our cultural values shape how we work; they form the foundation of our progress and continue to inspire our people with the way forward.

”

“

Green Banking has become a cornerstone of modern financial services, essential for building a sustainable future. In an economy defined by rapid change and growing environmental consciousness, adopting sustainable practices is no longer optional. It is vital for the continued relevance and resilience of the banking industry.

”



**Faisal Rabbani**  
Chief Risk Officer- Credit & Risk  
Management Group



**Anjum Hai**  
Chief Financial Officer

“

Bank Alfalah is advancing its commitment to sustainability by enhancing its reporting practices in line with global standards. As a forward-looking financial institution, we aim to set new benchmarks and lead the transition toward a more sustainable future.

”

“

At Bank Alfalah, through our Non-Financial Advisory Services, we empower SMEs, especially women-led and rural enterprises with the tools to grow sustainably, bridge market gaps, and drive inclusive economic progress!

”



**Farzeen Talat**  
Manager SME Non Financial  
Advisory Services



**Mohammad Sohail Haider**  
Head Environmental Risk and  
Green Banking

“

As a Chief Green Banking Manager, my mission is to embed environmental consciousness into every financial decision, ensuring our actions today build a future where both our business and the planet thrive in harmony.

”

“

We continue to champion diversity as a powerful force for progress in business and society. Recognising the pivotal role women play across our workforce and customer base, we remain dedicated to ensuring they have fair access to opportunities, support, and resources.

”



**Aneeqa Kayani**  
Head Premier Proposition  
Department



**Shaykh Zeeshan Rauf**  
Head SME & Commercial Division

“

Small and Medium Enterprises (SMEs) remain fundamental drivers of sustainable growth, particularly in developing economies. With our broad range of tailored products and an extensive distribution network, we remain committed to enabling SMEs to unlock their true potential.

”

“

We embarked on our sustainability reporting journey three years ago, and every step since has deepened our learning. We know the road ahead is long, but our focus remains clear: steady progress, consistent action, and continual improvement.

”



**Madiha Javed Qureshi**  
Head Corporate Communications



**Imran Assad Khan**  
Head-Branch Banking Operations  
Division

“

In 2024, we actively supported the rehabilitation of flood-affected communities. We take pride in our efforts, and are confident that our contributions will leave a lasting impact.”

”

“

Sustainability goes beyond installing efficient equipment or shifting to renewable energy. It involves a daily commitment from each one of us—transforming our behaviours and attitudes to create meaningful, lasting change.”

”



**Syed Ali Jawed Akhtar**  
Unit Head-Overseas Ops. &  
Investor Relations



**Wahab Ahmed Qureshi**  
Head Corporate Services

“

“True leadership in sustainability requires more than just good intentions, it demands action. We are passionate about the Earth’s well-being and dedicated to finding solutions that reduce our footprint while preserving the planet’s vital resources. Every step we take is a small but powerful commitment to a better, greener future.”

”

“

Sustainability, health, and safety are at the core of our operations. By reducing our environmental impact, we lead the way in proving that financial growth, a healthier planet, and a safe environment can thrive together.”

”



**Raihan Tanveer**  
Unit Head Business Resilience  
& HSE Unit



**Madiha Kanwal**  
Manager Business Resilience  
& HSE Unit

“ My professional journey is driven by a belief that purposeful action today builds a resilient, low-carbon tomorrow. ”

“ Bank Alfalah has been instrumental in driving financial inclusion at the grassroots. In 2024, the Bank enabled disbursements of over PKR 128 billion to 47% of BISP beneficiaries, reaching 4.4 million individuals in a quarter. As we forecast PKR 200 billion in 2025, our focus remains on accessible, sustainable banking for every underserved community. ”



**Ali Ibad**  
Head Agent Network



## SUSTAINABILITY ASPECT: PROHIBITED FINANCING

In adherence to its commitment to sustainability, the Board and Management of BAFL have established a policy to prohibit certain activities across its channels. The following activities are deemed impermissible:

### OPENING OR MAINTAINING:

- Trading in live animals of endangered species.
- Handling or dealing with explosives, fireworks, or pyrotechnic devices and supplies.
- Entering into or continuing business relations involving or related to:
  - Gambling entities or bookies.
  - Dealers engaged in the illegal distribution of arms and ammunition.
  - Illegal narcotics.
  - Pornography.
  - Human trafficking.
  - Illegal distribution and manufacturing of alcohol.
  - Dealing in unlicensed hazardous materials.
  - Banned or illegal drugs or other controlled substances.
  - Combustibles or corrosives.

Any other goods and services that do not comply with the applicable laws and regulations of the Islamic Republic of Pakistan.



# STAKEHOLDERS' ENGAGEMENT





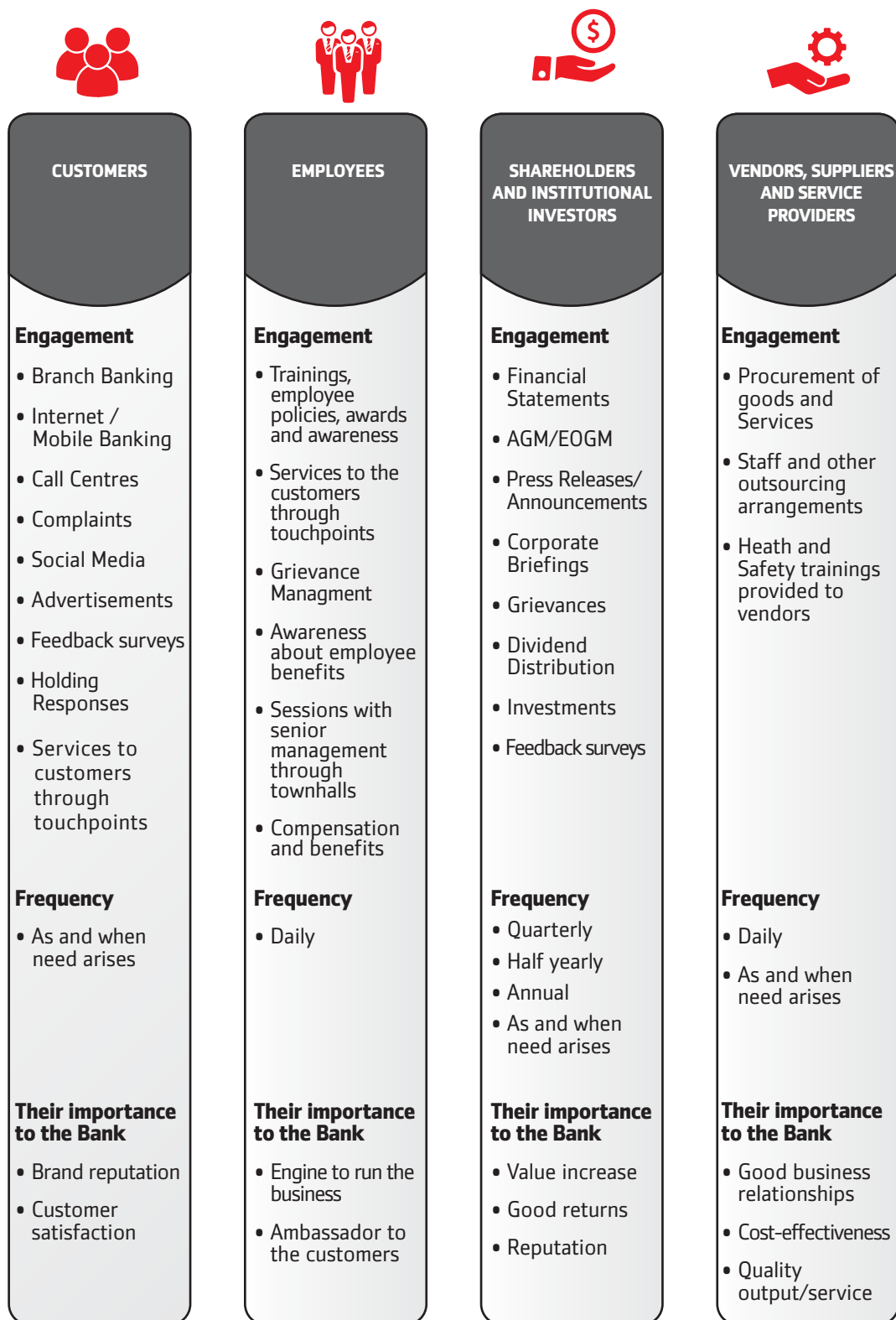
## Board's Focus on Stakeholders' Engagement

The Board has set a framework and guiding principles for the management to ensure transparency and regular interaction with stakeholders, particularly shareholders, and investors. The Bank's management strives, through various platforms such as branches, digital channels, media, and social media platforms, to understand the views and sentiments of its stakeholders.

## Managing the Relationships

The Bank holds its key stakeholders in high regard and follows an end-to-end engagement process to keep them informed and involved. Internal as well as external stakeholders are engaged regularly or as and when needed. The Bank continually improves its offerings and services, aiming to meet and exceed stakeholders' Expectations.

# STAKEHOLDERS' ENGAGEMENT PROCESS AND FREQUENCY OF SUCH ENGAGEMENTS





#### ANALYSTS AND RATING AGENCIES

##### Engagement

- Ratings Reports
- Results Release

##### Frequency

- Quarterly

##### Their importance to the Bank

- Independent view providers for the customers
- Build trust
- Support credibility



#### REGULATORY BODIES

##### Engagement

- Compliance with Laws and Regulators
- Proactive Engagement and Connection with various Regulatory Agencies
- Meetings and Regular Discussions with regulators

##### Frequency

- As per regulatory timelines

##### Their importance to the Bank

- Transparency
- Check and balance



#### COMMUNITY

##### Engagement

- Employment
- Health
- Safety
- Welfare
- Education
- Economic Capital
- Environmental Capital
- Social Capital
- Leadership Development
- Promotion of Sports, Arts and Culture

##### Frequency

- As and when need arises

##### Their importance to the Bank

- Socially responsible citizenship
- Sustainability



#### MARKETING, MEDIA AND VISIBILITY CHANNELS

##### Engagement

- Products and Services Outreach
- Regulatory Information
- Awareness through Advertisements and Promotions
- Press Releases

##### Frequency

- As and when need arises

##### Their importance to the Bank

- Public image
- Brand awareness





**Successful Stakeholder Management**

**Feedback is incorporated in the process**

# CUSTOMERS

## Customer Experience and Complaint Management

The Customer Experience Unit functions as the centre point for promoting customer interests and serves the customer-centric agenda of the Bank which majorly revolves around the following:

- Bank's conduct with customers
- Improving our service levels
- Pushing service innovation
- Understanding the customer via research
- Service culture evolution within the Bank

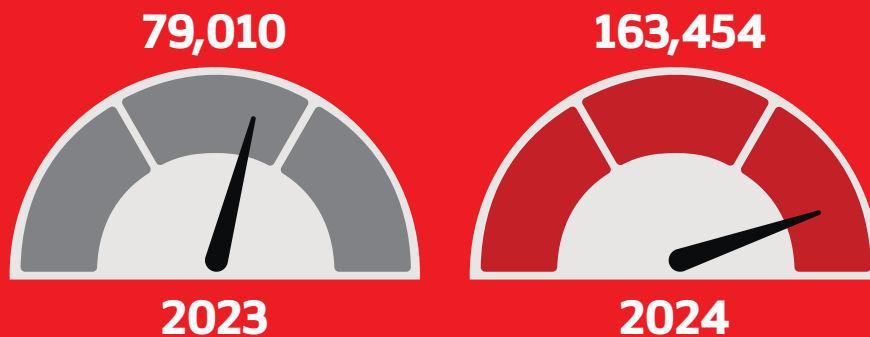




## THE CUSTOMER EXPERIENCE UNIT WORKS ON THE FOLLOWING TO PROMOTE CUSTOMER CENTRIC CULTURE.



In 2024, the Bank received 163,454 complaints, achieving an impressive average resolution time of 4.3 working days.



# COLLEAGUES

## Culture at Bank Alfalah

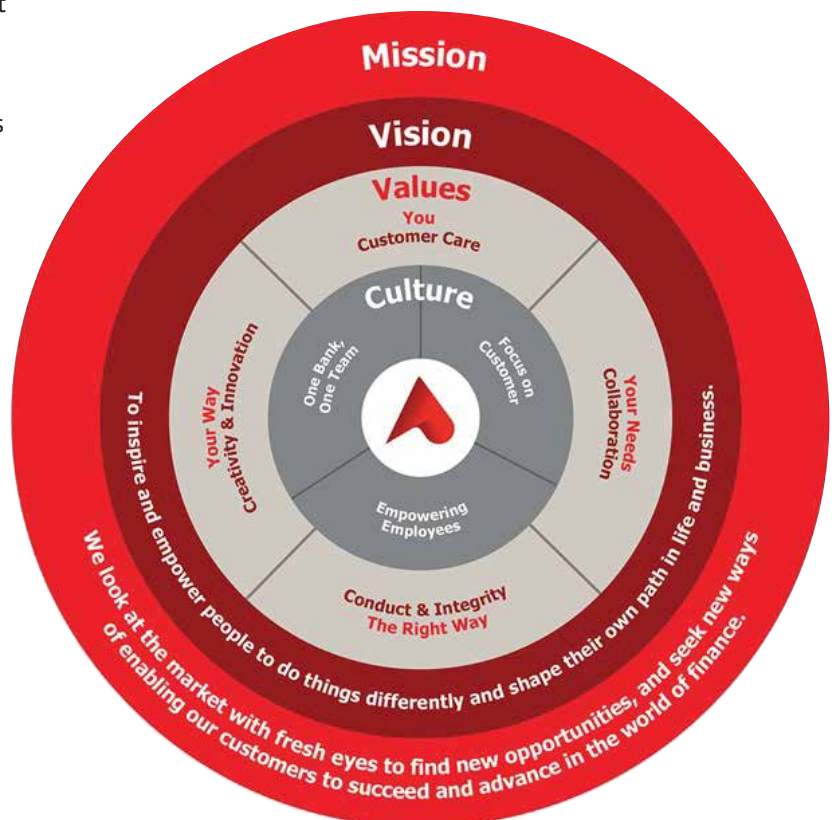
Bank Alfalah is committed to fostering a positive culture that cultivates employee satisfaction and paves the way for a more diverse and inclusive workplace, where individuals discover their purpose and are motivated to come to work every day.

Bank's culture strategy rests on the following pillars:

- One Bank, One Team
- Focus on Customers
- Inspiring and Empowering our People

The Bank's 4 Values are clearly defined by associating specific behaviors and competencies with them. This enables our people to develop a comprehensive understanding of the purpose and significance of these Values. This alignment fosters a positive culture and creates an inclusive workplace where everyone, regardless of age, race, religion, gender, ability, or other characteristics, can thrive.

All proposed initiatives are driven by feedback from employees, ensuring a direct impact on business outcomes, behavioral improvements, and customer loyalty. The Bank's Culture Strategy is a key component of the Bank's overarching 5 Year Strategy. Therefore, all efforts to define and demonstrate its desired Culture and Values stem from this commitment to creating a unified, purpose-driven workplace that aligns with the Bank's overarching mission and vision.



# TALENT ACQUISITION AND ADVISORY

- **Talent Acquisition** - To maintain an uninterrupted talent pipeline and to support the diverse business operations, the Bank inducts mid-level and fresh graduates through hiring programs. All prospective candidates are evaluated through a structured recruitment process. In 2024, there were 4,497 individuals on boarded through lateral and batch programs with the primary focus on ramping up the frontline workforce

Headcount	Number	%	Male	Female
Total Permanent/Full-Time Colleagues	16,132	69.37%	12,796 (79.3%)	3,336 (20.7%)
Outsource Staff	105	30.63%	94	11
Peons, Riders and Maintenance	1827		1813	14
Janitorial Staff and Security Guards	5,194		5187	7
Total Third Party Staff	7126		7094	32

New Recruits of Permanent Staffs	4,497	27.9%	3,362	1,135
Turnover of Permanent Staff	2,726	16.90%	1998	728

Salaries		
Permanent Staff Minimum Salary*	50,000	Contracts/Agency/Consultants This is not calculated at the moment; however will be doing that for the next reporting cycle
Third-Party Minimum Salary*	36,000	

- **HR Advisory** - The HR Advisory function continues to support all business functions in areas such as employee retention, grievance management, conducting employee engagement sessions, and so on. As part of this function, the talent classification exercise was successfully carried out for critical positions in order to maintain the bench strength of senior talent. There is a focused approach to building a talent pipeline through succession planning to ensure successors at all leadership levels and critical positions. Development plans are devised for high performers, which includes their training and coaching needs.

# LEARNING AND DEVELOPMENT

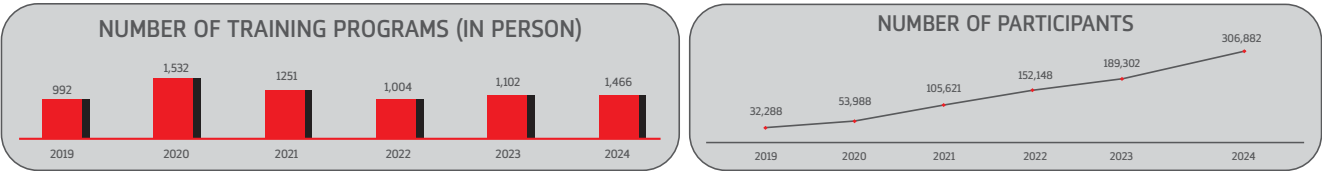
“Opportunity to Learn and Grow” is one of the main pillars of the Bank’s People Happiness Charter. The aim is to invest in employee development and training opportunities so that the employees continue to hone their skills and advance their careers. Specific focus is placed on job role enrichment, upskilling employees and professional development to enhance the skill set of the workforce.

Strengthening the employee induction programs is another focus area to ensure a smooth transition of new joiners by equipping them with knowledge about the Code of Conduct, Culture, Systems, Policies and Compliance. The Bank hosts two programs; Start Right – for all new joiners, and Ready to Perform – for front line employees.

2024 remained an exceptional year for learning and development. The year witnessed a digital transformation of learning methodologies, revamping our physical learning spaces. From virtual infrastructure upgrade to extending innovative learning opportunities, the Learning Division made concerted efforts to equip employees with the best skill-set, enabling them to discover new and better ways to serve our customers.

In line with the Employee Happiness Charter to extend opportunities to learn and grow, learning interventions were offered virtually as well as in person. Training interventions and e-learning modules were offered in various disciplines.

Given below is a glimpse of learning quantum for the last 6 years:



The focus remained on capacity-building in line with regulatory frameworks and global compliance obligations, with several initiatives undertaken in this regard. With the help of in-house and external subject-matter experts, various learning programs were arranged on Anti-Money Laundering, TF Risk Assessment and CFT Obligations, Trade Based Money Laundering and Cyber Security Awareness. Realising contemporary trends and for future-proofing the employees, learning initiatives have been taken to increase their digital quotient. Frontline teams were upskilled on product and process knowledge, and enhanced levels of customer service.

Leadership training was organised for the executives. Knowledge sessions were organised for various businesses including a special focus on SBP initiatives. Further, in order to induct young talent at Bank Alfalah, a customised batch learning program was organised for Management Trainees. The Bank will continue to inculcate learning solutions for our people to enhance their personal and professional skills and nurture a learning culture for organisational growth. In line with the Employee Happiness Charter, the Bank will be heavily investing in enhancing the Customer Happiness Journey by upskilling the employees on Service Quality Management.

Training on anti-corruption is an integral part of mandatory training for all Bank Alfalah employees, reinforcing a culture of integrity and accountability across the organization. Every contract signed with external parties for business includes clauses ensuring compliance with laws and regulations.





# DIVERSITY, EQUITY AND INCLUSION (DEI)

Bank Alfalah recognises that embracing diversity, ensuring equity, and fostering inclusion are not only moral imperatives but also strategic drivers of performance. The Bank's DEI commitment is deeply embedded in its ambition to create a workplace where individuals from all backgrounds feel respected, valued, and empowered to contribute their unique perspectives.

With the understanding that diverse teams fuel innovation and lead to better outcomes, Bank Alfalah actively promotes equitable opportunities and inclusive practices. By addressing structural barriers and enabling fair access to growth, the Bank ensures that inclusion goes beyond representation—it becomes a lived experience for all employees.



The DEI agenda is operationalised through inclusive hiring practices, mentorship and sponsorship programs, awareness campaigns, and training initiatives that build a shared language around equity and belonging. These efforts are supported by policies that reflect the Bank's accountability to meaningful progress.

Bank Alfalah's DEI efforts have earned industry-wide recognition, including acknowledgment as the Most Inclusive Organization by the Global Diversity, Equity and Inclusion Benchmarks (GDEIB) 2023 and second place Employer of Choice by the Pakistan Business Council 2024. These accolades reflect its commitment to embedding inclusion into the Bank's daily operations, decision-making, and leadership development.

Through its DEI framework, Bank Alfalah aims to unlock the full potential of its workforce, driving innovation, improving engagement, and contributing to long-term sustainability and growth

## Colleagues Benefits

<b>Medical Insurance</b> <ul style="list-style-type: none"> <li>Hospitalization &amp; OPD</li> <li>Follow-up Treatments</li> <li>Parent's Medical Coverage</li> </ul>	<b>Staff Finances</b> <ul style="list-style-type: none"> <li>Personal Finances</li> <li>House Finance</li> <li>Conveyance/SLCL</li> </ul>	<b>Life Insurance</b> <ul style="list-style-type: none"> <li>Life Insurance Coverage</li> <li>Pay Continuation Plan</li> <li>Staff Finance Insurance</li> </ul>
<b>Welfare Program</b> <ul style="list-style-type: none"> <li>Medical Grant</li> <li>Marriage Grant</li> <li>Educational Grant</li> </ul>	<b>Educational Benefits</b> <ul style="list-style-type: none"> <li>Cash Prizes for IBP Exams</li> <li>Reimbursement of Professional Courses' Fee</li> <li>Financial Assistance for EMBA</li> </ul>	<b>Other Benefits</b> <ul style="list-style-type: none"> <li>Life Insurance Coverage</li> <li>Pay Continuation Plan</li> <li>Staff Finance Insurance</li> </ul>
<b>Leaves</b> <ul style="list-style-type: none"> <li>Privilege Leave</li> <li>Casual Leave</li> <li>Sick Leave</li> <li>Leave for Prolonged Illness</li> <li>Maternity &amp; Paternity Leave</li> <li>Iddat Leave</li> <li>Employee Volunteering Leave</li> <li>Sabbatical Leave</li> </ul>	<b>End of Service</b> <ul style="list-style-type: none"> <li>Provident Fund</li> <li>Gratuity Fund</li> </ul>	

All permanent employees are entitled to parental leaves. In 2024, 271 males colleagues availed the parental leave and 178 female colleagues availed their maternal leaves.

## FEMALE REPRESENTATION IN THE WORKPLACE

Bank Alfalah has 33 governance bodies, including a diverse set of committees for implementing business operations. The detailed members of these committees can be reviewed in the Annual Report on pages 238-257. Women comprise around 13% of the total composition of the governing committees.

- 1 Board
- 7 Board sub-committees,
- Central Management Committee (CMC), Central Credit Committee and Digital Council
- 22 Management Sub-Committees.

Women make up to 20.7% of Bank Alfalah's total workforce, with many holding key leadership positions as mentioned below, reflecting the organization's commitment to promoting gender diversity and fostering an inclusive workplace.

- Chief Financial Officer
- Group Head Retail Banking
- Business Head Corporate South
- Head Premier Proposition
- Head Culture Enablement
- Head Service Distribution & Digital Adoption
- Head Systems, Policies and Procedures
- Head Corporate Credit Risk
- Head AML Compliance
- Head Digital Operations
- Head Cost Control and MI
- Head Digital Innovation & Integrations
- Head Corporate Communications
- Head Roshan Digital Account & Partnership
- Regional Business Head - Corporate Islamabad
- Area Manager(s)
- Team Leader(s) Asset Sales



Gender positioning by  
Bank Alfalah  
Employment level



**Men: 12,796**  
**(79.3%)**

**Women: 3,336**  
**(20.7%)**



Since 2018, the focus has been on DE&I policies and programmes. The following initiatives were launched:

#### **a) Childcare Allowance**

In its quest to create a workplace conducive to family life, Bank Alfalah offers childcare allowance to working mothers and single fathers. With this the Bank support its working parents by aiding them in arranging daycare or caregiver services, thus enabling them to maintain a work-life balance.

#### **b) Maternity and Paternity Leave**

Recognising the distinct responsibilities of both parents, particularly during the initial days of welcoming a newborn, the bank offers a maternity leave of 6 months for working mothers and a paternity leave of 5 days for working fathers.

#### **c) Maternity Cover Incentive**

The implementation of a Maternity Cover policy assures seamless workflow during an employee's maternity leave period. The Bank provides a unique opportunity for employees to step in as 'Maternity Cover' for a duration of 6 months, covering the responsibilities of those on maternity leave. Employees assuming this role receive a monetary incentive upon completion of the 6-month period. In addition this serves as a development opportunity for employees as it diversifies their experience and gives them the chance to learn new skills.

#### **d) Iddat Leave**

Bank Alfalah introduced an unprecedented leave offering, unparalleled in various industries. The organisation provides a fully paid Iddat Leave lasting 130 days exclusively for women employees, ensuring job security and peace of mind during periods of grief following the unfortunate events of a spouse's death or divorce.

#### **e) Flexible Working Hours**

Bank Alfalah strives to establish a work atmosphere that acknowledges the significance of adaptable work schedules. This one-of-a-kind policy is designed to empower employees with the choice to work in ways that best suits their professional and personal needs while ensuring business objectives are consistently met.

#### **f) Communication Channel for Women**

Bank Alfalah maintains a dedicated platform tailored for women, ensuring consistent engagement with its women workforce. This channel serves as a means to disseminate and introduce new initiatives, and reinforce guidelines on addressing harassment. This interactive approach significantly contributes to fostering a more supportive work environment for women.





#### g) **Employee Volunteering Leave**

Bank Alfalah offers leave of up to 2 working days during which employees can donate their time and talents to the communities around them.

#### h) **Celebrating International Women's Day**

In 2024, Bank Alfalah observed International Women's Day throughout its various locations, acknowledging the valuable contributions of its women employees. These celebrations serve as an opportunity not only to recognise existing efforts in fostering gender-inclusive workplaces but also to underscore the ongoing commitment to advancing this initiative. The Bank facilitated panel discussions and group sessions across branches and back offices, providing all employees with an opportunity to contribute their perspectives on enhancing inclusivity within the organisation.

Additionally, the Bank sponsored external events such as Shevolution to showcase its efforts for the community at large and collectively strive for a gender-inclusive space.





### i) Meet and Greet sessions

designed specifically for women to help them grow in their respective career trajectories. The target audience for this program are women who have been in the same role for a long time but have the potential given that they develop their soft skills. For this purpose, a year-long learning roadmap is designed for these women along with assigning mentors from the same fields who can support them in developing the competencies needed for growth.

### j. Uraan Learning Journey

The attrition analysis reveals a notable trend where a considerable portion of women depart due to prioritising family responsibilities or seeking enhanced career opportunities.

Addressing the latter, a customised learning pathway has been developed to empower women to advance their careers within Bank Alfalah. This roadmap provides a clear outline of the skills and competencies required for progression to higher levels within the organisation.

- k. Ignite Sponsorship Program for Women** The Ignite Sponsorship Program for women is a mentorship and coaching initiative tailored exclusively for women, offering personalised one-on-one coaching sessions with senior leaders. All mentors and coaches involved in the program have undergone specialised training in Leading as Coaching and are actively engaged in the Leadership Development Program, ensuring a high standard of quality and support within the initiative.

The poster features the Bank Alfalah logo at the top left with the tagline 'The Way Forward'. To its right are two award icons: 'Bank Alfalah Learning 2021' and 'Bank Alfalah Leading Women 2021'. The top right corner displays the 'Diversity Inclusion' logo. The central text reads 'Learning Roadmap for Women campaign Ignite' in large, bold letters, with 'Ignite' being the most prominent. Below this, a dark banner states 'Sponsorship Program for Women'. The main body of text explains: 'To move further into our inclusion agenda, Bank Alfalah has launched this program to support and mentor women who want to advance their careers with the help of one-on-one coaching that will facilitate their growth within the organisation'. Three key statistics are highlighted in large, bold numbers: '6 months' (long coaching relationship for women with a senior leader), '170+' (Active Sponsees), and '160+' (Active Sponsors). The bottom left corner includes a QR code and contact information: 'Scan QR Code to Access Bank Alfalah Whatsapp', '021 111 225 111', and 'www.bankalfalah.com'.

Bank Alfalah  
The Way Forward

Bank Alfalah Learning 2021  
Bank Alfalah Leading Women 2021

Diversity Inclusion

## Learning Roadmap for Women campaign Ignite

### Sponsorship Program for Women

To move further into our inclusion agenda, Bank Alfalah has launched this program to support and mentor women who want to advance their careers with the help of one-on-one coaching that will facilitate their growth within the organisation

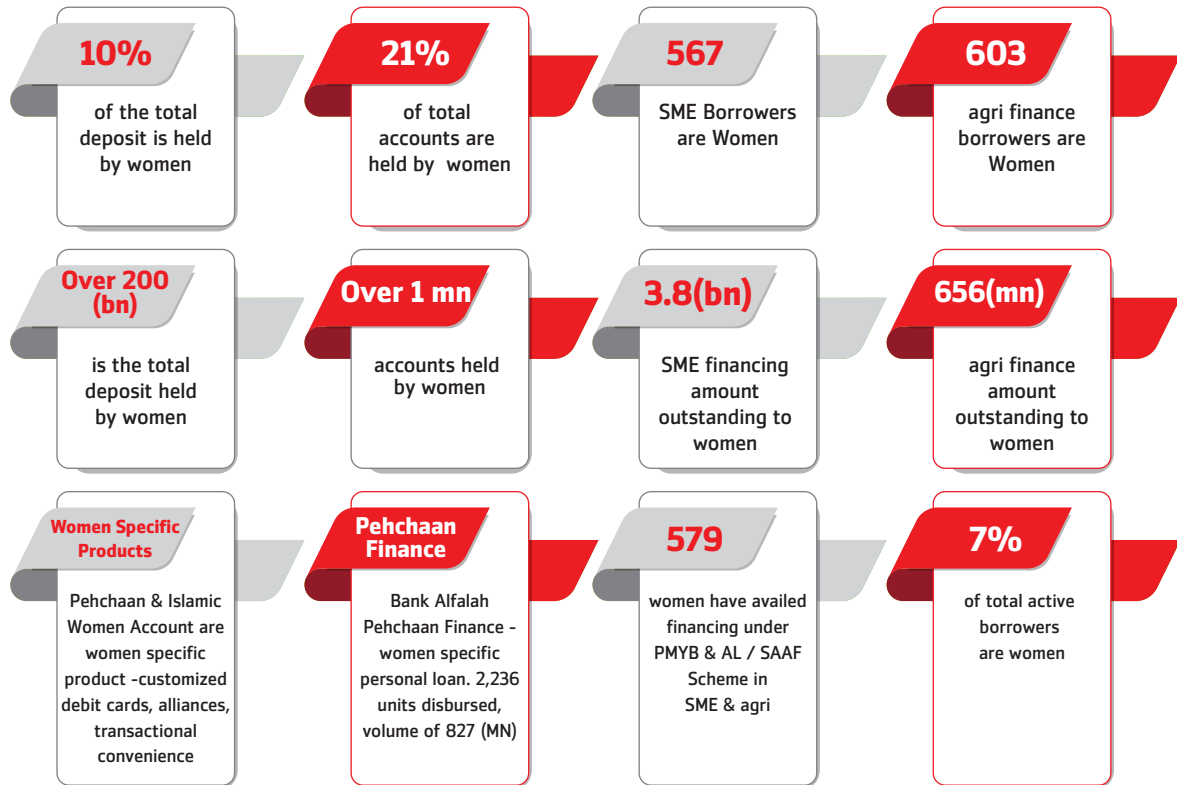
**6 months**  
long coaching relationship for women with a senior leader

**170+**  
Active Sponsees

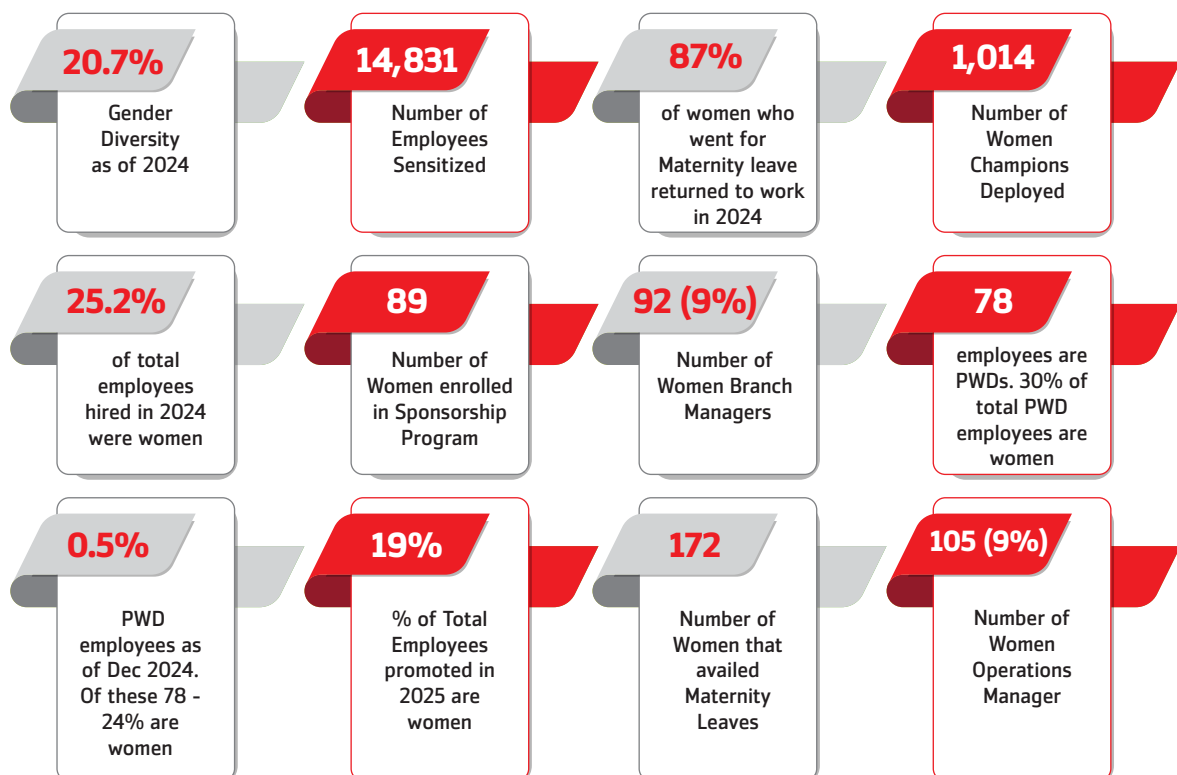
**160+**  
Active Sponsors

Scan QR Code to Access Bank Alfalah Whatsapp  
021 111 225 111 | www.bankalfalah.com

## BANKING ON EQUALITY - BUSINESS



## BANKING ON EQUALITY - HR



# MALE TO FEMALE PAY GAP RATIOS OF SALARY

Tier	Grades	Mean Gender Pay Gap Male : Female Ratio	Median Gender Pay Gap Male : Female Ratio
Tier-1	SVP-II to SEVP-II	<b>0.97:1</b>	<b>1.05:1</b>
Tier-2	AVP-I to SVP-I	<b>1.15:1</b>	<b>1.14:1</b>
Tier-3	OH-IV to OG-I	<b>1.15:1</b>	<b>1.16:1</b>
Tier-4	C/NC	<b>1.17:1</b>	<b>1.12:1</b>

'Investing in Women and Accelerating Progress'  
bridging financial gaps through Diversity, Equity and Inclusivity.





## BANK ALFALAH RAISES MINIMUM SALARY TO RS. 50,000

The Bank has taken the initiative of revising the minimum salaries at all levels. In 2024, the minimum gross salary for Bank Alfalah's permanent employees was PKR 50,000/- in comparison with the minimum gross salary of PKR 40,000/- for 2023.

The minimum wage for Bank Alfalah's third party staff was PKR 36,000/- in comparison with the minimum wage of PKR 32,000/- for 2023. Moving away from the concept of the minimum wage in times of inflation. To better facilitate its employees, Bank Alfalah has also decided to enhance the benefits of staff house finance limits for all its employees.

## PEOPLE HAPPINESS AND EMPLOYEE ENGAGEMENT SURVEY

The Bank employs a comprehensive strategy to measure its culture from multiple perspectives. To measure and ensure a healthy work culture and seamless employee experience, an annual Happiness and Engagement Survey is conducted. In 2025, 90% of the staff nationwide completed the Survey.

### The Survey serves as:

- **A tool to measure engagement-** A valid assessment of how engaged or disengaged the employees are, using scales from validated psychometric surveys
- **A platform for open / candid feedback-** Each participant's voice reaches the senior management
- **A medium to increase employee engagement-** Introduce initiatives and interventions to address problem areas and reduce attrition
- **A driver for organisational growth-** Using valuable data to boost bank-wide development in all areas of business.



2023



2022

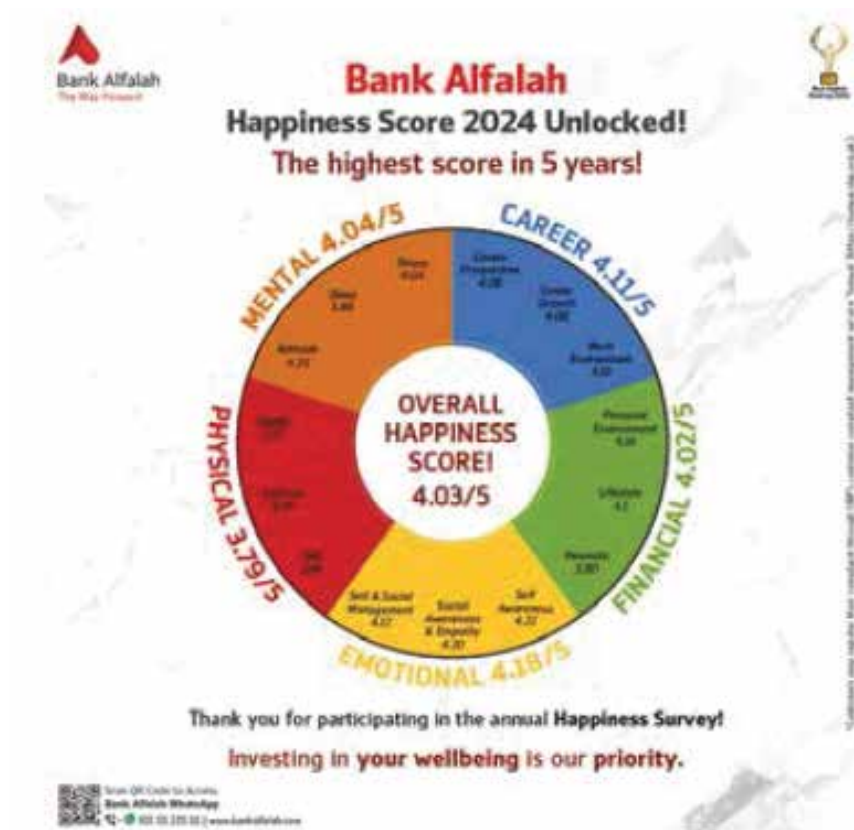


2021



2020





## LEARNING AND DEVELOPMENT METRICS

### INFORMATION

16 average hours of training per year per employee

15,479 staff members participated in training programs, collectively completing 306,882 hours

Total 367 Development Programmes offered for staff

86% employees were appraised, remaining were new joiners who were not eligible

### IMPACT

To support the continuous development of relevant skills for future organisational needs

To support the continuous development of relevant skills for future

To upskill employees in critical areas to meet future organisational demands

Most of the Bank got a career development review

# EMPLOYEE RELATIONS

## CONDUCT AND INTEGRITY

At Bank Alfalah, employees are expected to conduct themselves in accordance with high standards of personal and professional integrity, and in compliance with all the laws, regulations, corporate policies and procedures in force. In order to instil the employees with the true spirit of the culture based on the corporate values, its considered one of the prime responsibilities to organise awareness sessions on conduct and integrity on a regular basis.

Every possible effort is made to cover all aspects of the conduct an employee is expected to follow at the Bank. Regular engagement sessions on treating employees fairly with line managers are hosted to acquaint them with the skills and competencies required to enable a conducive environment. A process to raise a grievance is in place and internal campaigns happens to reinforce and create awareness about Employee Relations and its processes.

This aims to create a safe working space for all employees with a solution-based approach where employees can raise their concerns regarding the following:

- Discrimination
- Maltreatment
- Harassment
- Intimidation
- Unfair Treatment
- False Accusations

Sessions were organised for the staff to minutely cover the topic of 'Protection against Harassment of Women' at workplace to make them realise that Bank Alfalah is uncompromisingly committed to offering a work environment where all its staff feel safe and have equal growth opportunities.

These sessions are meant to empower the employees so that they are able to make informed decisions and work with their full potential towards organisational growth, while securing against internal and external compliance issues. In 2024 the Bank received 63 complaints with 100% resolution.

Training on anti-corruption is an integral part of mandatory training for all Bank Alfalah employees, reinforcing a culture of integrity and accountability across the organisation



# REWARDS AND FINANCIAL SERVICES

The Bank is dedicated to fostering a positive and empowering work environment for its employees. The Rewards and Financial Services function focuses on designing and managing competitive compensation structures, employee benefits, and performance-based incentives. This includes developing comprehensive rewards programs, overseeing salary and bonus schemes, ensuring effective talent retention strategies, and recognizing outstanding performance. Additionally, focusing on financial wellness initiatives, retirement planning, health and wellness programs to support the overall well-being and long-term success of employees.

## Employee Benefits

The Bank offers employee-centric policies and benefits to the employees.

## Remuneration Policy Implementation

Bank Alfalah has a Remuneration Policy in place. For details about the Remuneration Policy, please see the Governance section of this Annual Report.

## Employee Health and Wellness

Apart from the Bank's Health Insurance Policy for Hospitalisation and Follow-up Treatments, Bank Alfalah has provided health card facility having discounts on outpatient services to the employees and their families. Health and Wellness Programs are organized at various offices across Pakistan focusing on overall wellness (including physical and mental well-being) of the employees while fostering healthy work-life balance. Blood donation drives and Influenza vaccination drives are conducted periodically at Bank premises to ensure employee health and safety.

## Bank Alfalah Employee Welfare Programme

The Employee Welfare Programme, which is contributory in nature and aims to provide financial assistance to employees in need for the following purposes:

**i. Medical Grant:** Provides funds for medical emergencies/treatment of employees and their families (insured dependents), where health insurance limit is exhausted as per the Bank's hospitalisation policy, and coverage for critical ailments.

**ii. Marriage Grant:** Provides funds for daughters' marriages.

**iii. Educational Grant:** Provides funds to pay admission fees for professional/postgraduate degrees of employee's children.

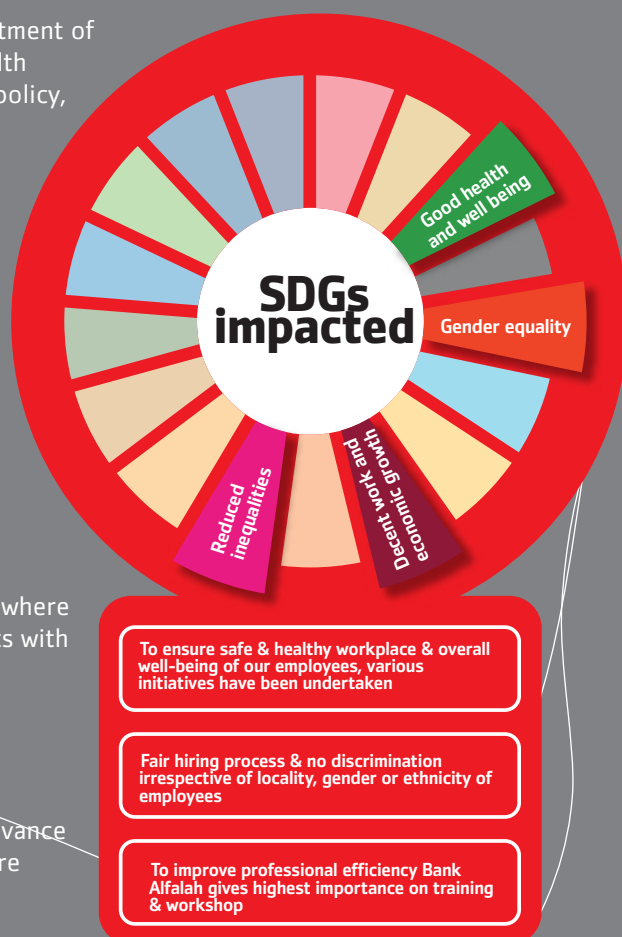
Employees contribute to the fund every month and the monthly contributions are matched by the Bank. During 2024, over 470 employees with grants amount PKR 75.67 million were facilitated through the Bank's Employee Welfare Programme.

## Employee Quick Connect

The Bank has provided employees with a centralised platform where they can access updated HCG policy, guidelines and documents with a single click. This provides hassle-free access to important documents.

## Community Building

The organisation is socially responsible and is generous in partnering with or supporting other social organisations to advance the holistic objective of uplifting the community. Employees are encouraged to participate in and support various community projects, including collaboration with different foundations to conduct blood donation drives across Pakistan. All employees have access to blood provision in case of emergency.



# SHAREHOLDERS AND INVESTORS

Bank Alfalah, being a public listed company, ensures timely disclosure of all material information to the shareholders through Pakistan Stock Exchange. The Bank has an Investor Relations (IR) Department to effectively inform all stakeholders of any material development through various forums and organises quarterly presentations on results, operations, and concerning material developments. Investors can easily access the Bank's financials and analyst briefings, which are available on the official website.

Steps taken to encourage minority shareholders to attend General Meetings:

The Bank organises shareholders' meetings in order to have proper communication with its shareholders, especially minority shareholders. Each shareholder, irrespective of holding and voting power, is important to the Bank. The Bank values them, their concerns, suggestions and grievances, if any. At each Annual General Meeting (AGM) or Extraordinary General Meeting (EOGM), the Bank ensures two-way communication with shareholders.



## Steps taken about redressing investors' complaints

Questions, grievances, or concerns made by shareholders



Review all logs honestly and objectively, and provide a quick answer.



Send information to the concerned shareholder when the share department has resolved the issue.



## SOCIETY

Bank Alfalah considers contributing to society a prime responsibility of the Bank as a responsible corporate citizen. Please refer to the Sustainability Strategy section of this Sustainability Report for details on the engagement with community/society.

## MEDIA AND MARKETING

Bank Alfalah's marketing strategy is built on the foundation of reaching and resonating with audiences at a mass level, ensuring that the brand becomes a household name. The Bank strives to create campaigns that do not just speak to people but speak about them-their aspirations, challenges, and evolving financial needs. By aligning its brand voice with the pulse of the community, the Bank fosters deeper engagement and stronger emotional connections, making Bank Alfalah one of the most talked-about brands in the industry.

The Bank's approach is rooted in a multi-channel strategy that leverage conventional and digital platforms, including television, radio, print, outdoor advertising, and the ever-evolving landscape of social media. This dynamic mix allows it to amplify its messaging, reinforce brand presence, and educate both existing and potential customers about our innovative banking solutions.

As part of its marketing strategy, the Bank ensures that it is present at every customer touchpoint, creating a seamless and impactful brand experience. By deploying campaigns across Above-the-Line (ATL), Below-the-Line (BTL), and Through-the-Line (TTL) platforms, it maximizes engagement and reinforces its identity to challenge destiny. The Bank's initiatives are carefully crafted to resonate with diverse audience segments, ensuring that its message is not only widespread but also relevant.

With a strong emphasis on digital transformation, the Bank has expanded its presence across high-engagement platforms, leverage data-driven digital marketing and targeted social media activations to create a truly immersive brand experience.

Its digital-first approach has enabled it to tap into new consumer behaviours, using advanced analytics and machine learning to curate hyper-personalized content and real-time interactions.

- Some of the prominent marketing campaigns during the year were:
- Strengthening brand presence through sports
- Driving economic growth through remittance campaigns .



- The current account campaign aims to empower customers through fee waivers and provide hassle free banking solutions.
- A modern and engaging approach to the revamp of the Alfa App, for which the campaign was meticulously crafted to target the right audience, particularly tech-savvy individuals and digital-first customers

Bank Alfalah's marketing approach is rooted in executing 360-degree campaigns that not only create an impact within the banking industry but also resonate with the masses. By consistently crafting campaigns that reflects its vision of being a caring and people-first bank, the Bank ensures that our messaging strikes the right chords and makes a lasting contribution.

## Impact Created

In 2024, the launch of the New AlfaMall received the most extensive media coverage, achieving a total of 206 mentions. This coverage was significant, highlighting the growing role of digitisation in shaping the banking landscape. Innovating the digital e-commerce experience by providing customers with a seamless, one-stop shopping platform. Improving financial accessibility while paving the way for a more integrated and customer-centric digital ecosystem.

Other topics that received coverage include digital banking, sustainability, partnerships, financial results and other industry news. These topics indicate that the company is engaged in various activities that interest the media and the public.

## Media Coverage

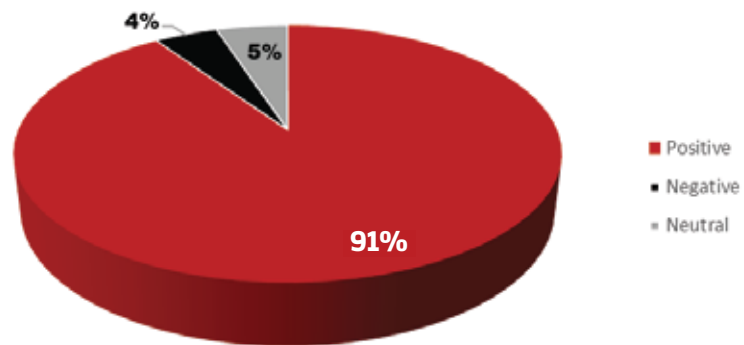
The Bank received over 1,348 total media hits in newspapers, digital and TV publications. This number indicates high media engagement and interest in the company's activities. The coverage was primarily positive, with over 96 percent of the mentions being positive, 5 percent neutral, and 4 percent negative. This is an excellent outcome as positive media coverage can enhance the company's reputation and increase customer trust and loyalty.

The coverage was primarily in English newspapers, with 88 percent of the mentions in English and 12 percent in Urdu. The Bank received coverage in both tier-1 and tier-2 and 3 news outlets. Tier-1 news outlets covered over 63 percent of the company's media mentions, while tier-2 and 3 outlets covered over 37 percent. This indicates that the company is successful in engaging with both mainstream and niche media outlets.



# SENTIMENT ANALYSIS

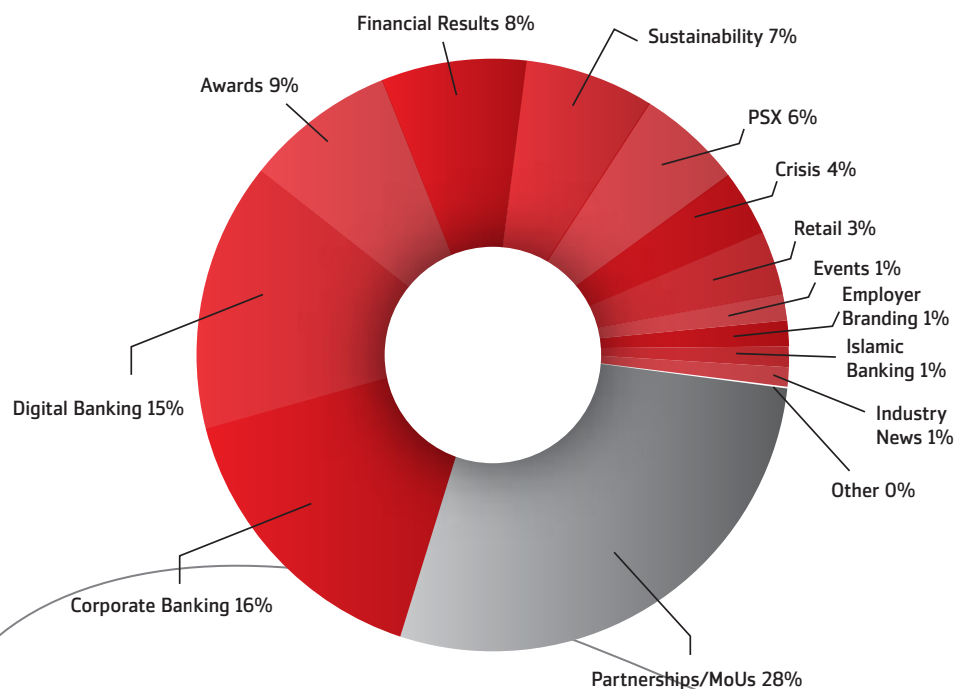
Sentiment Analysis



Medium wise breakdown



## Press Mentions



# MATERIALITY ASSESSMENT

Bank Alfalah's materiality assessment adopts a comprehensive approach to understanding the Bank's impact on stakeholders and how the external environment affects the industry. Key issues are identified along with opportunities and risks that significantly influence assets and the ability to sustain operations. The analysis prioritises these factors based on severity, likelihood, scale, and scope, guiding the mitigation efforts.

Compliance with laws, standards, and the code of conduct is fundamental. The material concerns inform the evolution of strategy and business model. Teams regularly review them to ensure alignment with the evolving external landscape.

## Phase 1

The Bank conducted internal assessments, peer analysis of global banks, and cross-industry analysis to create a preliminary list of both positive and alternative impacts

## Phase 2

Next, prioritise these issues through engagement with stakeholders. Obtain approval from stakeholders for those issues deemed significant and relevant within our operational context, identifying them as material matters.

## Phase 3

Validate the identified material matters in consultation with the CSR Committee, Senior Management, and subject matter experts. This validation process ensures that these matters effectively inform the team strategy, business model, assets, and short, medium, and long-term objectives.

## Phase 4

Finally, secure approval from management. Continuously assess emerging issues in the operational environment to ensure the ongoing relevance of our strategy.

## IMPACT ON PROFIT, PERFORMANCE, PEOPLE AND PLANET

Material Matters	Stakeholder Impacted	Addressed in the Report
Economic Performance	All Stakeholders	Impact on Profit and Performance
Market Presence	Communities and Colleagues	Impact on Profit and Performance
Non-Discrimination	Colleagues, Customers and Community	Impact on People
Anti-Corruption	Customers, Community Colleagues and Government	Impact on Profit and Performance
Tax	Government and Regulators	Impact on Profit and Performance
Energy	Shareholders/Investors, Suppliers, Government, and Regulators	Impact on Planet
Customer Privacy	Colleagues, Customers and Regulators	Impact on People
Employment	Employees, Workers and Suppliers	Impact on People
Occupational Health and Safety	All Stakeholders	Impact on People
Training and Education	Colleagues and Customers	Impact on People
Diversity and Equal Opportunity	Colleagues	Impact on People
Indirect Economic Impact	All Stakeholders	Impact on People
Emission	Shareholders/Investors, Communities, Colleagues, Suppliers, Government and Regulators	Impact on Planet



# SUSTAINABLE CSR

CSR





# BANK ALFALAH CORPORATE SOCIAL RESPONSIBILITY PROGRAMME

Bank Alfalah continues to cultivate responsible business practices throughout the organisation and is dedicated to amplifying the impact of its sustainability initiatives. The Bank's commitment extends beyond mere checkboxes; it involves crafting a robust business model that addresses societal challenges. BAFL's vision surpasses the ordinary, the Bank aims to spearhead initiatives that bring about meaningful change, delivering intrinsic value and a competitive edge to the Bank. This is not just a strategy; it embodies the Bank's commitment to shaping a future where its actions resonate louder than words, positively affecting lives and communities.

Drawing upon the Bank's social, economic, and environmental resources, Bank Alfalah places paramount importance on education, healthcare, mental well-being, financial inclusion, diversity, sports, arts, and culture building. In 2024, the Bank proudly collaborated with trusted and steadfast partners.

To align with the Securities and Exchange Commission of Pakistan (SECP) Corporate Social Responsibility (CSR) guidelines, Bank Alfalah is voluntarily contributing to the following principles:

- Utilise the CSR governance benchmark and terms of reference of the CSR committee provided in the guidelines for self-assessment and facilitation purposes.
- Integrate the output of CSR commitment into a board-level CSR policy to ensure alignment with organisational objectives and values.
- Incorporate CSR activities as a regular agenda item in board meetings.
- Entrust the CSR committee with the responsibility of transparently and effectively supervising CSR activities, providing specialised oversight, and regularly reporting progress to the Board.
- Define a systematic approach for reporting CSR initiatives' implementation status to internal and external stakeholders, ensuring transparency and accountability.
- Develop a comprehensive CSR report to give stakeholders insights into the bank's CSR initiatives, progress, and impact on the community and environment.
- By aligning with the SECP CSR guidelines, Bank Alfalah aims to demonstrate its commitment to corporate social responsibility and contribute positively to society and the environment.



BANK’S CSR FUNDING

	2024	2023
	Rs. in Mn.	Rs. in Mn.
Flood Relief	359.5	1,174.5
Other donations / CSR initiatives	146.2	75.0
	505.7	1,249.5

BANK’S CSR FUNDING PARTNERS:

Please refer to the ‘Statement of Charity and Donation’ in this Annual Report’s ‘Performance and Position’ section.

During the year, Bank Alfalah’s CSR activities were primarily carried out in collaboration with the following partners:



**Shaukat Khanum Memorial Cancer Hospital:** Bank Alfalah contributed towards constructing the main reception and waiting area for clinical and radiation oncology. This significant contribution enhances the patients’ experience and supports the hospital’s critical mission in providing cancer care.

<div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> <div></div>	Funding	PKR 100 million
	Duration	2022-2024



**Development in Literacy (DIL):** Bank Alfalah supported DIL in improving the quality of education at two schools, one in Korangi and one in Mansehra. This initiative contributes towards enhancing learning environments and promoting educational access.

<div>4</div> <div>QUALITY EDUCATION</div> <div></div>	Funding	PKR 6 million
	Duration	2024
	Students Impacted	Supported two schools



**Zindagi Trust:** Bank Alfalah is committed to supporting Zindagi Trust’s educational innovation and digitisation programme.

<div>4</div> <div>QUALITY EDUCATION</div> <div></div>	Funding	PKR 14.84 million
	Duration	2022-2024
	Patients to be Impacted	2,000 female students



**Child Aid Association:** Bank Alfalah supported the Child Aid Association in providing comprehensive and free cancer treatment for underprivileged children.

3 GOOD HEALTH AND WELL-BEING	<b>Funding</b>	PKR 4.5 million
	<b>Duration</b>	2024
	<b>Patients to be Impacted</b>	10 children



**Special Olympics:** Bank Alfalah continued supporting Special Olympics, enabling athletes' training. This initiative promotes inclusivity and empowers individuals with intellectual disabilities.

10 REDUCED INEQUALITIES	<b>Funding</b>	PKR 4.5 million
	<b>Duration</b>	2024
	<b>Athletes Impacted</b>	1,500 athletes



**Cancer Foundation Hospital:** Bank Alfalah partnered with Roche to provide breast cancer treatment to patients at the Cancer Foundation Hospital. This collaboration demonstrates a commitment to improving access to critical healthcare services.

3 GOOD HEALTH AND WELL-BEING	<b>Funding</b>	PKR 5 million
	<b>Duration</b>	2024
	<b>Patients Impacted</b>	5 breast cancer patients



**Pachaan:** The Bank's contribution supported Pachaan's efforts to improve the primary healthcare of 50 mothers and children in under-served communities. This initiative addressed critical health needs, reduced infant mortality, and improved maternal health.

3 GOOD HEALTH AND WELL-BEING	<b>Funding</b>	PKR 2.5 million
	<b>Duration</b>	2024
	<b>People Impacted</b>	50 mothers and children

**Marie Adelaide Leprosy Centre (MALC):** Bank Alfalah supported the operational costs of MALC's Male Ward for three years. This provided essential medical care and rehabilitation services to leprosy patients and promoting social inclusion.

3 GOOD HEALTH AND WELL-BEING	<b>Funding</b>	2024-2026
	<b>Duration</b>	PKR 2.5 million
	<b>Patients Impacted</b>	500 patients annually



**Pakistan National PolioPlus Charitable Trust:** Bank Alfalah supported the polio vaccination drive, aiming to protect 22,500 children from this debilitating disease. This initiative contributes to global efforts to eradicate polio.

3 GOOD HEALTH AND WELL-BEING 	<b>Funding</b>	PKR 2.8 million
	<b>Duration</b>	2024
	<b>Patients Impacted</b>	22,500

**Society for Rehabilitation of Special Children (SRSC):** Bank Alfalah provided financial assistance to SRSC, an organisation that supports children with disabilities. This support enabled SRSC to continue providing essential services such as therapy, education, and vocational training, empowering children.


4 QUALITY EDUCATION 	<b>Funding</b>	PKR 2 million
	<b>Duration</b>	2024



**Hope Up Lift:** Bank Alfalah funded the education of 30 children, ensuring access to quality education.. This initiative allowed underprivileged children to learn and grow, fostering a brighter future for them and their communities.

4 QUALITY EDUCATION 	<b>Funding</b>	PKR 1 million
	<b>Duration</b>	2024
	<b>Students Impacted</b>	30 primary grade students

**Dua Foundation:** The Bank's support enabled Dua Foundation to equip their NICU with essential medical equipment, including incubators. This significantly improved the survival rates of critically ill newborns, directly impacting the lives of countless infants and their families.

3 GOOD HEALTH AND WELL-BEING 	<b>Funding</b>	PKR 1.8 million
	<b>Duration</b>	2024
	<b>Children Impacted</b>	Postnatal care 50 newborn babies



**NOWPDP:** Bank Alfalah collaborated with NOWPDP to empower people with disabilities (PwDs) by providing them with government benefits and employment opportunities. This initiative promotes inclusivity and provides sustainable economic capital for the people.

10 REDUCED INEQUALITIES 	<b>Funding</b>	PKR 4 million
	<b>Duration</b>	2024
	<b>Disabled People Impacted</b>	300 Persons with disabilities




**Alamgir Welfare Trust:** Bank Alfalah supported Alamgir Welfare Trust in distributing ration bags to third-party colleagues across 11 major cities. This initiative provided essential food assistance to vulnerable individuals, addressing food security concerns.

2 ZERO HUNGER 	<b>Funding</b>	4.5 million
	<b>Duration</b>	2024
	<b>Students Impacted</b>	3,500 colleagues







**WWF:** Bank Alfalah pledged to plant 100,000 trees by 2030, demonstrating a long-term commitment to environmental sustainability. This year, 25,000 trees were planted at Sonmiani Beach, Baluchistan, contributing to biodiversity conservation and mitigating climate change, aligning with SDG 13 (Climate Action) and SDG 15 (Life on Land). In another project, Bank Alfalah supported WWF to conserve the critically endangered Indus River dolphin. This project involved working with the community near the Indus River to raise awareness, promote sustainable livelihoods, and enhance dolphin conservation efforts.

	<b>Funding</b>	PKR 14 million
	<b>Duration</b>	2023-2024
	<b>Environmental Impact</b>	Planted 45,000 mangroves in Somiani; in another project of blind dolphins conservation, WWF Pakistan will engage 35 fishers, establish 10 nature clubs to empower 700 students

**Durbeen:** Bank Alfalah supported Durbeen's initiative to install a solar power plant at its campus. This investment improved the organisation's financial sustainability by reducing energy costs and promoting the use of renewable energy.


	<b>Funding</b>	PKR 3 million
	<b>Duration</b>	2024
	<b>Environmental Impact</b>	Installed a 30kw solar plant

**IBA:** Bank Alfalah has also supported a year-long Climate Action Initiative in Karachi, partnering with the IBA Karachi Urban Lab (KUL) and Pakistan Air Quality Initiative (PAQI). This initiative aimed to improve air quality by installing 12 monitors, researching air pollution trends and causes, and raising public awareness. This project aligned with the Government's Clean Air Policy and contributed to a better understanding of air quality challenges in Karachi.


	<b>Funding</b>	PKR 3.54 million
	<b>Duration</b>	2024
	<b>Environmental Impact</b>	Installed 10 Air Quality Monitors



Bank Alfalah also supported two projects at the IBA Centre for Excellence in Journalism (IBA CEJ): scholarships for five students in the Master of Science in Journalism program and the EmpowerED workshop on financial sector fraud. These initiatives contribute to SDG 4 (Quality Education) and promote ethical practices in the media and financial sectors.

	<b>Funding</b>	PKR 10.8 million
	<b>Duration</b>	2024
	<b>People Impacted</b>	12 content creators and 5 students

**KDSP:** Bank Alfalah supported the education and skill development of 10 individuals with Down syndrome. This initiative empowered individuals with disabilities, promoting their inclusion.

	<b>Funding</b>	PKR 3 million
	<b>Duration</b>	2024
	<b>Environmental Impact</b>	10 individuals with Down syndrome

**Behbud Association:** Bank Alfalah supported Behbud Association's efforts to empower women through vocational training and skill-based programs. This initiative enhanced women's economic independence.

<div>5</div> <div>GENDER EQUALITY</div> <div> </div>	<b>Funding</b>	PKR 2.5 million
	<b>Duration</b>	2024
	<b>People Impacted</b>	60 women



**Habib University:** Bank Alfalah provided scholarships to four students at Habib University for four years, amounting to PKR 25.6 million. This initiative supports the development of highly skilled individuals.

<div>4</div> <div>QUALITY EDUCATION</div> <div> </div>	<b>Funding</b>	PKR 6.4 million
	<b>Duration</b>	2023-2026
	<b>People Impacted</b>	4 female students

**KVTC:** Bank Alfalah's partnership with KVTC supported initiatives that reduce inequalities, promote decent work, and foster gender mainstreaming through job placement.

<div>4</div> <div>QUALITY EDUCATION</div> <div> </div>	<b>Funding</b>	PKR 7.8 million
	<b>Duration</b>	2024
	<b>People Impacted</b>	50 individuals



**MagnifiScience - The Dawood Foundation:** Bank Alfalah supported the creation of a Financial Literacy Zone within the MagnifiScience Dawood Foundation. This initiative aimed to enhance financial literacy among visitors and empower them to make informed financial decisions.

<div>9</div> <div>INDUSTRIAL INNOVATION AND INFRASTRUCTURE</div> <div> </div>	<b>Funding</b>	PKR 11.9 million
	<b>Duration</b>	2024 onwards
	<b>People to be Impacted</b>	115,000 monthly visitors

**NICE Welfare Society:** Bank Alfalah supported vocational training programs for women, empowering them with advanced skills to enhance their livelihood opportunities and contribute to their families' well-being.

<div>4</div> <div>QUALITY EDUCATION</div> <div> </div>	<b>Funding</b>	PKR 1 million
	<b>Duration</b>	2024
	<b>People to be Impacted</b>	50 individuals

**NDF Pakistan:** Bank Alfalah provided financial assistance to NDF Pakistan to support the operational expenses of three rehabilitation centres. This support enabled NDF Pakistan to provide essential services to individuals with disabilities, promoting their well-being and social inclusion.

<div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> <div> </div>	<b>Funding</b>	PKR 1 million
	<b>Duration</b>	2024
	<b>Operations Impacted</b>	Supported three rehabilitation centre

## **BANK ALFALAH DEMONSTRATES CONTINUED COMMITMENT TO FLOOD-AFFECTED COMMUNITIES WITH OVER PKR 2 BILLION DISBURSEMENTS SINCE 2022**

Bank Alfalah, a leading commercial Bank in Pakistan, reported the comprehensive highlights of its over two years of commitment to the flood-affected communities, which commenced in 2022 after the devastating floods impacted one-third of Pakistan. To date, Bank Alfalah has disbursed approximately PKR 2 billion through this programme, providing a sustainable way forward to over 1 million beneficiaries and positioning itself as one of the most significant corporate contributors to fostering a sustainable future for flood-impacted communities.

Under the visionary leadership of His Excellency Sheikh Nahayan Mubarak Al Nahayan, Chairman of Bank Alfalah and the board, who graciously approved the donation of \$10 million to devastating floods that hit Pakistan in 2022, the Bank had embarked on a two-pronged strategy to redevelop communities in a sustainable, equitable, and financially inclusive manner. This initiative addressed immediate needs and now provides a comprehensive framework for long-term rehabilitation.

Over the last two years, with the road-map of a two-pronged strategy, the Bank has joined forces with over 25 esteemed partners receiving the Bank's disbursement to address critical sectors such as health and emergency care, affordable housing, accessibility to education, and sustainable livelihoods.



Phase 1 focused on immediate relief with PKR 345 million starting from 2022 and going till 2024, partnering with reliable and trusted non-governmental organisations (NGOs) across Pakistan. These partnerships facilitated the rescue and assistance of flood-impacted communities in hard-hit locations with ration distribution, medical camps, winter kits, and water filtration devices.

The Bank embarked on phase 2 in the second half of 2023 and followed it through in 2024 with a disbursement of PKR 1,815 million, focusing on rehabilitation and rebuilding lives. This phase encompassed several key areas: sustainable housing, healthcare, education, and livelihood support.

### **Healthcare Provision worth PKR 633.5 million in 2023-2024**

A partnership with the Aga Khan Foundation progressed in 2024 with the funding of PKR 200 million. Aga Khan Foundation is working to accelerate agricultural livelihood and increase household's food security and resilience. Apart from nutrition, it also improves the community's access to health services through health service delivery platforms and mobile outreach services.

Funding of PKR 150 million was made to the Patient Aid Foundation, focusing on aiding the under-served in Jinnah Postgraduate Medical Centre (JPMC) Karachi, which has inundated flood-impacted communities travelling to Karachi from interiors. To date, over 26,064 patients have been treated. Child Life Foundation, with PKR 100 million, is also at the forefront of treating patients and has catered to 118,000 patients in flood-impacted areas through telemedicine.

The latest project with Layton Rahmatullah Benevolent Trust (LRBT) aims to build 10 medical units for initial eye screening of individuals in the flood-impacted areas of Sindh and Balochistan. A PKR 50 million project will check the patients for developing eye infections and diseases and will refer severe cases to the main hospital.

The Bank has funded multiple other projects in the past 3 years worth PKR 133.5 million with Vital Pakistan, Mustafa Trust, Alamgir Welfare Trust, HANDS Pakistan, Taraquee Foundation and Indus Hospital and Health Network.



### **Sustainable Housing Provision and reviving livelihood worth PKR 376.8 million in 2023-2024**

Bank Alfalah has partnered with reputable organisations such as Karachi Relief Trust, Bait-us-salam, Sahil Welfare Trust and Shahid Afridi Foundation to address the housing needs of flood-affected communities and promote climate resilience with the funding of PKR 271.5 million, including PKR 10 million to Alamgir Welfare Trust for livelihood projects. The partner NGOs inaugurated housing communities in Balochistan and Sindh during the year. These partner NGOs have completed over 1066 houses in flood-impacted communities to benefit approximately 7,000 individuals.

In the aftermath of the devastating floods, Bank Alfalah demonstrated its commitment to its colleagues by disbursing over PKR 105.3 million to assist 439 colleagues who suffered significant losses to their homes, assets, and personal belongings.



### **Education Support Provision worth PKR 305 million in 2023-2024**



In alignment with its dedication to education, Bank Alfalah has undertaken several initiatives to support flood-affected communities.

The Bank partnered with The Citizen Foundation (TCF) to rebuild and restore educational infrastructure in flood-impacted areas. TCF is constructing 4 Primary Schools for 720 students in Nawabshah, Sohbatpur, and Tando Bhago, with Bank Alfalah contributing PKR 196 million. This support also includes the establishment of 200 Agahi Centres, water filter plants, and solar panels, along with additional operational support, with a further contribution of PKR 30 million.

Recognising the importance of inclusive education, Bank Alfalah partnered with the Family Educational Services Foundation (Deaf Reach) to establish three satellite schools in flood-impacted areas of Sindh and Balochistan.

This initiative aims to provide education to children in remote areas with limited access, with less than 5% currently having access to schooling. Bank Alfalah has pledged PKR 24 million for this project, demonstrating its commitment to rebuilding lives and infrastructure in flood-affected communities.

Furthermore, Bank Alfalah has partnered with Orange Tree Foundation, contributing PKR 25 million to fund 56 undergraduate students' tuition fees in flood-impacted areas.

Finally, the Bank donated PKR 30 million to Green Crescent Trust to support the construction of a state-of-the-art school in the under-served area of Khoski, Badin.

### **Interest-Free Loans Provision of PKR 250 million in 2023-2024 with Akhuwat Islamic Microfinance (AIM)**

Bank Alfalah offered interest-free rehabilitation loans to support the households affected by the floods through its partnership with Akhuwat Islamic Microfinance. PKR 250 million has been disbursed to construct 1,382 houses in all four provinces. The loan size goes up to PKR 300,000, and the tenure is up to 4 years. The funds have revolved around PKR 332.1 million.



## Revive and Rise - Subsidised collateral free loans for revival of small rural businesses and sustainable livelihood

Bank Alfalah launched a specialised microfinance program with an initial allocation of PKR 250 million, targeting households engaged in dairy farming and subsistence-level crop cultivation. To date, PKR 200 million has been disbursed, benefiting approximately 700 individuals. The programme offers affordable financing at 2% per annum with a repayment period of up to 5 years. The program incorporates digital disbursement channels, insurance coverage, capacity-building initiatives, and market linkages to enhance impact. Notably, 43% of the beneficiaries are women.

### Commitment to Pakistan

This gesture by the Chairman and Board of Bank Alfalah is unprecedented and is a testament to the strong bond between UAE and Pakistan while reaffirming the strong positioning of Bank Alfalah as being a truly caring bank. His Highness has always been a great supporter of Pakistan and expressed his concerns at the calamity that has recently overwhelmed the country. However, he has also been deeply impressed by the extraordinary fortitude and resilient spirit that characterises the people of Pakistan as they advance to navigate a way to a safer shore.

He acknowledged that no amount of money is enough in the face of such devastation and irreversible loss; he was hopeful that this contribution would partially alleviate the suffering of the victims.

In 2022, the pledged amount was being distributed by Bank Alfalah for the flood relief and rehabilitation efforts through select reliable and trusted NGOs to provide immediate relief, and a substantial amount has been earmarked for infrastructure rebuilding in the medium to long term to help the affected areas attain normalcy.

### Spirit of Bank Alfalah's employees:

Bank Alfalah has been working to relieve flood affectees from the beginning and used the strong network of its branches and front-line staff to help those hit by floods. The Bank established Flood Relief Camps and started in-kind donation drives at 32 locations, including the Head Office and branches nationwide, to collect clothes, food items and medicine for the flood-hit communities.

The employees voluntarily donated their one-day base salary for flood relief work. All permanent employees were requested to make a one-time voluntary deduction of 1 day's base salary or any other amount to support fellow countrymen affected by floods and torrential rain.

**Standing by the Colleagues:** The Bank ensured that the colleagues impacted by the torrential rain were adequately looked after. The Bank allocated the funds to address the needs of staff, their families, and their nearby communities. The Bank received 479 requests from different cities and remote locations where employees' houses and other assets were damaged or completely wiped out. A contribution of PKR 104 million was made to ensure that the bank stands tall with the staff and their families until their lives return to normalcy.





**Two-pronged approach:** This section explains the highlights of 2024 during Phase 2 of the comprehensive rehabilitation and rebuilding initiative, which started with immediate rescue and relief in Phase 1 in 2022.

With a steadfast commitment to empowering communities and promoting sustainable development, the bank has joined forces with 25 esteemed partners. It has disbursed around PKR 1,947 million to address critical sectors such as healthcare, emergency care, housing, education, and livelihoods.

Under the visionary leadership of **His Excellency Sheikh Nahayan bin Mubarak Al Nahayan**, Chairman of Bank Alfalah, who graciously donated \$10 million to devastating floods that hit Pakistan last year, and with the steadfast support of the Board of Directors, the Bank has embarked on a two-pronged strategy to redevelop communities in a sustainable, equitable, and financially inclusive manner. This initiative addresses immediate needs and provides a comprehensive framework for long-term rehabilitation.

**Phase 1** focused on immediate relief with **PKR 345 million** partnering with reliable and trusted non-governmental organisations (NGOs) across Pakistan. These partnerships facilitated the rescue and assistance of flood-impacted individuals in hard-hit locations.

The Bank embarked on **phase 2** of its flood relief efforts with a disbursement of **PKR 1.3 billion**, focusing on rehabilitation and rebuilding lives. This phase encompassed several key areas: sustainable housing, healthcare, education, and livelihood support.

#### **Phase-2:**

##### **A) Healthcare Provision worth PKR 634 million**

Other than initiatives for sustainable housing, there is also a strong dedication to healthcare and education. A partnership with the Aga Khan Foundation has been strengthened by a generous donation of PKR 200 million. Aga Khan Foundation is working to accelerate agricultural livelihood and increase household's food security and resilience. Apart from nutrition, it is also improving the community's access to health services through health service delivery platforms and mobile outreach services.

A donation was made to the Patient Aid Foundation, focusing on aiding the under-served in Jinnah Postgraduate Medical Centre (JPMC) Karachi, which has inundated flood-impacted communities travelling to Karachi from interiors. To date, over 720 patients have been treated. Child Life Foundation is also at the forefront of treating patients and has catered to 280,000 patients in flood-impacted areas through telemedicine. Other partners include Alamgir Welfare Trust, Hands and Al-Mustafa Trust.

##### **B) Sustainable Housing Provision and reviving livelihood worth PKR 512 million**

Bank Alfalah has partnered with reputable organisations such as Karachi Relief Trust, Bait-us-salam, Sahil Welfare Trust and Shahid Afridi Foundation to address the housing needs of flood-affected communities and promote climate resilience. The partner NGOs inaugurated housing communities in Balochistan and Sindh during the year. These partner NGOs have completed over 2,400 houses in flood-impacted communities to benefit approximately 16,000 individuals. The bank also made disbursements to support the reviving of agricultural land impacted by floods.

##### **C) Subsidised Loans Provision of PKR 250 million**

Bank Alfalah offers interest-free rehabilitation loans to support the households affected by the floods through its partnership with Akhuwat. PKR 250 million has been disbursed to over 1,168 beneficiaries in all four provinces to reconstruct damaged houses. The loan size goes up to PKR 300,000, and the tenure is up to 4 years.

##### **D) Education Support Provision worth PKR 350 million**

In alignment with its dedication to education, Bank Alfalah has partnered with The Citizen Foundation to rebuild and restore the education infrastructure in flood-impacted areas. TCF is constructing 4 Primary School for 720 students in Nawabshah, Sohbatpur and Tando Bhago with the funding of PKR 196 million. Simultaneously, TCF will establish 10 Agahi Centres, water filter plants, solar panels and will provide other operational support with an additional donation of PKR 30 million.

Bank Alfalah has also partnered with Deaf Reach to establish 3 satellite schools in flood-impacted areas of Sindh and Balochistan, emphasising Bank Alfalah's focus on inclusive education and community growth.

Through its satellite school model, Deaf Reach will re-purpose under-utilised spaces to educate children in remote areas, as less than 5% have access to education. Bank Alfalah has pledged PKR 24 million for this initiative, making it a part of the Bank's second phase of providing relief to flood-affected communities in efforts to rebuild lives and infrastructure in flood-impacted areas.





## Bank Alfalah's Contribution to a Sustainable Way Forward

**Bank Alfalah is at the forefront in reflecting its purpose that extends beyond financial success**

Under the visionary leadership of His Excellency **Sheikh Nahayan Mabarak Al Nahayan**, Chairman of Bank Alfalah and the Board of Directors, who graciously approved the donation of **\$10 million** in response to the devastating floods that hit Pakistan in 2022, the Bank embarked on a **two-pronged strategy** to redevelop communities in a **sustainable, equitable, and financially inclusive** manner. This initiative addressed the immediate needs of the affected communities and is now providing a comprehensive framework for long-term rehabilitation.

To date, Bank Alfalah has disbursed a total of **PKR-2.1 billion** through this program, positioning itself as one of the largest corporate contributors to fostering a sustainable future for flood-impacted communities.

Over the last two years, the Bank has joined forces with **25 esteemed partners**, receiving the Bank's disbursement to address critical sectors such as health and emergency care, affordable housing, accessible education, and sustainable livelihoods.



**Atif Bajwa, President and CEO of Bank Alfalah, commented,** "With the gracious support of the Chairman and the Board of Directors, we worked with the most reliable and trusted names in Pakistan to extend support to the most vulnerable communities impacted by floods since 2022. We intensified our joint efforts and reached communities for relief and rebuilding phase with a medium to long-term plan to support them for a sustainable way forward. In a disaster of unprecedented proportions, we must always come together to provide continuous support to those impacted through our collective contribution."

### Phase-I Rescue and Relief

Since 2022, the Bank has partnered with reliable and trusted non-governmental organizations (NGOs) across Pakistan. These partnerships facilitated the rescue of and assistance to flood-impacted communities in hard-hit areas.



**9,400 Seeds and Fertilizer Bags**



**42,932 Ration Bags and 9.6 Million Meals**



**436 Medical Camps**



**30,000 Winter Kits**



**7,000 Water Filters**



**2,077+ Tents**

**PKR 345 Million**

Phase I & II  
Collectively Impacted Over  
**1,113,000**  
People

### Phase-II Rehabilitation and Rebuilding

The Bank embarked on phase-2 in the second half of 2023 and followed it through in 2024 focusing on rehabilitation and rebuilding lives. This phase encompassed several key areas: sustainable housing, healthcare, education, and livelihood support.

**PKR 633.5 Million**



**Healthcare**

**PKR 376.8 Million**



**Sustainable Housing and Reviving Livelihood**

**PKR 305 Million**



**Education Support**

**PKR 250 Million**



**Interest Free Loan**

**PKR 250 Million**



**Revive and Rise (Subsidized Loans)**

**PKR 1,815 Million**

## IMPACT THROUGH CSR PARTNERSHIPS:

**Aga Khan University Hospital (AKUH):** Bank Alfalah partnered with AKUH to support the Mending Kids' Hearts Programme, providing life-saving surgeries for children with congenital heart disease. The program has already transformed over **3,000 lives**. Through funding initiatives like the annual golf tournament, the Bank continues to help provide access to quality healthcare for children in need.

**Layton Rahmatulla Benevolent Trust (LRBT):** For nearly four decades, LRBT has worked toward a blindness-free Pakistan, providing free eye care to over 56 million patients and performing 5.5 million surgeries. Supported by Bank Alfalah this year for their annual fundraiser, LRBT's 20 hospitals and 61 clinics nationwide continue to deliver life-changing treatment to millions, including **300,000 children** expected in 2024.

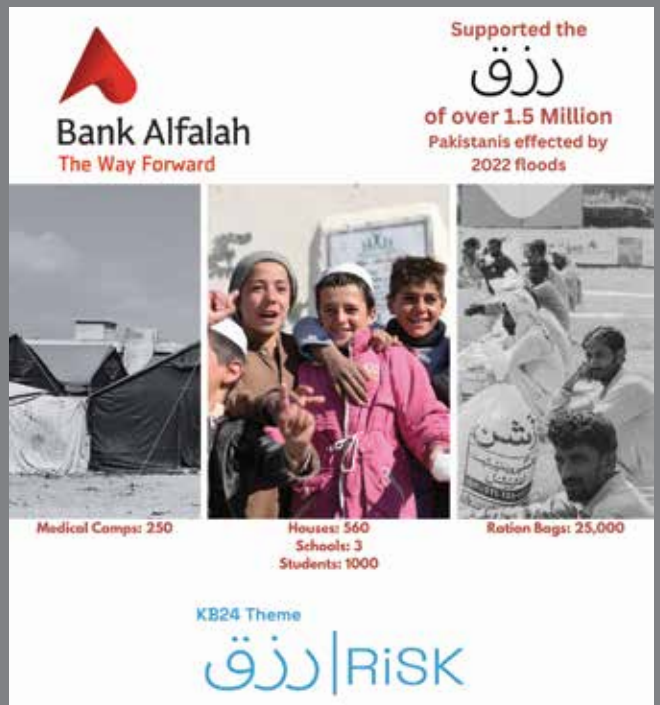


**Toni and Guy South Pakistan:** The collaboration between Bank Alfalah and TONI&GUY emphasised the importance of financial inclusion for women, both within the Bank and the beauty industry. Through seminars and workshops on personal grooming, **50 female employees** gained essential skills to enhance their workplace presence. The initiative also supported the growth of female entrepreneurs in the beauty sector, creating a valuable platform for empowerment and development.



**Behbud:** Bank Alfalah supported Behbud Fiesta' 24, providing **150 stall holders** and **200 local artisans** a platform

to showcase their hand-crafted creations. This initiative empowered women by promoting traditional craftsmanship and creating opportunities for financial independence, reflecting the Bank's commitment to sustainable livelihoods.



**Karachi Biennale:** Drawing in over **30,000 visitors**, the Karachi Biennale 2024 (KB24) served as a platform for Bank Alfalah's support of local and international artists. The event's theme "Rizq/Risk" sparked vital discussions on climate change and food security, reflecting the Bank's ongoing support for social, environmental, and cultural initiatives, including its \$10 million contribution to the 2022 flood relief efforts.



**Katalyst Labs:** The Bank's participation in this year's conference, +92 Disrupt highlights the dedication to supporting Pakistan's startup ecosystem. The Group Head of Strategy presented a keynote that focused on the role of financial institutions in scaling startups through funding and strategic support. With **62**



**speakers, 14 VCs, and 850 attendees**—the event covered diverse topics like AI, gaming, and sustainability, positioning the Bank as a driving force in innovation.



**Youth Impact:** The empowerment of young individuals through capacity building and leadership development was advanced through a collaboration with Youth Impact, an Islamabad-based NGO. Their flagship program, Markhor Junior, is a five-day outdoor leadership conference for youth aged 12-16 in the Lower Himalayas, promoting experiential learning and personal growth. This initiative allowed **8 children** from underprivileged backgrounds to participate in healthy activities and develop essential life skills.



**Karachi Press Club:** The Karachi Press Club (KPC) hosted the Annual Gala 2024, with Bank Alfalah partnering to bring together nearly **5,000 media professionals, journalists, and industry affiliates**, reinforcing the Bank's commitment to uplifting the journalist community.

**The Citizens Foundation (TCF):** Bank Alfalah joined forces with The Citizens Foundation (TCF) to support its mission of providing quality education through initiatives like Cycle For Change (CFC). Since 2021, this event has brought together cycling enthusiasts in Karachi to raise awareness and funds for literacy. The funds raised will support the education of **33 children** enrolled.

**The Biggest Corporate Donor in 2023 and 2024 with USD 10 million Pledged for Flood-impacted Communities**  
When floods hit significant parts of the country, Bank

Alfalah came to the forefront with a determination to provide immediate relief and rebuild impacted areas and formulated a strategic plan for redeveloping communities in a sustainable, equitable and financially inclusive way. In August 2022, Bank Alfalah's Chairman, His Excellency Sheikh Nahayan Mabarak Al Nahayan, and the Board of Directors graciously approved USD 10 million (PKR 2,180 million) to help with the extensive relief and rebuilding efforts.





# SUSTAINABLE GOVERNANCE



# BOARD COMMITTEES

Please refer to 'Governance' section of the Annual Report 2023 for other Board Committees.

## MANAGEMENT COMMITTEES

Bank Alfalah has three main Management Committees for the purpose of strategic planning and decision-making under the Chairmanship of the CEO. The Board of Directors has approved the Committees and their TORs. The role of these Committees is to ensure that the activities of the Bank reflect its vision, purpose and aims. They establish the fundamental values, ethical principles and strategic direction in which the Bank operates. These Committees meet regularly and their decisions are communicated to the Board frequently.

The CMC has formed sub-committees to carry out its mandate. For each sub-committee, the CMC adopts formal TORs, setting-out the matters relevant to the composition, roles, functions and responsibilities. The CMC has full authority to review and reorganise the composition and TORs of the sub-committees.

## SENIOR MANAGEMENT COMMITTEE OF BANK ALFALAH



### CSR COMMITTEE (DOC)

- Atif Aslam Bajwa – Chairman
- Faisal Farooq Khan
- Mehreen Ahmed
- Anjum Hai
- Haroon Khalid
- Muhammad Raheel Yousaf
- Imran Assad Khan
- Madiha Javed Qureshi – Head of Corporate Communication & Secretary

### CHARITY AFFAIRS COMMITTEE (CAC)

- Atif Aslam Bajwa – Chairman
- Anjum Hai
- Dr. Muhammad Imran
- Mehreen Ahmed
- Farooq Ahmed Khan
- Syed Faraz Ahmed – Secretary

Please refer to 'Governance' section of the Annual Report 2024 for other Board Committees.

## SENIOR MANAGEMENT COMMITTEE OF BANK ALFALAH





# SUSTAINABILITY GOVERNANCE

## ROLE OF THE BOARD AND THE MANAGEMENT

The Chairman of the Board and the Chief Executive Officer of the Bank, play a substantial and significant role in creating a sustainable impact on the society by providing the Management with strategic direction and helping it materialise its Mission and Vision. In this regard, key roles and responsibilities of the Chairman and the CEO are described below:

## KEY ROLES AND RESPONSIBILITIES OF THE CHAIRMAN

The Chairman of the Board acts as a leading figure for both the Board of Directors, and is entrusted with numerous responsibilities and roles ranging from monitoring Board level decision-making activities to safeguarding the Bank's commercial interests and sustainable business practices.

## RESPONSIBILITIES RELATED TO GREEN BANKING POLICY

The Board of Directors (BoDs) will have the overall responsibility of development of Green Banking Policy of the Bank. In addition, the Board will review and approve green banking strategies and budgets relevant to green banking as prepared by the senior management. In addition to the roles and responsibilities of the Board with regard to the Green Banking Guidelines, the Board of the Bank will also be responsible for performing the following functions specific to ESRM Implementation Manual 2022 of SBP:

- Provide feedback on critical high-risk projects on E&S matters.
- Ensure sustainability is addressed routinely at the Board level, setting vision, and providing guidance to Senior Management for implementation.
- Review internal audit reports and follow up on the effectiveness of ESRM implementation, serious accident/ Incident / fatality reports, serious grievances related to the bank's operations.
- Ensure that the Green Banking Office has access to and reports periodically to the Board.
- The Board may set maximum exposure limits for industries / sectors that are more hazardous to the environment and / or society. The Board may also define the limits for different environment-friendly projects / sectors.
- The Board is responsible for reviewing the corporate social responsibility reporting, and impact of environmental and social economic measures.

## SENIOR MANAGEMENT

Senior management will be responsible for implementation of Green Banking Policy approved by the Board, development of strategies, administrative procedures (including Data Management and Reporting, Internal Capacity Building and Green Awareness Campaigns for Clients) and accountability mechanisms for implementation of Green Banking Policy approved by the Board. The strategies and procedures will treat the three areas of GBG i.e. Environmental & Social Risk Management, Green Business Facilitation and Own Impact Reduction with equal emphasis. In line with the recently launched SBP's ESRM Implementation Manual 2022, the responsibilities of Senior Management will also include:

- To determine appropriate course of action in respect of unresolved E&S issues or in situations where non-compliance associated with a transaction cannot be resolved by Head of Credit. The appropriate course of action may include taking legal action against a borrower / customer to reduce the bank's potential exposure to E&S risks.
- To decide if E&S risks in critical, high-risk projects are acceptable to the bank's overall exposure to risk before proceeding with a transaction. In certain cases, Senior Management may terminate a transaction based on its level of risk.

## OTHER RESPONSIBILITIES INCLUDE:

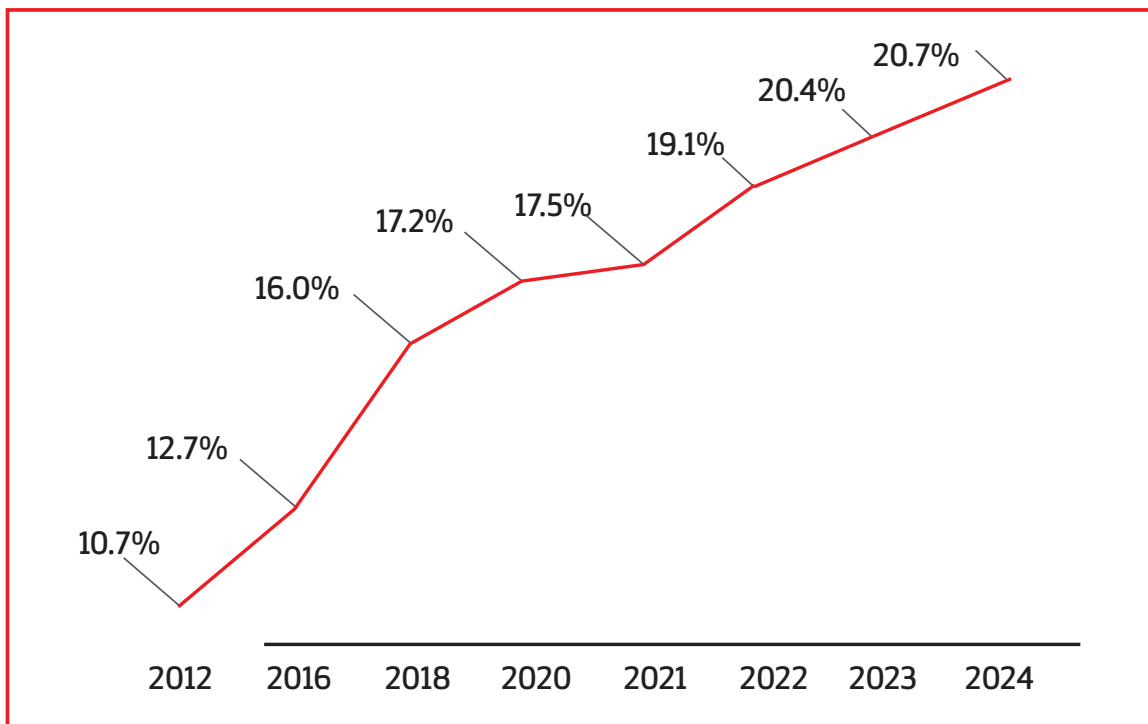
- To serve as a leader and driving agent of the Board of Directors, monitoring and managing all of its activities, and aligning the Board's goals and decisions with that of the Management;
- To ensure that the Board stays in the right direction with respect to achieving its objectives;
- To preside over the Board's meetings and general meetings, and ensure that these meetings are executed productively and key agenda is discussed along with a valuable conclusion/decision. The Chairman also oversees the Board's key decision-making activities; and
- To exercise powers and authorities that are vested in and conferred to the Chairman under the Terms of Reference of Board Committees as approved by the Board of Directors

## KEY ROLES AND RESPONSIBILITIES OF THE PRESIDENT AND CEO

- To serve as the link between the Board and Senior Management for execution of Board driven vision and strategies;
- To manage and administer the affairs of the Bank in accordance with laws, rules, regulations, and the Memorandum and Articles of Association of the Bank;
- To comply with and ensure bank-wide implementation of and compliance with all policies, procedures and manuals approved by the Board of Directors, and any directives given by the Board of Directors or Board Committee(s);
- To prepare plans for growth and expansion of the Bank's operations in Pakistan and abroad, and submit the same for consideration and approval of the Board of Directors;
- To appoint, promote, transfer, suspend or dismiss employees of the Bank and x their remuneration and other entitlements in accordance with the policies and procedures approved by the Board of Directors;
- To deal with, represent, and act on behalf of the Bank before the State Bank of Pakistan, Securities and Exchange Commission of Pakistan, federal and provincial ministries, government departments, local bodies, corporations, courts, stock exchanges, and any other competent authority; and
- To ensure that the Bank performs to the highest levels of ethical, legal and business standards in order to execute the Bank's strategies effectively in line with all applicable laws.
- To ensure that the culture and values of the Bank are upheld at all times, the Board receives timely, accurate and complete information, shareholders' interests are protected in compliance with laws and regulations, meetings are duly recorded, productive participation of board members, and effective resolution of issues.

## GENDER LANDSCAPE

### Gender Diversity Historic Trend



## **POLICY ON DIVERSITY, EQUITY AND INCLUSION**

The Bank recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include, and makes good use of, differences in the knowledge & skills, competencies, regional and industry experience, background, gender, race, caste, creed and other distinctions between Directors. These differences determine the optimum composition of the Board, and should be balanced appropriately, when possible. All Board appointments are merit-based, in the context of the skills, experience, independence and knowledge, which the Board as a whole requires to be effective.

## **SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY**

Bank Alfalah has very high regard for its social and environmental responsibility. The Bank is committed to understanding, monitoring and managing its social, environmental and economic impact to enable it to contribute to society's broader sustainable development goal. This commitment is deeply ingrained in its core values, and the Bank aims to demonstrate these responsibilities through its actions and corporate policies.

The following are the guiding principles for the Bank's activities:

- Ingrained our vision for a safe, environment-friendly and socially-responsible culture into the Organisation;
- Effective management of our activities to minimise the impact on the environment;
- Support local employment and entrepreneurship; Support the development of infrastructure, health, education, training and cultural activities in collaboration with the community;
- Compliance with local and international social and environmental laws;
- Increase the frequency of social welfare activities;
- Introducing top-of-the-line products that support environment-friendly procurements;
- Continuous emphasis on safe and clean building designs;
- Collaborate with employees, customers and all other stakeholders for mutual benefits; and
- Develop mechanisms and processes for the preservation of natural capital







# BUSINESS OPERATION SUSTAINABILITY RISK AND OPPORTUNITIES

## How We Share Our Risk Management Responsibilities?

### THE BOARD

**Responsibilities:**

- Approves Strategic Objectives And Risk Appetite
- Reviews key risks and mitigating measures
- Approves the risk infrastructure
- Assesses effectiveness through periodic reporting
- Defines risk management policies
- Formulates and maintains integrated bank-wide risk management framework
- Establishes a bank-wide strategy incorporating the risk management strategy

**Board Committees:**

- Board Risk Management Committee (BRMC)
- Board Information Technology Committee (BITC)
- Board Audit Committee (BAC)
- Board Strategy and Finance Committee (BSFC)
- Board Crisis Management Committee (BCMC)



### SENIOR MANAGEMENT

**Responsibilities:**

- Defines and proposes the risk appetite for onward approval from the Board and monitors it quarterly
- Oversees design and sustainable implementation of Enterprise Risk Management (ERM) and internal control systems
- Evaluates the adequacy of risk mitigation plans

**Management Committees:**

- Central Management Committee
- Digital Council Committee
- Central Credit Committee
- Control and Compliance Committee
- Asset and Liability Committee
- Process Improvement Committee
- Governance Committee for Overseas Operation
- Investment Committee
- IT Steering Committee
- Expenditure Approval Committee



### CREDIT AND RISK MANAGEMENT GROUP

**Responsibilities:**

- Develops risk policies, interprets and guides business units on risk standards, limits and regulations
- Monitors key ratios and risk levels through routine testing skills
- Reports to the management, Board and regulator

**Risk Divisions:**

- Risk Management
- Information Security
- Credit Policy and Portfolio Management
- Credit Administration
- Operational Risk
- Credit Division
- Consumer and Digital Risk
- CRM Governance and First line

# OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

All operating units are subject to self-assessment as well as periodic review by risk and internal audit.

## RISK MONITORING AND REPORTING



# **DIGITISATION**

## **Bank Alfalah Launches the New AlfaMall**



### **Launch of New AlfaMall**

- The Technology Revamp
- Migration to Offshore Cloud server



### **Launch of BNPL at Bank Alfalah Sales and Service Center**

Any Bank's credit card customers can visit Sales and Service center (S&Sc) and get their products



### **Launch of Fashion Category in AlfaMall**

- Collaboration with Premium Fashion Designers of Pakistan like Deepak Perwani, HSY, Munib Nawaz, House of Amir Adnan
- Collaboration with Retail Fashion Brands like Asim Jofa, Sana Safinaz, Azure

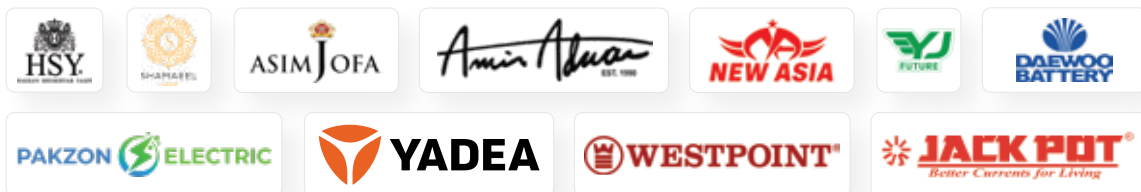


### **Launch of Hunarmand**

- Local Artisans from Khairpur, Multan, Hunza Now have access to 2.2 Million Banking Customers
- Collaboration with Organisations like BISP, Kado, & Behbud to empower local artisans



### **Brands Onboarded in 2024**



## AlfaMall Integration with Logistics Partners

- AlfaMall customers can track orders & acknowledge delivery in real time
- Co-branding with LCS to promote BNPL through Products QR



Co-branded with  
**Pakistan's 1<sup>st</sup> Banking eCommerce**  
installment-based marketplace

## Celebrities' First Choice to Shop Online

- Premium products
- Authentic brands
- Easy monthly payments



## Awards & Recognitions

- P@sha Awards 2024
- PDA (Pakistan Digital Awards 2024) for Best Marketplace



## An Overview of AlfaMall Performance

**165,000+**

Alfamall Customer Base

**95,000**

Unique Customers

**16%**

E-commerce Prepayment Market Share

**80%**

BNPL booking on BAFL Cards and 20% on other bank cards

### Most Selling Categories

Mobile, Bikes, Electronics

### Most Selling Brands

Honda, Apple, TCL, Samsung

### Most Selling Products

Honda CD 70, Vivo v40e, iPhone 16

## 97% Customer Quality Index

in customer service, refund and after sales support

**95% Orders Delivered**

within 3 working Days TAT

**01:17:00**

Fastest Delivery Time



# DIGITAL BANKING SNAPSHOT

**PKR 6 Trillion**

of Digital throughput

**1 Million+**

Monthly Active Alfa Users

**86.5%**

(FTM Dec) of bank's transactions  
are routed through digital channels

**53%**

CDM Migration Ratio

**PKR 400 Billion+**

throughput from **500+** Cash Deposit  
Machines (CDMs)

**57%**

Chat to Voice Ratio

**PKR 69 Billion**

Digital Payment's throughput  
(60% increase from last year)

**PKR 27 Billion**

Digital TDRs

**PKR 14 Billion**

Alfamall throughput during the year 2024

**PKR 9 Billion**

throughput acquired on the Alfa  
Payment Gateway

**PKR 31 Billion**

of QR B2C and Alfa Business payments

**PKR 1 Billion+**  
of throughput spent on Virtual Debit Cards

Over quarter of the Bank's accounts  
opened digitally in Dec 2024 **15K+**

Largest mandate of BISP (47%) serving  
**4.4 Million**  
beneficiaries across Pakistan

**PKR 1.7 Billion** investments and redemptions  
of Digital Mutual Funds

**20+** new Robotic Process  
Automation and AI projects

**19%** of the Bank's Credit Cards are  
digitally issued through Alfa

**36%** by volumes of all personal loans are being  
acquired and disbursed through Alfa

**110K**  
active Blue Collar Payroll customers

600K+ EOBI Pensioners with annual disbursements of  
**PKR 50 Billion+**

**Alfa 2.0** Revamped and new  
AlfaMall launched in 2024

Cumulative Self-Remote RAPID accounts  
portfolio of 100K+ with a deposit base of  
**PKR 8.5 Billion**

# COMPLAINT MANAGEMENT UNIT

At Bank Alfalah, delivering customer satisfaction is a key priority. The Bank adopts a customer-focused approach, supported by a strong complaint handling system grounded in fairness, transparency, efficiency, and accessibility. To make it easy for customers to register complaints, multiple channels are available, including a dedicated call center, an intuitive website, direct email support, Alfa app support, and drop boxes at branches. All complaints are swiftly recorded in a sophisticated complaint management system.

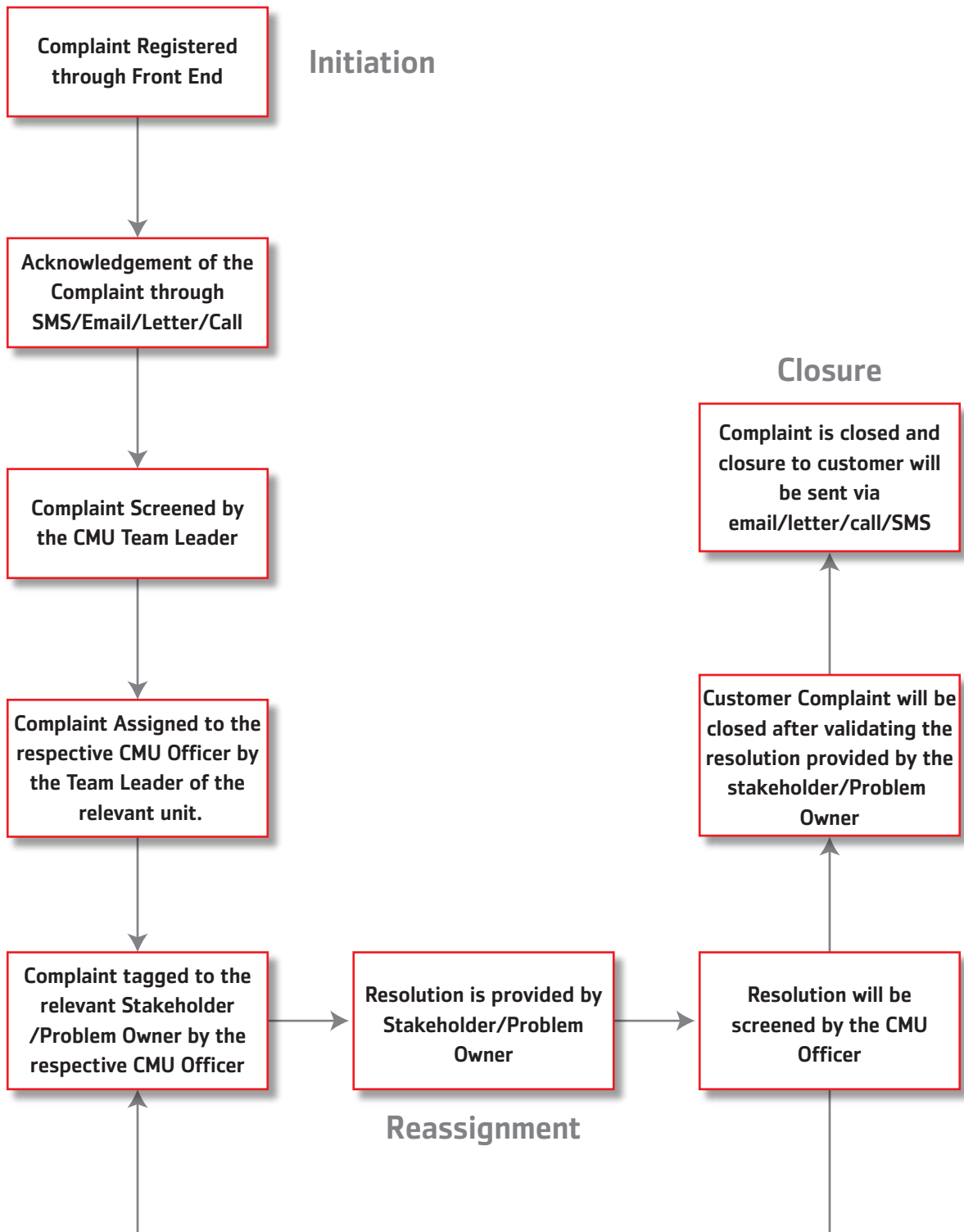
To resolve issues promptly, a structured escalation matrix is in place. If a complaint is not resolved within the set timeframe, it is automatically elevated to higher management levels to ensure it receives immediate attention. Additionally, teams regularly review complaint patterns and share findings with Senior Management and relevant Business Segments. This practice of root-cause analysis helps the Bank take proactive steps to resolve problems and reduce the likelihood of future complaints.

# COMPLAINT MANAGEMENT IN A SNAPSHOT

- Total Complaints: **163,654**
- Percentage of complaints pertaining to "Disclosure of confidential information": **0.08%**
- Average Turnaround Time: **4.3 days**
- Targeted Turnaround Time for 2025: **04 days**
- Percentage of total complaints resolved within 5 days TAT: **69%**
- Target for 2025: **85%**
- Complaints from regulatory bodies: **11**
- Total number of identified leaks, thefts, or losses of customer data: **Nil**



# COMPLAINT MANAGEMENT PROCESS



Team Leader will distribute the complaint bucket to the respective team as per the pre-defined mechanism of the complaint management unit.

## RESPONSIBLE FINANCING

Cognizant of the importance of supporting SMEs in uplifting the economy of Pakistan, we at Bank Alfalah have always stood up with our regulatory body to support and promote their financial and non-financial advisory pursuits. This year, Bank Alfalah's SME performance has seen extraordinary growth, with a 53% YTD increase in lending exposure, rising from Rs. 34 billion in Dec 2023 to Rs. 52.3 billion in Dec 2024. The same was witnessed in our Agri Segment which has exceeded expectations, achieving impressive growth, with its portfolio rising from Rs. 18 billion in Dec 2023 to Rs. 25 billion in Dec 2024. In Trade Business, Bank Alfalah made trade throughput for Retail of USD 2.1 billion which highlights our commitment to go above and beyond!

## FINANCIAL LITERACY

Bank Alfalah continues its legacy of promoting financial inclusion and literacy. Our Non-Financial Advisory Services (NFAS) stands out as a key enabler, bridging gaps in unorganised and under-served segments. Through collaborations and impactful partnerships with trade associations and other developmental organisations, NFAS addresses gaps in knowledge, awareness, and understanding of financial market opportunities, guiding micro, small, and medium enterprises (MSMEs and SMEs) to become bankable.

In agriculture, Bank Alfalah has significantly expanded its reach to untapped segments through Agri-based support providers. Recognising the potential of under-banked farmers, the Bank strives to uplift rural economies by offering access to finance. Recent initiatives include partnerships with tech-based service providers to introduce advanced farming solutions and climate smart agriculture practices to drive innovation in the sector.

Under Agriculture Finance Literacy Program, we have engaged more than 2,600 farmers through almost 114 Farmers Financial literacy sessions in different locations of Pakistan.

Under the Revive and Rise Scheme, Bank Alfalah is the first bank to digitally onboard customers, while extending subsidised credit for revival of small Agri businesses for uplifting of the under-served communities in flood affected areas of Sindh.

On the digital front, our SME Toolkit serves as a free, web-based solution offering tutorials on skill development and banking documentation. Being an industry first, SME Toolkit is our online platform that helps us extend our non-financial advisory services which has also recently gathered widespread recognition by the government and regulator. Through this medium alone we have been able to reach out to over 35000 businesses. It fosters both local and international linkages for SMEs, enhancing their understanding of financial documentation and market opportunities. Bank Alfalah's financial inclusion and awareness efforts have engaged over 37,000 SMEs through our offline and online presence.

Additionally, we regularly conduct market storming sessions with SMEs across Pakistan, generating valuable leads for NFAS to assist businesses in formalising their operations. Recently, we have reached significant milestones, including integration into the Cambridge, O-levels curriculum, promoting financial literacy among young learners.

## SME Toolkit Featured in A Level Business Curriculum

Bank Alfalah's Small and Medium Enterprise (SME) division, through its Non-Financial Advisory Services (NFAS) department, has reached another milestone by being featured in a case study published in the Cambridge International Business Studies coursebook at Subsidiary and Advanced Levels. This achievement has expanded the Bank's outreach to young budding entrepreneurs.

The book presents a case study of a young entrepreneur who utilised SME Toolkit to successfully manage the accounting, human resources, marketing, and sales aspects of his business.



## WOMEN ECONOMIC EMPOWERMENT

To extend support to women entrepreneurs, Bank Alfalah has formed strategic alliances with women-centric organisations, including SMEDA, CircleWomen, APWA, Ladiesfund, and various Women Chambers of Commerce and incubation centres. These partnerships aim to raise awareness and provide hands-on support to female entrepreneurs. Under the "Banking on Equality" initiative, the bank ensures that women receive equal financing opportunities and are provided the necessary hand-holding where needed.

Under our SME & Commercial Division, we have extended financing to women entrepreneurs through various subsidised schemes. As of June 2024, the portfolio under SBP's Refinance and Credit Guarantee Scheme alone includes 243 customers with a total disbursed amount of PKR 311 million. Additionally, under the Prime Minister Youth Business & Agriculture Loan Scheme (PMYB&ALS), the Bank has provided financing to 142 women, disbursing PKR 292 million.

We are also leveraging upon the anchor-based financing model to actively generate leads under women financing. By partnering with organisations like Greenstar, CircleWomen, GharPar, we have been able to tap into market niches and facilitate access to credit for women-led businesses associated with their platform. This model enables women entrepreneurs to secure financing with greater ease, benefiting from the anchor's financial strength, and allowing them to scale their operations without the need for traditional collateral. Through this initiative, we are empowering women in business while creating new opportunities for financial growth and sustainability in the SME sector.

Additionally, at the Agri front, our efforts have been recognised in extending finance in far-fetched areas for recognising their challenges and helping them overcome them by extending small loans. Additionally, while recognising the unique challenges faced by women in rural areas, our team went the extra mile to address this matter and has been able to extend small loans to women in Pishin, Balochistan, a region with limited access to formal financing located in Balochistan. Special fee waivers and deviations where needed were approved to cater to the specific needs of these women entrepreneurs. In addition, a door-to-door service has been implemented, facilitating the loan application process, and providing financial literacy support.





Considering SBP's focus on 'Banking on Equality' we understand the underlying importance of women's access to financial and economic opportunities. The ongoing roll-out of our initiatives highlights our commitment to global best practices in financial inclusion. Our efforts have been recognised by the President's office, validating our contributions to advancing financial inclusion and bridging key literacy gaps. Additionally, we also bagged multiple awards at the national and regional level under SBP's "Empower Her" campaign during their Women Entrepreneurship celebrations.



#### NON-FINANCIAL ADVISORY SERVICE (NFAS)

Bank Alfalah has been a trailblazer in driving the SME segment within the banking sector through its innovative Non-Financial Advisory Services and tailored product offerings. The continued implementation of these initiatives reflects the bank's unwavering commitment to global best practices.

By expanding our footprint into underserved regions such as Baluchistan, Skardu, and Gilgit Baltistan, Bank Alfalah remains focused on bridging gaps for financially underserved segments. By providing knowledge and expertise, the bank empowers businesses at the grassroots level to enhance efficiency, productivity, and sustainability. While maintaining our dedication to partnerships, the bank emphasised lead generation and business growth. Strategic alliances with organisations including Greenstar, CIRCLE Women, SMEDA, Chambers of Commerce, Care International, PITB, LadiesFund, USAID SMEA etc. significantly expanded outreach.

The Bank considers NFAS an important component of its core business line that can help develop and grow the SME portfolio, deepen the relationship with its existing SME customers, mitigate risks, and differentiate BAFL in a growing competitive market. Additionally, our initiatives have garnered recognition from the President's office, further validating our impactful contributions towards advancing financial inclusion across the region. These accomplishments highlight the effectiveness of our approach in addressing crucial financial literacy gaps, reinforcing our commitment to fostering a financially inclusive society







In line with the commitment to advancing financial inclusion, the Bank collaborated with SMEDA, various Chambers of Commerce, and the State Bank of Pakistan to conduct over 30 financial awareness sessions and helpdesks across Pakistan this year, reaching a diverse and widespread audience. Recognising the importance of inclusive outreach, we continuously seek strategic partnerships to make banking accessible for all segments of society. Notably, to extend our efforts to persons with disabilities (PWDs), we partnered with organisations such as ConnectHear, NOWPDP, and Deaf Reach School—enabling us to deliver tailored financial education and support to underserved and marginalised communities.



## CBSME & Agri – Onwards & Upwards!

## Our Key Enablers



Head CBSME

Head SME &amp; Agri

With the CBSME revamp, the SME segment grew to PKR 45.8 BN (PKR 52.3 BN *same-width*).  
 \*NTB numbers reflect growth of 206% and 252% of the 2024 against our allotted budget for SME and Agri, respectively."



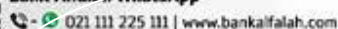
**M. Shoaib Manzoor**

**Cluster Central West**  
Highest aggregated SCF Growth



**Sikander Karim**

NFAS's Bank Afifah SME Toolkit's case study published in the Cambridge International Business Studies AS & A Level coursebook. Recognition by President's office for financial inclusion initiatives across the island.





## RESPONSIBLE TAX PRACTICES

Bank Alfalah's approach to taxation, including tax governance, control and risk management is in line with business strategy and prevailing regulations.

- **Macroeconomic factors:** The year 2024 was a challenging year for Pakistan's economy as the Government curtailed its spending, increased taxes and passed on the energy cost to the consumers.
- Bank Alfalah offers convenient payment options through its Alfa App, Internet Banking and ATMs/branches to help in the collection of tax revenue.
- The Bank serves as a withholding tax agent for direct and indirect taxes.
- Bank Alfalah has robust IT systems in place which ensure proper calculation and deduction of taxes from the customers, vendors, suppliers, employees and depositors at the rates specified by the tax authorities.
- **Contribution to the Government:** The Bank contributed Rs. 58.9 bn to the Government's tax revenue in the form of income taxes along with collecting and depositing indirect taxes. The Bank remains focused on being a responsible taxpayer.
- **Regulators:** The Bank acts as a trusted partner of the regulators. The Bank also aims at being a responsible tax paying and collection agent.
- The income tax assessments of the Bank have been finalized up to and including tax year 2024.
- **Management's assessment of sufficiency of tax:** The bank maintains sufficient provision for taxation as required under the accounting standards and the relevant tax regulations. Contingencies with respect to direct or indirect taxation based on income tax assessments have been disclosed in note 33 of the unconsolidated financial statements for the year ended 31 December 2024. Our assessment of sufficiency of tax provision made in financial statements along with comparisons to tax assessment for the last three years are satisfactory.

All accounting policies including taxation are disclosed as part of the annual audited financial statements, which are approved by the Board, signed off by the President and CEO, CFO and 3 Directors.



## INFORMATION SECURITY

Cyber risk is now amongst the top ranked Information Security risks that all organisations face and Bank Alfalah is cognisant of its significance and possible impacts. A dedicated Information Security Division, functioning within the aegis of Credit and Risk Management Group manages Information Security risks to Bank's technology assets by enforcing compliance to information security standards & baselines for IT solutions that support products and services. Information Security solutions selection, acquisition and engagement with consultants, vendors or service providers are led by Information Security in close coordination with Information Technology Group (ITG).

The Bank has in place a well-defined Information Security Risk Management Policy/Framework duly approved by the Board of Directors. The framework is supplemented with comprehensive Information Security Risk Management procedures approved by executive Management as well as multiple technology / process / practices specific security baselines. The framework derives direction from the regulatory advisories and mandates, as well as from international standards and best practices.

Based on periodic Cyber Security Risk Assessments, the bank has instilled a multi-layered Cybersecurity Action Plan, the components of which cover all the key domains of information security. Identified threats and vulnerabilities are suitably treated and revalidated. Furthermore, the Bank runs periodic Cyber risk awareness campaigns for staff and customers and has clearly defined standard for Acceptable use of Information & Technology resources.

The State Bank of Pakistan has time and again issued advisories, circulars and regulations for improvements in Bank's cyber security posture and these are being complied with on timely basis as well to provide a secure infrastructure for hosting our customer's data. Furthermore, Bank's approved strategy and industry specific best practices are also being followed.

The Board has entrusted the Board Information Technology Committee to oversee Bank's technology direction and risk ensuring that Information Technology remains a key differentiator in Bank's strategy. The objective has fuelled the organisation's ambitions for automation and digitalisation thus fostering use of information and data as a key ingredient for innovative solution design and product delivery witnessed by positioning of our franchise as customer's first choice.

The Board and Executive management also remain mindful of risk associated with Cyber Risk, which is supported by a comprehensive strategy and plans, internally as well as by Independent Third parties – for periodic assessments of effectiveness of technology risks and controls.

The organisation is tuned to identification of risks, regulatory, operational, or cyber risks, and ensures that control designs are effective wherein people meticulously follow operational protocols. Besides, all products and services are marketed only after compliance and legal vetting and required risk transfer mechanisms are effective.

Security assessment of technology infrastructure and services is of paramount significance to Bank's strategic and executive management. Accordingly, internal and external mandates and engagements have been effective for years now. Whilst the bank has institutionalised security assessment capabilities amongst Information Technology as well as Information Security teams; their veracity and effectiveness is further validated through quarterly engagement of independent third party engaged for periodic technical risk assessment and vulnerability assessment and penetration testing of all critical systems and services. Furthermore, Bank has engaged service providers for timely awareness and treatment of any unscrupulous activities.

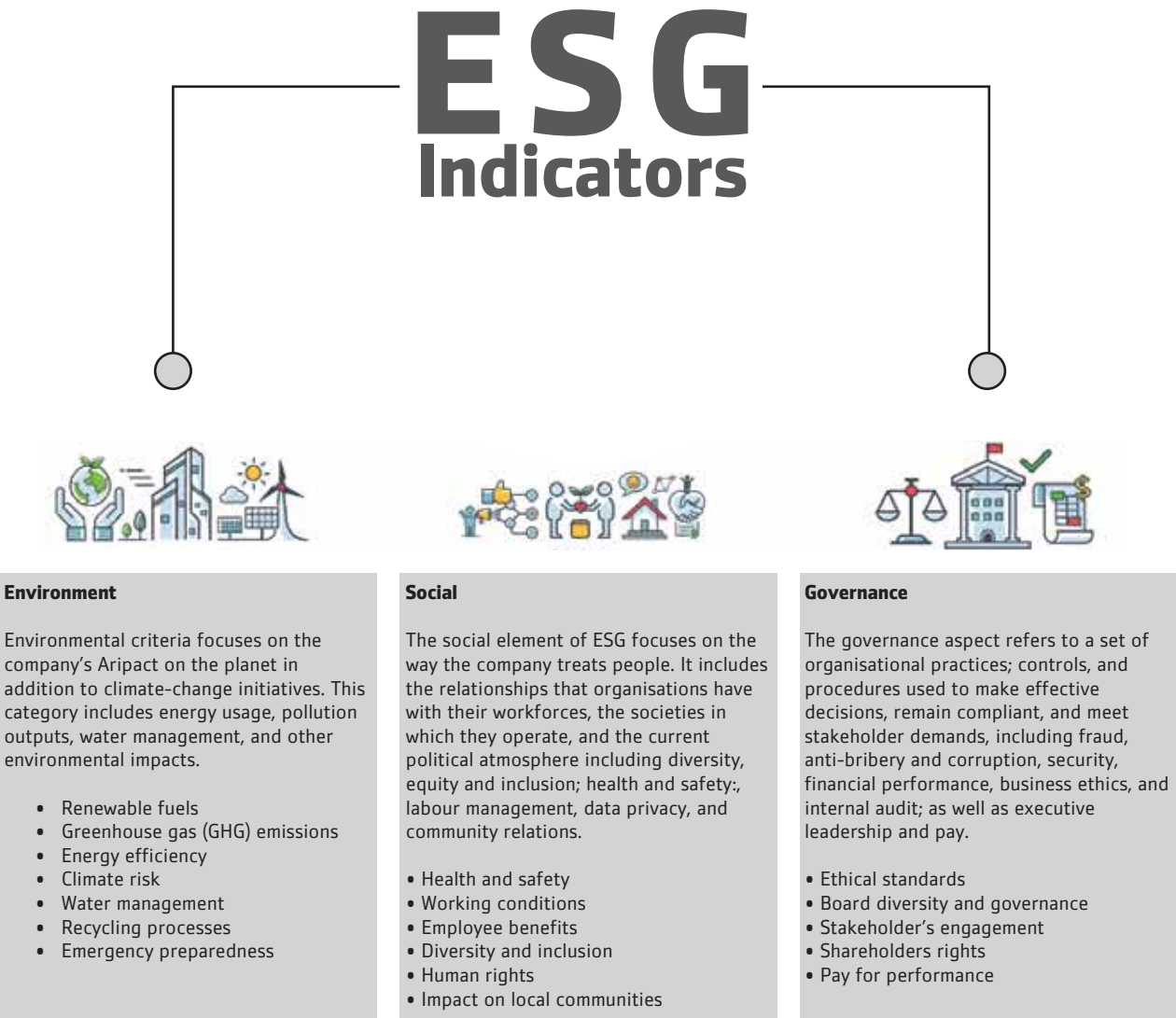


# ENVIRONMENT, SOCIAL AND GOVERNANCE INITIATIVES AND THE BANK'S CONTRIBUTION

## Background

All three ESG disciplines have a distinct set of standards and practices but at a consolidated level, they indicate an organisation's dedication to achieving the greater good for the environment, society and the organisation itself.

Shareholders/investors, customers, employees, and other stakeholders expect companies to reduce the impacts that their businesses have on environment and be more transparent about ESG reporting. ESG programme looks at business practices to ensure that the companies actually do what they are required to do. There are important components within each ESG discipline:



# SUSTAINABILITY AND THE GREEN BANKING JOURNEY

## GREEN BANKING- THE WAY FORWARD

Green banking is of paramount importance in today's world as it plays a vital role in promoting environmental sustainability and combating climate change. By integrating environmental and social considerations into banking practices, green banking encourages the adoption of environmentally friendly policies and initiatives.

This approach not only benefits the environment, but also contributes to the long-term financial stability of banks by mitigating environmental risks and promoting responsible lending practices. Additionally, green banking fosters innovation by supporting the development and financing of renewable energy projects, energy-efficient technologies, and sustainable businesses.

Moreover, it enhances Banks' reputation and brand value, as customers increasingly prioritise sustainability and seek out financial institutions that demonstrate a commitment to environmental responsibility. Ultimately, embracing green banking is essential for building a more sustainable and resilient economy that meets the needs of present and future generations.

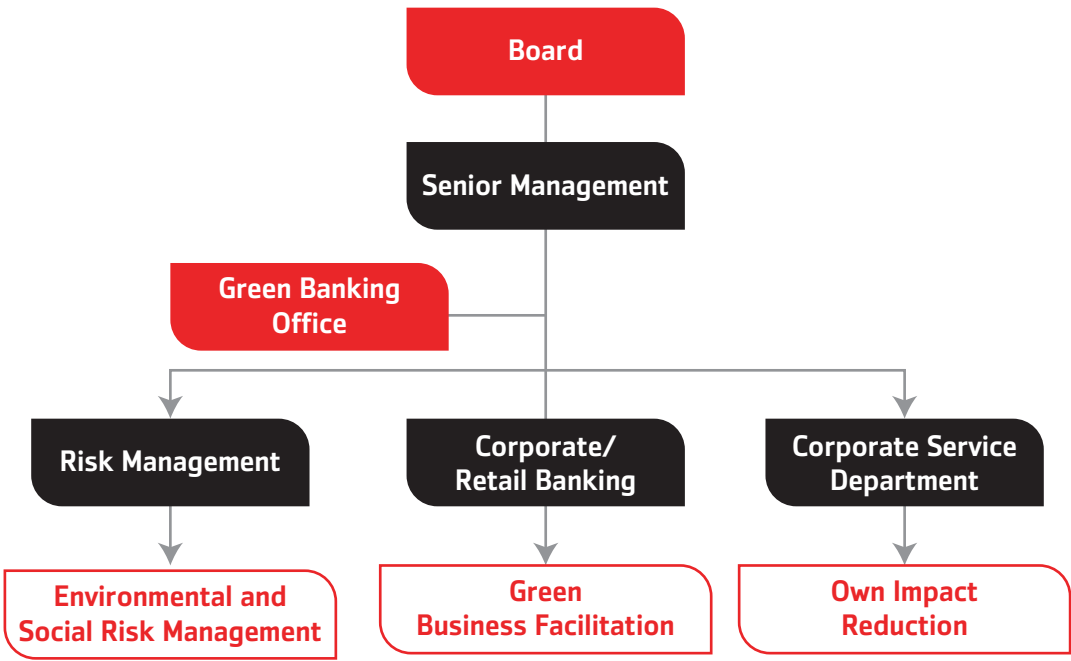


# GREEN BANKING INITIATIVES

Bank Alfalah's commitment to betterment in growing environmental and social issues was reflected as early as 2015 when it introduced Environmental and Social Management Framework for integration in its credit approval process. Later in August 2018, Bank Alfalah formally embarked upon its journey of Green Banking when its Board of Directors approved its first Green Banking Policy and formulated Green Banking Office in the Bank, aligning with the SBP's Green Banking Guidelines 2017. This Policy now outlines an enhanced commitment of Bank Alfalah to contribute towards betterment in environmental and social issues through below mentioned strategy:

- a) Environmental and Social Risk Management: Continuing with integration of Sustainable Finance in its lending operations.
- b) Green Business Facilitation: Allocation of funding and resources to those businesses, which directly or indirectly want to reduce their carbon foot-print, be more resource efficient and use other means to reduce the environmental impact.
- c) Own Impact Reduction: Reducing Bank Alfalah's own carbon footprint. This involves increasing the use of solar energy, which decreases the Bank's reliance on grid-energy/fossil fuel based energy, reduction in paper consumption, rationalisation of water consumption and so on.

The governance structure of the three verticals of Green Banking; 1) Green Business Facilitation, 2) Environmental & Social Risk Management and 3) Own Impact Reduction are as follows:



New joiners are given basic Green Banking awareness training during their orientation while existing staff are required to successfully complete an e-Learning module on 'Green Banking' every year.

Bank Alfalah's Environmental Risk & Green Banking Department (also known as Green Banking Office) is providing ESRM Advisory to all internal customers on transactional levels so that the staff does not face any difficulty in implementing the revised ESRM framework. All personnel working in this department have acquired IFC online certification of 'Sustainability Training and E-Learning Program' (STEP).

In-house classroom trainings on Environmental and Social Risk Management (ESRM) are conducted for client-dealing Relationship Managers, credit staff, internal audit and internal control staff.

### **1) Environmental and Social Risk Management**

In November 2022, SBP issued its Environmental & Social Risk Management (ESRM Implementation Manual) with a regulatory deadline of November 2025 for full compliance to all banks. Bank Alfalah successfully adopted the SBP's ESRM framework in November 2023; thus it is among the first few banks to comply with it.

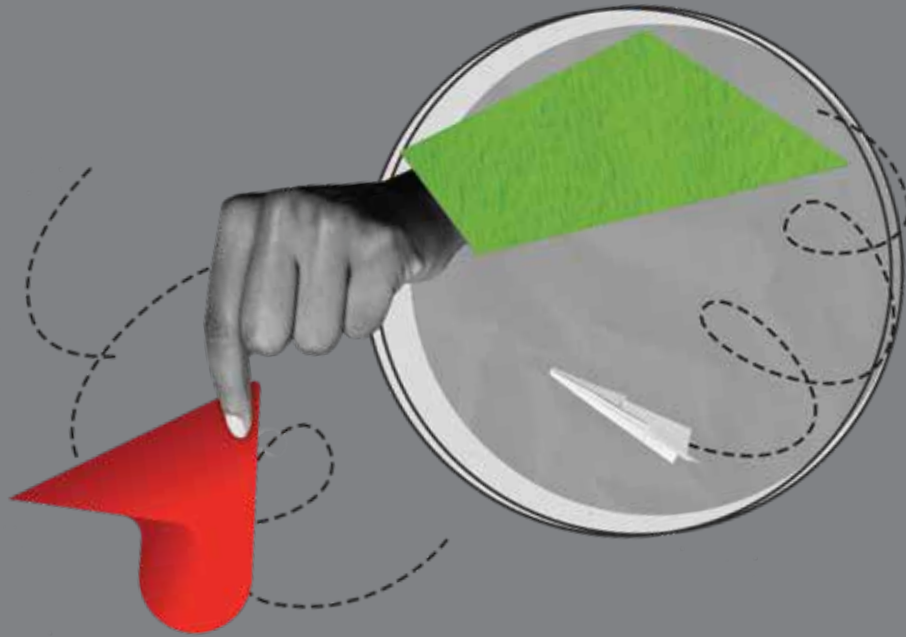
This framework is an integral part of the credit approval process and all relevant credit proposals require credit, environmental and social review prior to approval of the competent authority. In-house classroom trainings on Environmental and Social Risk Management System (ESRM) are conducted for client-dealing Relationship Managers and Credit Staff. As a result, our borrowers are now aware of the importance of the environment, the need for environmental due diligence, environmental laws, and the role of Environmental Protection Agencies in each province. The bank helps the borrowers to comply with the environmental and labour laws and in case of non-compliance, pushes the customers towards compliance and follows-up periodically on the progress

### **2) Green Business Facilitation**

We encourage our clients to improve their operations and technologies by initiating eco-friendly schemes. We have introduced a green financing product 'Alfalah Green Energy', which is a term finance facility for customers willing to install solar energy equipment for generation of electricity ranging from 4 KW to 1,000 KW with net metering. It allows repayment tenure of up to 5 years with 3 months' grace period.







Bank Alfalah has provided financing for the following mega green projects:

Sr #	Name of Project	Source/ Type	Capacity (in MW)
1	Fatima Energy Limited	Bagasse	118
2	Chiniot Power Limited	Bagasse	62
3	Hunza Steel (Pvt.) Ltd.	Bagasse	20
4	Gul Ahmed Wind Power Limited	Wind	49
5	Metro Power Company (Pvt.) Limited	Wind	49
6	Master Green Energy Limited	Wind	50
7	Din Energy Limited	Wind	50
8	Gharo Solar (Pvt.) Limited	Solar	50
9	Nizam Power (Pvt.) Ltd	Solar	9
10	Neelum Jhelum Hydropower Company (Pvt) Ltd	Hydro	969
11	Dasu Hydropower Project, WAPDA	Hydro	4,320

## GREEN FINANCING TARGET METRICS

In 2024, the Annual Green Target was PKR 32.4 billion while the banks' year-end Green Financing outstanding was PKR 26.6 billion; resulting in negative variance of 18%. The reasons for the negative variance are political and economic uncertainties, lack of green project incentives, and the removal of subsidised rates by SBP, which have collectively reduced clients' willingness to invest in green projects and seek financing.

Keeping the prevailing market conditions and opportunities, our Bank's Annual Green Financing Target for 2025 is set at Rs. 34.2 bn, which is over 29% of year end position of 2024.

### 3) Own Impact Reduction

In the area of Own Impact Reduction, the Bank has undertaken several initiatives to minimise its environmental footprint. Key initiatives include:

- Reducing paper consumption across operations
- Replacing diesel-fueled generators with UPS systems for backup power
- Transitioning from regular saver lights to energy-efficient LED lighting
- Replacing conventional air conditioners with energy-saving inverter ACs
- Installing sensor-based water taps and flow optimisers at selected locations
- 155 ATMs powered by solar energy
- Solar power systems with a total capacity of 315 kWh have been installed across the following six key premises:
  - o Bank Alfalah Head Office Building (Karachi)
  - o BAFL Corporate Building, F.B. Area (Karachi)
  - o Shahdin Manzil Corporate Office (Lahore)
  - o Sheikh Bhirkio Branch
  - o Consumer Finance Corporate Office (Lahore)
  - o Sehar Guest House (Karachi)

The cumulative impact of all steps taken so far shows that the Bank has successfully started to achieve the objective of Green Banking as laid down in the SBP Guidelines.

# HEALTH, SAFETY AND ENVIRONMENT

## OCCUPATIONAL HEALTH AWARENESS AND MEASURES

At Bank Alfalah, Health and Safety are a top priority, with a strong focus on ensuring the well-being of both employees and customers. The bank has implemented an efficient capacity-building program that regularly trains staff on safety best practices. Proactive measures, such as routine safety inspections and risk assessments, are carried out across all branches and facilities to prevent accidents. In addition, incidents are carefully documented through a detailed reporting system, allowing for quick identification and resolution of potential hazards. Regular safety drills and workshops further enhance preparedness, ensuring a safety-conscious culture throughout the organization. These efforts reflect Bank Alfalah's dedication to maintaining a secure and healthy environment.



### A) PEOPLE AND PREMISES SAFETY – INSTALLATION OF AUTOMATIC FIRE EXTINGUISHERS (AFE)

A unique and cost effective initiative to reduce the risk of fire in branches and critical locations where physical monitoring is not possible at all times, Auto Fire Extinguishers are now installed in all Bank Alfalah branches and key buildings. This initiative has been found to be very promising and has saved major fires; and it is now a mandatory feature of all new and old Bank Alfalah premises.

### B) EMERGENCY PREPAREDNESS AND RESPONSES

The Bank's HSE team equips staff with training and communication to handle potential adverse situations, ensuring that safety precautions are integrated into the office culture and daily routine. The emergency preparedness program includes providing health and safety awareness, as well as training on emergency evacuation procedures and fire safety.

### C) SAFETY TRAINING AND AWARENESS

The Health, Safety, and Environment (HSE) as well as Business Resilience teams are actively conducting training and awareness programs for staff across multiple platforms. These initiatives include classroom sessions, email circulations, videos displayed on staff screens, and various other channels. Through these diverse means of communication, the teams aim to effectively impart knowledge and enhance awareness among the staff regarding health, safety, and environmental practices, as well as strategies for business resilience.



## **D) PRE-EMPTIVE SAFETY INSPECTIONS/REVIEWS OF BRANCHES AND BUILDINGS**

In upholding elevated safety protocols, the HSE team conducts proactive safety reviews of branches. This not only facilitates the identification and rectification of potential hazards but also contributes to the establishment of a secure environment for both staff and customers.

## **E) MANDATORY RAMP AND EMERGENCY EXIT PROVISION IN NEW BRANCHES AND BUILDINGS**

Inclusion of Ramps and Emergency Exit is now the integral part of every new premise of Bank Alfalah. This not only provides compliance to State Bank's guidelines but also covers essential protocols for staff's safety and wellbeing.





## F) FIRST AID AND CPR TRAININGS FOR STAFF

Bank Alfalah's staff is being provided with First Aid training through professional and competent trainers. This life saving training will provide the staff the competency to deal with any unforeseen medical emergency and provide first aid medical assistance. The Bank aims to provide these trainings across the entire network in Pakistan.



## G) BLOOD DONATION DRIVE

The Bank arranges blood donation campaigns in major cities i.e. Karachi, Lahore and Islamabad to help the people in need and to facilitate its employees and their families during medical emergencies. This blood donation has not only provided the lifesaving opportunity to thalassemia and other patients but the arrangements with bank has also enabled the Bank to assist bank staff in dire need of blood. Until today, 29 staff members have been assisted in emergency with 81 units of Blood Free of Cost.







# SUSTAINABLE ENVIRONMENT INITIATIVE: OWN IMPACT REDUCTION

Bank Alfalah embarks on its journey towards a more resilient, equitable, and ecologically balanced world, where the prosperity of both people and the planet is equally revered. Bank Alfalah is working on sustainability initiatives like reduced electricity, fuel, waste and paper consumptions in consultation with WWF (World Wildlife Fund).

## Energy Consumption

Currently the Bank is in the process of calculating the total waste generation, working with the IFC to establish a baseline scenario by December 2025. The targets will be established once the baseline task is finished.

### Energy Consumption

Component	Unit	2024
Electricity Consumption	kWh	36,804,902
LPG Consumption	m3	251.70 m <sup>3</sup>
Diesel Consumption	Lit	2,843,620
Renewable Energy (Solar)	KW	471,759

### Energy Consumption in GJ

Component	Unit	2024
Electricity Consumption	GJ	132,498
LPG Consumption	GJ	9
Diesel Consumption	GJ	108,882
Renewable Energy (Solar)	GJ	1,698
Total Energy Consumption	GJ	243,088

### Energy Mix (Share total % of Consumption)

Energy Mix of 2024	Percentages (Basis of GJ)
Electricity	54%
Liquified Petroleum Gas (LPG)	0.004%
Diesel Consumption	45%
Solar Consumption	0.7%
<b>Total</b>	<b>100%</b>

The energy intensity ratio refers to the internal consumption of energy, as is shown below.

Component	Unit	2024
Total Energy Consumption	GJ	243,088
Total Workforce	Numbers	16400
Total Energy Consumption	GJ/ Employees	14.82

However, various initiatives and steps have been taken to reduce environmental impacts and to conserve energy which include:

### Conservation initiatives

- PV Solar System Installation: A 315 kW capacity solar system has been installed in key buildings
- LED Lights installation
- Long backup UPS installation with super capacitor batteries
- Inverter-based ACs implementation
- Purchasing of energy star rating products
- Roll out communication to increase employees' awareness
- 155 ATMs are powered by solar energy

### Water Conservation Initiatives:

- Implementing sensor-based taps to minimise water wastage
- Repurposing water from air conditioning units for gardening purposes
- Roll out communication to enhance employee awareness

## ENVIRONMENTAL STEWARDSHIP

# ENVIRONMENT – PROTECTING THE NATURAL CAPITAL

In the pursuit of sustainable development and the well-being of the planet, safeguarding the natural capital is paramount. Bank Alfalah not only recognizes the importance of natural capital as a critical component of sustainable development but is also committed to align its business with the broader global shift towards environmentally responsible business practices.

Health, safety, environment, and sustainability (HSE) are interlinked pillars that form the bedrock of responsible and ethical practices across various sectors. The nexus between these elements reflects a commitment to fostering not only the well-being of individuals but also the long-term health of the planet. In workplaces, prioritizing health and safety not only safeguards employees but also enhances productivity and organizational resilience.

By harmonizing health, safety, environment, and sustainability, the Bank embarks on a journey towards a more resilient, equitable, and ecologically balanced world, where the prosperity of both people and the planet are equally revered. Some key highlights on Bank Alfalah's sustainable and HSE practices are mention below.

### Green Office Certification by WWF (World Wide Fund for Nature)

Bank Alfalah Head Office building in Karachi is awarded as certified 'Green Office Building' by WWF (World Wide Fund for Nature). World wildlife fund for nature is an international non- governmental organization dedicated to address the climate change impacts and promote sustainable climate resilient world.





Some of the key initiatives and improvements implemented at the BA Building that contributed to achieving this certification are outlined below:

- Oil recycling
- Water conservation
- Installation of energy-efficient lighting
- Upgraded air-conditioning systems
- Implementation of a grid-tied solar system
- Adoption of a green procurement policy
- Digitization of processes
- Integration and procurement of Energy Star-certified products
- Enhanced internal and external communication
- Utilization of condensed water for plantation
- Environmental awareness and training programs

### **Renewable and Clean Energy**

Bank Alfalah is committed to foster a green banking environment and promoting sustainability by integrating renewable energy solutions. A Solar Grid-Tied System, with a total capacity of 315 KW, has been installed across six of the bank's premises.

Additionally, 155 ATMs are powered efficiently by standalone and grid-tied solar panels, showcasing the bank's dedication to utilizing cleaner energy sources. As a result, over 193 Tons of carbon dioxide equivalent has been offset this year through clean energy alternatives.

Beyond solar panels, Bank Alfalah is adopting a variety of clean energy technologies to support sustainable practices. These include long backup UPS systems with Super Capacitor batteries for energy storage, inverter AC units, LED lighting, and solar panels. This strategic approach reflects the bank's broader commitment to responsible and environmentally conscious banking operations.

### **Responsible Disposal of Used Oil for a Greener Future**

Bank Alfalah has taken a significant step towards fostering sustainability by implementing a recycling initiative for the used oil from HVAC/Generators. Improper disposal of used oil whether through direct dumping or unregulated reuse, can have detrimental effects on the environment, posing a threat to the ecological balance.

To address this concern, Bank Alfalah partnered with the Environmental Protection Agency approved expert to ensure that the used oil undergoes recycling in an environmentally responsible manner. Not only does this initiative contribute significantly to environmental preservation, but it also underscores BAFL's steadfast commitment to sustainable practices. 500 Litres of used oil has been successfully recycled and reclaimed in 2024.

Moreover, this endeavour yields dual benefits: it not only safeguards our environment but also proves financially advantageous. BAFL is able to realize cost savings with every litre of oil responsibly disposed of.

### **Water Conservation**

Bank Alfalah has installed sensor based water taps and water flow optimisers at different locations to effectively conserve water. Active communications and trainings are also being conducted of staff to educate them about effective use of water.

### **Plastic Reduction Initiative**

Since plastic bottles are one of the biggest source of plastic pollution in the oceans consequently harming aquatic creatures, water dispensers are being installed in bank cafeterias and lobbies encouraging staff to use reusable glasses and refill their own bottles for drinking.

### **Waste Management and Responsible Consumption**

BAFL has made a major move towards building a more sustainable workplace by introducing a waste management plan at its Head Office building. This programme encompasses the collection, sorting, transportation, and proper disposal of waste. Between July 2024 and December 2024, the Head Office in Karachi generated a total of 208 kg of waste. Thanks to responsible waste treatment, this initiative contributed to a reduction of 852 kgs in CO<sub>2</sub> equivalent emissions. This waste management effort underscores BAFL's commitment to minimizing its environmental footprint, promoting recycling and composting, and cultivating a more sustainable and eco-conscious workplace for all.

## **INITIATIVES AND THE BANK'S CONTRIBUTION**

- All three ESG disciplines have distinct set of standards and practices but at a consolidated level, they indicate an organisation's dedication to achieving the greater good for the environment, society and the organisation itself.
- Shareholders/investors, customers, employees, and other stakeholders expect companies to reduce impacts that their businesses have on environment and be more transparent about ESG reporting. ESG programme looks at business practices to ensure that the companies actually do what they are required to do. There are important components within each ESG discipline.



## Statement of Adoption

The Bank contributes towards each of the three pillars of ESG to the maximum possible extent.

## Board's Direction on Strategic ESG objectives

The Bank has adopted ESG as one of its strategic initiatives, the strategy is approved by the Board.

Demonstrating an ongoing commitment towards a sustainable future, the Bank is dedicated to improving the social, economic, and environmental capital of the community in a sustainable manner. Moving forward from this, in a strategic move towards sustainable banking practices, Bank Alfalah formalised a Green Banking Advisory Agreement with the International Finance Corporation (IFC). This agreement is a testament to the Bank's commitment to fostering sustainable and accountable banking operations. The partnership encompasses a multifaceted approach aimed at enhancing the Bank's green banking initiatives, in a sustainable and efficient manner. This collaboration enables the Bank to explore and capitalise on opportunities in green finance, including green bond issuance and sustainable infrastructure financing.

During the current year, the Bank also revised its Corporate Social Responsibility and philanthropy guidelines, driven by a passion for giving back to the community. The policy seeks to strengthen Bank Alfalah's reputation through strategic donations and philanthropic investments, fostering a positive image among its stakeholders.

Moreover, during 2024, the Bank further delivered on its flood relief and rehabilitation programme.

During the current year, the Bank also revised its Corporate Social Responsibility and philanthropy guidelines, driven by a passion for giving back to the community. The policy seeks to strengthen Bank Alfalah's reputation through strategic donations and philanthropic investments, fostering a positive image among its stakeholders.

For additional details on the Chairman's, President's and the Board's sustainability initiatives, please refer the 'Chairman's Message,' 'President and CEO's Message,' and the 'Directors' Report' included within this Annual Report.

## Compliance Status

The Bank believes in sustainable growth while adhering to best ESG procedures. The Bank takes guidance from ESG Indicators from the Pakistan Stock Exchange (PSX). Given below are the contributions made by the Bank and steps in progress:

Pillars	Indicators	Supporting Activities in year 2024
Environment	Climate risk	The Bank identifies Environmental Risk and takes mitigation strategies to protect the business and the environment surrounding it. For further details, refer 'Risk and Opportunities' section of this Annual Report.
	Renewable fuels	The Bank supports Green Projects based on Renewable Fuels / Energy, including 1) Solar 2) Wind 3) Hydro 4) Bagasse. For further details, refer 'Sustainability' section of this Annual Report.
	Recycling Processes	The Bank has taken various measures to adopt recycling processes to reduce the impacts on climate. This includes responsible waste management through recycling processes, conservative paper printing and reuse of printed papers throughout the organisation. For further details, refer 'Sustainability' section of this Annual Report.
	Emergency preparedness	The Bank assesses and remains adaptable to crisis. The Bank has Board and management level Crisis Management teams to oversee emergencies and Business Continuity Plans are in place. For further details on committee TORs, meetings, performance and BCP plans, refer 'Governance' section of this Annual Report.
	Water management	The Bank takes action to conserve water during its daily operations. Refer Water Conservation and Sanitation measures in 'Sustainability' section of this Annual Report.
	Energy Efficiency	1. Use of Inverter ACs

Pillars	Indicators	Supporting Activities in year 2024
		<ol style="list-style-type: none"> <li>Opening green branches where the branch has lesser dependency on power grid.</li> <li>Making more use of solar energy to fulfil power needs of the Bank.</li> <li>Installation of energy-efficient lighting</li> <li>Adapted policy to procure Energy Star-certified products</li> <li>Trainings and communications to educate staff for efficient energy usage.</li> </ol>
<b>Social</b>	<b>Health &amp; Safety</b>	<p>The Bank's dedicated Health, Safety, Environment (HSE) team endeavours for safety of its employees and customers. Further, the Bank has Employee Welfare Programmes to support medical expenses of employees in need and Donations to Health sector and donations to employees affected by floods. For further details, refer 'Sustainability' section of this Annual Report.</p>
	<b>Human Rights</b>	<p>The Bank takes all necessary measures to promote human rights on all fronts. Given below are the Bank's contributions</p> <ol style="list-style-type: none"> <li>Bank Alfalah complies with Bank's Exclusion List whereby it does not lend money to organisations involved in activities pertaining to child labour</li> <li>Bank Alfalah offers a six month paid maternity leave to all female employees, and is the only bank to offer a maternity cover incentive to the employees who serve as maternity covers for the women availing maternity leaves; and</li> <li>Bank Alfalah actively supports its female and single parent employees through its child care policy. This initiative anchors the Bank's commitment to working mothers/single parents as it provides them ease in arranging for a day care/care taker whilst setting their sights on their careers.</li> <li>The Bank has various employee centric policies that are aimed at uplifting the economic status of employees. For further details, refer 'Stakeholders' and 'Sustainability' sections of this Annual Report.</li> </ol>
	<b>Diversity &amp; Inclusion</b>	<p>Bank Alfalah embarked upon a Diversity and Inclusion (D&amp;I) journey because it strongly believes in the business and social impact created by a diverse workforce and an inclusive work culture. The Bank wants to build a workforce that is representative of different genders, ages, backgrounds, experiences, working styles and abilities. The Bank harbours a commitment towards fostering a workplace culture where people can bring their best and authentic selves every day. The Bank believes that D&amp;I inspires creativity and innovation unlocks productivity, and enhances profitability. For further details, refer 'Stakeholders' section of this Annual Report.</p>
	<b>Working Conditions</b>	<p>The Bank's professional and experienced HSE (Health, Safety and Environment) and Business Resilience teams continually strive to create a culture which ensures that the Bank's services are made available to customers in a safe manner, despite any disruptive events or crises. The Bank's frameworks and emergency protocols, proactive planning, trainings, exercise programmes, advisories and alerts, premises inspections and hazard mitigation plans distinguish the Bank as a standard setter in the industry. For further details, refer to the 'Sustainability' section within this Annual Report.</p>



Pillars	Indicators	Supporting Activities in year 2024
<b>Social</b>	<b>Impact on Local Communities</b>	Bank Alfalah is committed to Corporate Social Responsibility (CSR). The Bank's CSR initiatives have enhanced the its reputation by contributing positively to the society. Throughout the year, Bank Alfalah remained committed and contributed to economic, social and environmental development. Above all, Bank Alfalah was at the forefront of efforts to support the vulnerable and under-served segments of society specially people affected by the floods. . The Bank is contributing to institutions, projects and facilities that share the same belief of philanthropy, aligned with the Bank's motto of 'giving back to our communities', and adhere to the Bank's CSR policies. These community services create a ripple effect and alleviate hardships for the less privileged in the society. Priority CSR areas for the Bank include education, health, social welfare, environmental sustainability, leadership development, and promotion of sports, arts and culture. For further details, refer to the 'Sustainability' section within this Annual Report.
	<b>Board Diversity and Governance</b>	The Bank follows diversity in the formation of Board and senior management including committees. Further, it covers all governance aspects through formation of policies. For further details, refer to the Governance section within this Annual Report. The Bank follows remuneration guidelines given by the State Bank of Pakistan. Further, it has Board level committees (Human Resource, Remuneration and Nominations Committee and Compensation Committee) to monitor and ensure transparency in all aspects.
	<b>Pay for Performance</b>	The Bank also has a performance linked appraisal mechanism for its employees. For further details on their TORs, meetings and performance of these committees, refer to the Governance section within this Annual Report.
<b>Governance</b>	<b>Stakeholder Engagement</b>	The Bank identifies its stakeholders and monitors its relationships through a multitude of communication channels, including regular dialogue. The Bank's primary stakeholders are employees, customers, shareholders/institutional investors, suppliers/vendors, analysts and rating agencies, regulatory bodies and society/community and media. For further details, refer Stakeholders Engagement section within this Annual Report.
	<b>Shareholder Rights</b>	The Bank protects rights of all of its shareholders by fair policies, transparent disclosures, constantly engagement to ensure effective communication and informed decision making. The Bank has deputed qualified staff along with a share registrar to handled shareholders' matters and ensure that their rights are protected. For further details, refer Stakeholders Engagement section within this Annual Report.
	<b>Ethical Standards</b>	The Bank adopts fair business practices. It protects the rights of customers. The Bank has Business Ethics and Anti-Corruption Measures in place. For further details, refer 'Governance' section within this Annual Report.

# CERTIFICATIONS ACQUIRED AND INTERNATIONAL STANDARDS ADOPTED

The Environmental Risk & Green Banking Department is responsible for providing advisory on SBP's Environmental & Social Risk Management (ESRM) implementation manual so that the Bank's internal stakeholders can easily comply with this regulatory ESRM framework. All personnel in the department have acquired IFC online certification of Sustainability Training and E-Learning Program (STEP).

Bank Alfalah's Business Resilience and Health & Safety team has acquired reputable, industry-wide and internationally recognised degrees and certifications, including National Examination Board in Occupational Safety and Health (NEBOSH) International General Certification, Highfield Awarding Body for Compliance (HABC) Level 2-International Certification in Fire Safety, HABC-Certified International First Aider, Diploma (HSE), ISO 22301 - Business Continuity Management, ISO 45001 - Occupational Health and Safety Management System, CEH, etc.



# Disclosures on Materiality Topics

	Positive Impact	Alternative Impact	Commitments (Actions, Goals and Targets)	Stakeholders Engagement
<p>Economic Performance</p> <p>Growth in the branch network, with PKR 2.137 trillion in deposits and Gross Advances of PKR 1.156 trillion.</p> <p>84% of the branch banking transactions were done digitally, with PKR 6 trillion throughput</p>	<p><b>On Economy:</b> Job Creation, enhanced financial inclusion, increased economic activity, and more taxes for the government.</p> <p><b>On Environment:</b> 70% paper saving through digitisation, which promotes green banking activities</p> <p><b>On People:</b> Accessible banking services, wheelchair accessibility, and supporting society by generating more funds for CSR are essential. CSR is linked with growth and increased shareholder value, which means increased purchasing power.</p>	<p>Construction and operation of bank branches involve energy consumption, resource use, and waste production, contributing to a larger carbon footprint.</p> <p><b>Privacy Concerns:</b> Expanding banking networks can increase data collection, raising privacy and protection concerns.</p>	<p>"The economic performance of the bank is overseen by the highest governance body, the Board, along with its sub-committees. Seven committees manage this portfolio, focusing on strategic long-term and short-term goals.</p> <p>The governing bodies include:</p> <ol style="list-style-type: none"> <li>1. The Board</li> <li>2. Board Strategic Finance Committee</li> <li>3. Board Real Staff Committee</li> <li>4. Board IT Committee</li> <li>5. Central Management Committee</li> <li>6. Digital Council</li> <li>7. Information Technology Steering Committee</li> </ol> <p>The terms of reference of these committees can be reviewed on pages 252-265 of the annual report.</p> <p>With Customer-centricity and innovation being the Bank's leading aspirations, growth in market share is a strategic pillar of the Bank.</p> <p>For more information on this, please review 132-137</p> <p>The Bank has installed a robust IT infrastructure mechanism for data privacy; please refer to 174-183 of the annual report and 131 of the sustainability report.</p>	<p>Please refer to pages 99-129 of the annual report for informing stakeholders and ensuring effectiveness.</p>

# Disclosures on Materiality Topics

	Positive Impact	Alternative Impact	Commitments (Actions, Goals and Targets)	Stakeholders Engagement
Market Presence	<p>Bank Alfalah has aligned itself with the minimum wage for all full-time employees and third-party headcounts. The positive impacts of this initiative include:</p> <p><b>Employee Morale and Motivation:</b> Ensuring minimum wages boosted employee satisfaction and morale, leading to increased motivation and productivity.</p> <p><b>Reduced Turnover Rates:</b> Decrease employee turnover, reducing the costs associated with hiring and training new staff. The attrition in 2024 (16.9%) was lower than in 2023 (17.5%).</p> <p><b>Enhanced Reputation:</b> Demonstrating a commitment to minimum wages enhances the bank's reputation as a socially responsible employer, attracting top talent and positive media attention.</p> <p><b>Improved Financial Security for Employees:</b> Employees are more financially stable, improving their quality of life and reducing stress.</p> <p><b>Stronger Employer-Employee Relations:</b> Aligning wages with minimum wage regulations fosters trust and goodwill between the bank and its employees, strengthening employer-employee relations.</p> <p><b>Positive Economic Impact:</b> Paying minimum wages contributes to economic growth by increasing the purchasing power of employees, which can benefit local businesses and the broader economy.</p> <p><b>Industry Practice:</b> Some other players also followed this practice, which lead to an improved impact overall.</p>	Lead to increase in total compensation in the books	Will be aligned with this practice as a sustainable way forward.	Please refer to pages 99-129 of the annual report for informing stakeholders and ensuring effectiveness.



# Disclosures on Materiality Topics

	Positive Impact	Alternative Impact	Commitments (Actions, Goals and Targets)	Stakeholders Engagement
Anti Corruption	<p>The robust anti-corruption mechanism at Bank Alfalah has led to many advantages.</p> <ul style="list-style-type: none"> <li>• Improved Compliance and Regulatory Adherence</li> <li>• Enhanced Corporate Reputation</li> <li>• Increased Stakeholder Trust and Confidence</li> <li>• Reduced Legal and Financial Risks</li> <li>• Improved Organizational Culture</li> <li>• Strengthened Internal Controls</li> </ul>	<p>Alternative impact includes</p> <p>Higher implementation cost and ensuring everyone does mandatory training on this</p>	<p>Bank Alfalah is committed to its policies of anti-corruption and will adhere to all local regulatory guidelines to ensure integrity, transparency, and ethical conduct in all its operations.</p>	<p>Please refer to pages 99-129 of the annual report for informing stakeholders and ensuring effectiveness.</p>
Taxes	<p>Contributed to government revenue and job creation with a transparent and well-communicated tax strategy, demonstrating the bank's commitment to compliance, ethical practices, and corporate social responsibility.</p> <p>The Bank has regular audits and independent reviews to ensure that all financial reporting aspects, including taxation-related policies and procedures, are followed correctly.</p> <p>The taxation information disclosed in the Bank's financial statements, Annual Report, and Sustainability report aims to foster trust and address stakeholder concerns.</p> <p>This commitment strengthens stakeholder trust, enhances the bank's reputation, and contributes to economic development by supporting public services through fair and responsible tax contributions in compliance with the applicable reporting and regulatory framework.</p>	<p>Page 388, 448-449 of Annual Report</p>	<p>Page 388, 448-449 of Annual Report</p>	<p>Please refer to pages Sustainability Report, page 116 and Annual Report page 107 of for informing stakeholders and ensuring effectiveness.</p>

# Disclosures on Materiality Topics

	Positive Impact	Alternative Impact	Commitments (Actions, Goals and Targets)	Stakeholders Engagement
<ul style="list-style-type: none"> <li>• Training and Education</li> <li>• Diversity and Equal Opportunity</li> <li>• Non-discrimination</li> </ul>	<p>Training programs improved employees' technical and soft skills, increasing productivity and performance for the Bank.</p> <p>Well-trained employees perform tasks more efficiently, reducing errors and operational costs. Investment in employee development fostered a sense of value and recognition, leading to higher job satisfaction.</p> <p>The attrition rate dropped to 16.9% in 2024. Employees are likely to stay with the Bank longer.</p> <p>Training programs encourage creative thinking and the generation of innovative solutions.</p> <p>Continuous learning assisted employees in adapting to technological changes and evolving financial business environments.</p> <p>Diverse perspectives lead to creative solutions and innovative ideas, such as the launch of a sustainability report, and the Bank won many accolades around DEI.</p> <p>Better Market Understanding and Customer Reach, the launch of many women-focused Bank accounts.</p> <p>Commitment to diversity strengthens the brand and reputation.</p>	<p>Other than the increase in cost, there are no alternative impacts.</p>	<p>Bank Alfalah has ambitious learning and development plans for 2024 and has set even higher targets for the year.</p> <p>The target for 2028 is 25%. The bank is highly ambitious in hiring individuals with the right attitude while promoting diversity and equal opportunity.</p>	<p>Please refer to pages 99-129 of the annual report for informing stakeholders and ensuring effectiveness.</p>
<p>The Bank will work on other disclosures of sustainability in 2025. This will include Energy, Emissions, HSE and Customer Privacy.</p>				

General Disclosure	Bank Alfalah has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024.
Bank Alfalah Limited	GRI 1: Foundation 2021

Disclosures		Publication	Page	GRI Index Status	Comments
The organization and its reporting practices					
2-1	Organizational details	SR	23,26-30	Complete	
2-2	Entities included in the organization's sustainability reporting	SR	23	Complete	
2-3	Reporting period, frequency and contact point	SR	23	Complete	
2-4	Restatements of information	SR	Additional disclosures	Complete	
2-5	External assurance	SR	Refer Additional disclosures - Statement of Restatement	Complete	
2-6	Activities, value chain and other business relationships	SR and AR	23,32-33 and AR 71.	Partial	2-6 c unavailable; development planned for upcoming reporting cycles.
2-7	Information on Employees	SR, AR	SR 75-76, AR 381, 111-112	Complete	
2-8	Workers who are not employees	SR	76	Partial	2-8 b and c unavailable; development planned for upcoming reporting cycles.
Governance					
2-9	Governance structure and composition	AR	AR 242-245, 255-261	Partial	2-9 b unavailable; development planned for upcoming reporting cycles.
2-10	Nomination and selection of the highest governance body	SR	Additional Disclosure	Complete	
2-11	Chair of the highest governance body	SR	SR 111-112	Complete	
2-12	Role of the highest governance body in overseeing the management of impacts	SR, AR	SR 111-112, AR 254	Complete	2-12 b and c unavailable; development planned for upcoming reporting cycles.
2-13	Delegation of responsibility for managing impacts	SR	SR 111-114	Partial	2-13 b unavailable; development planned for upcoming reporting cycles.
2-14	Role of the highest governance body in sustainability reporting	SR	SR 13, 113 AR 25	Partial	2-14 a unavailable; development planned for upcoming reporting cycles.
2-15	Conflicts of interest	AR	AR 271	Complete	
2-16	Communication of critical concerns	AR	AR 274-278	Complete	
2-17	Collective knowledge of the highest governance body	AR	AR 243-245. Refer to Additional disclosures	Partial	
2-18	Evaluation of the performance of the highest governance body	AR	AR 266-268 and 75, Additional Disclosure	Complete	
2-19	Remuneration policies	AR	AR 292	Partial	2-19 b Confidentiality Constraints, the KPIs of Senior Management cannot be disclosed.
2-20	Process to determine remuneration	AR	293-295	Complete	
2-21	Annual total compensation ratio	AR	272, 361	Partial	2-21 a and b cannot be given in the report due to confidentiality constraints
Strategy, policies and practices					
2-22	Statement on sustainable development strategy	SR	41-49	Complete	
2-23	Policy commitments	SR, AR	SR 47-49, AR 103, 176, 189	Not reported	2-23 a-f unavailable; development planned for upcoming reporting cycles.

2-24	Embedding policy commitments	AR, SR	SR 43-45, AR 103, 176, 189	Not reported	2-24 a (i-iv) unavailable; development planned for upcoming reporting cycles.
2-25	Processes to remediate negative impacts	AR	58-159 and 320-329	Not reported	2-25 b-e unavailable; development planned for upcoming reporting cycles.
2-26	Mechanisms for seeking advice and raising concerns	AR	274	Complete	
2-27	Compliance with laws and regulations	AR	AR 300-307 Additional Disclosure	Complete	
2-28	Membership associations	SR	40	Not reported	
2-29	Approach to stakeholder engagement	SR and AR	SR 65-88 Additional Disclosure, AR 100-129	Complete	
2-30	Collective bargaining agreements			Not applicable	2-30 Not applicable. The law regarding Collective Bargaining Agent does not apply on Bank Alfalah's permanent employees therefore, they are not required to make trade unions. As for janitorial and security services, these services have been outsourced. Accordingly, Bank Alfalah does not presently have any collective bargaining agreements/arrangements with its employees.

#### GRI 3: Material topics 2021

3-1	Process to determine material topics	SR	89	Complete	
3-2	List of material topics	SR	90	Complete	



Economic Performance					
GRI 201: Economic Performance 2016					
3.3	Management of material topics	SR, AR	SR 89, AR 254 and Additional Disclosures	Partial	3-3 e and f unavailable; development planned for upcoming reporting cycles.
201-1	Direct economic value generated and distributed	AR	371	Complete	
201-2	Financial implications and other risks and opportunities	AR	AR 162-163, 202	Partial	201-2a (i), (iii) and (v) are unavailable; development planned for upcoming reporting cycles. Financial implication of climate change is not calculated at the moment, as it is a long term process. However, for Risks and Opportunities associated to climate are reported on page 160-161. Through regulation of SBP, We are implementing a road map for Green Banking. Fee paid to IFC is the cost of action taken, however it cannot be disclosed.
201-3	Defined benefit plan obligations and other retirement plans	AR	AR 451-453	Partial	201-3 e unavailable; development planned for upcoming reporting
201-4	Financial assistance received from government	SR	121-122 Additional Disclosure	Complete	
Market Presence					
GRI 202: Market Presence 2016					
3.3	Management of material topics	SR	71-72	Partial	3-3 c, d&e unavailable; development planned for upcoming reporting
202-1	Ratios of standard entry level wage by gender compared to national average	SR	80	Complete	
202-2	Proportion of senior management hired from the local community		Additional Disclosure	Complete	
Indirect Economic Impacts					
GRI 203: Indirect Economic Impacts					
3.3	Management of material topics	SR	90	Partial	3-3 a and f unavailable; development planned for upcoming reporting
203-1	Infrastructure investments and services supported	SR, AR	SR 90-97	Complete	
203-2	Significant indirect economic impacts	SR, AR	SR 93-104	Partial	3-3 a and f unavailable; development planned for upcoming reporting
Anti-corruption					
GRI 205: Anti-corruption 2016					
3.3	Management of material topics	AR	276	Partial	3-3 c, d & e unavailable; development planned for upcoming reporting
205-1	Operations assessed for risks related to corruption	SR	114	Partial	205-1 b is unavailable; development planned for upcoming reporting
205-2	Communication and training about anti-corruption policies and procedures	SR	73	Partial	205-d and e unavailable; development planned for upcoming reporting
205-3	Confirmed incidents of corruption and actions taken	AR	274	Partial	205-3 a-d unavailable; development planned for upcoming reporting
Tax					
GRI 207: Tax 2019					
3.3	Management of material topics	SR	125	Partial	3-3 c, d and e unavailable; development planned for upcoming reporting cycles.
207-1	Approach to tax	SR, AR	SR 125 AR 388	Partial	207-1 i, ii and iv unavailable; development planned for upcoming reporting cycles.
207-2	Tax governance, control, and risk management	SR, AR	SR 125 AR 274, 388, 392	Partial	207-2 a unavailable; development planned for upcoming reporting cycles.
207-3	Stakeholder engagement and management of concerns	SR, AR	SR 125 AR 107	Partial	207-3 a i-iii unavailable; development planned for upcoming reporting cycles.
207-4	Country-by-country reporting	SR, AR	SR 125 AR 60, 351, 459-462	Complete	

Energy					
GRI 302: Energy 2016					
3.3	Management of material topics	SR	138	Partial	3-3 c, d and e unavailable; development planned for upcoming reporting cycles.
302-1	Energy consumption within the organization	SR	138-140	Partial	302-1 a-e are unavailable; development planned for upcoming reporting cycles.
302-2	Energy consumption outside of the organization			Not applicable	302-2 a-c are unavailable; development planned for upcoming reporting cycles.
302-3	Energy intensity			Not reported	302-3 a-d are unavailable; development planned for upcoming reporting cycles.
302-4	Reduction of energy consumption	SR	140	Partial	302-4 a-d are unavailable; development planned for upcoming reporting cycles.
302-5	Reductions in energy requirements of products and services			Not applicable	
Emissions					
GRI 305: Emissions 2016					
3.3	Management of material topics	SR	138	Partial	
305-1	Direct (Scope 1) GHG emissions	SR	140	Partial	
305-2	Energy indirect (Scope 2) GHG emissions			Not reported	
305-3	Other indirect (Scope 3) GHG emissions			Not reported	
305-4	GHG emissions intensity	AR	AR 235, 324	Partial	
305-5	Reduction of GHG emissions	AR	AR 235, 324	Partial	
305-6	Emissions of ozone-depleting substances (ODS)		-	Not applicable	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		-	Not applicable	
Employment					
GRI 401: Employment 2016					
3.3	Management of material topics	SR	69	Partial	3-3 a-f are unavailable; development planned for upcoming reporting cycles.
401-1	New employee hires and employee turnover	SR	70	Partial	
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	SR	72, 74-76	Complete	
401-3	Parental leave	SR	74	Partial	401-3 c,d and e are unavailable; development planned for upcoming reporting cycles.
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016					
3.3	Management of material topics	SR	72	Partial	3-3 a-f are unavailable; development planned for upcoming reporting cycles.
405-1	Diversity of governance bodies and employees	SR	SR 72-73	Partial	405-1 a & b are unavailable; development planned for upcoming reporting cycles.
405-2	Ratio of basic salary and remuneration of women to men	SR	78	Complete	

Occupational Health and Safety GRI 403: Occupational Health and Safety 2018					
3.3	Management of material topics	SR	127-129	Partial	3-3 a, d, e and f are unavailable; development planned for upcoming reporting cycles.
403-1	Occupational health and safety management system	SR	127	Partial	
403-2	Hazard identification, risk assessment, and incident investigation	SR	127-130	Partial	403-2 a(i) is unavailable; development planned for upcoming reporting cycles.
403-3	Occupational health services	SR	127-130	Partial	403-3 a is unavailable; development planned for upcoming reporting cycles.
403-4	Worker participation, consultation, and communication on occupational health and safety	SR	127	Complete	
403-5	Worker training on occupational health and safety	SR	127-129	Complete	
403-6	Promotion of worker health	SR	127-129	Partial	403-6 a and b are unavailable; development planned for upcoming reporting cycles.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		127	Partial	403-7 unavailable; development planned for upcoming reporting cycles.
403-8	Workers covered by an occupational health and safety management system		127	Partial	403-8 a and c are unavailable; development planned for upcoming reporting cycles.
403-9	Work-related injuries			Not applicable	403-9 unavailable; development planned for upcoming reporting cycles.
403-10	Work-related ill health			Not applicable	403-10 unavailable; development planned for upcoming reporting cycles.
Training and Education GRI 404: Training and Education 2016					
3.3	Management of material topics	SR	71	Complete	3-3 a-f are unavailable; development planned for upcoming reporting cycles.
404-1	Average hours of training per year per employee	SR	191	Partial	404-1 a(ii) are unavailable; development planned for upcoming reporting cycles.
404-2	Programs for upgrading employee skills and transition assistance programs	SR	71	Partial	404-2 b are unavailable; development planned for upcoming reporting cycles.
404-3	Percentage of employees receiving regular performance and career development reviews	SR	86	Complete	
Non-discrimination GRI 406: Non discrimination 2016					
3.3	Management of material topics	SR	81	Partial	3-3 a-f are unavailable; development planned for upcoming reporting cycles.
406-1	Incidents of discrimination and corrective actions taken	SR, AR	SR 81 AR 121	Partial	406-1 a and b are unavailable; development planned for upcoming reporting cycles.
Customer Privacy GRI 418: Customer Privacy 2016					
3.3	Management of material topics	SR	109	Partial	3-3 a-f are unavailable; development planned for upcoming reporting cycles.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR	110-111	Complete	

## ADDITIONAL DISCLOSURE

### Entities included in the organisation's sustainability reporting

The report does not include information about subsidiaries and associated companies.

### Restatements of information

There are no restatements of the previous year's information.

### External Assurance

The Corporate Social Responsibility Centre Pakistan (CSRCP) has independently reviewed this report to check compliance with "GRI Standards in accordance with the criteria" applying the ISAE 3000 (Revised) standards. The Central Management Committee, chaired by the President and CEO, has overseen this process. Feedback obtained during this external assurance phase has been shared with the Bank's senior management, ensuring a comprehensive review through the lens of our Finance, Risk, and Communications Team.

### Information on Employees:

The Bank does not have any part-time employees, and there are no non-guaranteed hours for employees. The headcount method is used to compile the data. There were no severe fluctuations in the number of employees during the year.

### Governance structure, composition, nomination and selection

The board comprises eight directors, including three independent ones, elected annually by shareholders through voting. The independent directors are chosen from a database maintained by the Pakistan Institute of Corporate Governance, adhering to the independence criteria outlined in the Company's Act 2017 and the State Bank Guidelines. As a publicly listed entity, the bank adheres to the SECP guidelines regarding the nomination and appointment of directors. Other committee members are appointed based on the committee's terms of reference (TORs), their job descriptions, experience, and alignment with the Bank's strategic goals.

### Evaluation of the performance of the highest governance body

The Green Banking office and Senior Management have updated on Green Banking guidelines and ESRM governing bodies

### Compliance with laws and regulations

There has been no breach of laws and regulations, and no litigations are in process other than those mentioned in the financial statements.

### Approach to Stakeholder Engagement

Banks prioritise stakeholders through a strategic process that identifies shareholders, customers, employees, and regulatory bodies. They then assess each group's influence on and impact on the bank's operations. Stakeholders are prioritised based on influence, dependency, risk, and strategic importance. The bank then tailors engagement strategies to meet the needs of key stakeholders and continuously monitors and adjusts these strategies based on changes and feedback.

### Financial assistance received from the government

No specific financial assistance was received from the government by the Bank. The government is not a shareholder.

### Ratios of standard entry-level wage by gender compared to local minimum wage

The minimum wages are paid to third-party workers through their designated contractors.

### The proportion of senior management hired from the local community

All senior management is hired from Pakistan. The local community is defined as Pakistan.



# Independent Assurance Statement for the Bank Alfalah Limited Sustainability Report 2024

We, Corporate Social Responsibility Centre Pakistan (CSRCP), were engaged by Bank Alfalah Limited (the company) to provide a limited assurance under the International Standard on Assurance Engagements ISAE 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", on compliance with GRI Standards "In accordance criteria" for the year ended December 31, 2024('the criteria').

Our scope of assurance is restricted only to checking compliance with the "In accordance criteria" of GRI Sustainability Reporting Standards 2021. Accordingly, our conclusion is regarding the compliance with the criteria and not about the structure, data and information reported therein. Muhammad Imran & Co., Cost & Management Accountants, co-reviewed the report.

## Bank Alfalah Limited's Responsibilities

Bank Alfalah Limited's management is responsible for selecting the criteria and presenting the Sustainability Report in accordance with that criteria in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to preparing the Sustainability Report so that it is free from material misstatement, whether due to fraud or error.

## Corporate Social Responsibility Centre Pakistan's (CSRCP) Responsibilities

Our responsibility is to express a conclusion on the compliance with the criterion based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ISAE 3000 (Revised) and the terms of reference for this engagement as agreed with Bank Alfalah Limited. Those standards require that we plan and perform our engagement to obtain the level of assurance needed and to issue a report. The nature, timing, and extent of the selected procedures depend on our judgment, including assessing the risk of material misstatement, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

## Statement of Independence, Impartiality, and Competence

CSRCP operates a strict conflict of interest check and has confirmed our independence to work on this assurance engagement with Bank Alfalah Limited. The review team has not provided consulting services and was not involved in preparing any part of the report. CSRCP is a specialized sustainability consulting firm. The review team has the required combination of education, experience, training, and skills for this assurance engagement.

## Description of Procedures Performed

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on the effectiveness of internal controls.

We carried out a desk review of the final draft report and communicated with Bank Alfalah Limited to determine whether the report meets the criteria.

Our procedures for this engagement included:

- ! " Review adherence to the requirement of GRI Standards 2021 "In accordance criteria";
- ! " Review of the material topics disclosures against the requirements of the GRI 3 Material Topics 2021 and relevant GRI Topic Standards;
- ! " Elaboration of the adjustment report; and
- ! " Final review of the report.

## Use of GRI Standards 2021

Bank Alfalah Limited declares the report to be in accordance with the GRI Standards 2021. CSRCP reviewed the use of the GRI Standards GRI 2, GRI 3, and the Topic-Specific Standards, considering those standards linked to the material topics. In case of a lack of response, Bank Alfalah Limited provides omission statements in line with the requirements of GRI 1. Based on the analysis, minor recommendations to complete the content have been made. Bank Alfalah Limited has integrated our recommendations into the report.

### **Limitations and Exclusions**

Excluded from the scope of our work is any verification of information relating to:

- " sustainability policies, practices and performance;
- " financial figures and performance data;
- " positional statements (expression of opinion, belief, aim, or future intention of Bank Alfalah Limited) and statements of future commitment.

### **Limited Assurance Conclusion**

#### **Bank Alfalah Limited's declared adherence to the GRI's Standards 2021 – In accordance**

Nothing has come to our attention that causes us to believe that the Sustainability Report 2024 does not meet the **"in accordance criteria"** of the GRI Standards 2021. The compliance with GRI Standards has been disclosed in more detail in the GRI Content Index, which provides omission statements in case data has not been provided.

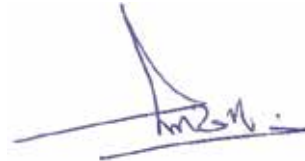
### **Restricted Use**

This report is intended solely for Bank Alfalah Limited and is not intended to be and should not be used by anyone other than Bank Alfalah Limited. Any reliance on the report by any third party is entirely at its own risk.

Islamabad, May 19, 2025



Muhammad Arfan Nazir,  
Director,  
Corporate Social Responsibility Centre Pakistan.



Muhammad Imran,  
Muhammad Imran & Co.,  
Cost & Management  
Accountants Pakistan.  
ICMAP Membership # 1382



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## Contact Information - Corporate Communication Team



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