



REBUILDING LIVES



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

S U S T A I N A B I L I T Y R E P O R T 2 0 2 3



Ranked amongst the Top 10 companies on
Pakistan Stock Exchange
&
Recognised as the 'Most Inclusive Organisation' by
Global Diversity, Equity and Inclusion Benchmarks





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**.



PLEDGE OF COMMITMENT

The Bank extends its sincerest gratitude to the Chairman, His Highness Sheikh Nahayan Mubarak Al Nahayan, and the Board for their resolute support with the generous pledge of USD 10 million in 2022 for the flood-impacted communities. This magnanimous gesture has enabled the Bank to assist the flood-impacted regions in a sustainable, equitable, and financially inclusive manner.

With the Board's endorsement, Bank Alfalah devised a comprehensive two-phase strategy in 2022 to offer assistance to the impacted communities. In 2022, the pledged amount was disbursed through the most trusted and reliable partners to provide immediate relief. In 2023, the Bank entered phase 2 with allocation towards rebuilding communities, focusing on housing, healthcare, education, and provision for subsidised loans to rebuilding.

Even though no financial support can fully alleviate the devastation and irreplaceable loss experienced by the affected communities, Bank Alfalah is confident that the collective efforts of His Highness Sheikh Nahayan Mubarak Al Nahayan, the Board and the colleagues of the Bank will bring hope and pave a progressive way forward. This gracious gesture also highlights the strong bond between the UAE and Pakistan, reaffirming Bank Alfalah's commitment as a **'Caring Bank'**.



LEADERSHIP'S COMMITMENT TO SUSTAINABILITY

Dear Stakeholders,

I am pleased to present our sustainability report for the year 2023. This edition offers a comprehensive overview of the impact of our business operations and corporate social responsibility initiatives, reflecting our commitment to a sustainable future.

We have embarked on a transformative journey, to align ourselves with the Sustainable Development Goals (SDGs) and aspire to work on the global reporting framework on sustainability. This strategic alignment reflects our dedication to addressing pressing societal and environmental challenges while maximising positive impact.

Joining Forces with International Finance Corporation

Bank Alfalah is committed to enhancing sustainable development and strengthening its green banking capabilities to pave the way for a greener future. Our collaboration with IFC as a consultant for Green Banking highlights the Bank's dedication to foster sustainable and responsible green banking practices. Leveraging Bank Alfalah's successful implementation of the State Bank of Pakistan's (SBP) Environmental and Social Risk Management (ESRM) framework, the partnership with IFC will further support the Bank in developing a green banking roadmap, improving its impact measurement capabilities and identifying sustainable financing opportunities.

Sustainable Corporate Social Responsibility

Under the visionary leadership of His Highness Sheikh Nahayan Mubarak Al Nahayan, the Chairman and the Board donated \$10 million to Pakistan's 2022 flood relief efforts. The Bank has since then embarked on a two-pronged strategy, providing relief and rebuilding communities. In the initial phase, the Bank allocated funds in partnership with reputable NGOs across Pakistan, providing immediate relief.

Transitioning to the second phase in 2023, the Bank disbursed funds for rehabilitation and community rebuilding efforts in critical sectors such as healthcare, emergency services, housing, education, and livelihoods. In 2023, we have pledged to further our efforts towards sustainable development goals. Our new policy framework, prioritises environmental, social, and economic capital. Reinforcing this commitment, we look forward to creating a greater impact in the years to come.

As we move forward, 2023 signifies the commencement of accelerated efforts towards community engagement, embodying our ethos as a Caring Bank. I am confident that you will observe an enhanced level of involvement from the entire Bank and myself as we continue this journey.

Sincerely,

Atif Bajwa
President and CEO



SUPPORTING LIVES

Collaborating with esteemed partners and disbursing **PKR 468 million**, the Bank spearheaded the development of three mobile health vans, offering essential medical assistance to over **15,000** patients. Bank Alfalah was pivotal in reconstructing four emergency rooms in interior Sindh, significantly benefiting **118,000** critical patients.



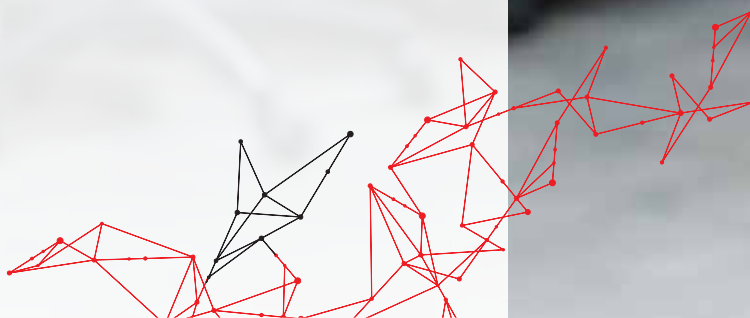
REBUILDING LIVES

Partnering with reputable organisations the Bank disbursed PKR **375 million** to address the housing needs of flood-affected communities. **312 housing** facilities were inaugurated in Sindh and Balochistan.



ENLIGHTENING LIVES

The Bank Alfalah contributed to education by investing **PKR 92.32 million** to support the education of over **2,200** students.



DIGITISING LIVES

In 2023, Bank's valuable customers contributed **PKR 138 million** towards various sustainable causes, while giving back to the society by simply clicking a few tabs on the platform.



AWARDS

- ★ Ranked amongst the Top 10 companies on Pakistan Stock Exchange (PSX)
- ★ Won the award for Best Digital Bank by Institute of Bankers Pakistan (IBP) for the second consecutive year
- ★ Recognised at the Global Diversity, Equity and Inclusion Benchmarks (GDEIB) Awards

Bank Alfalah was acclaimed as one of the Most Inclusive Organisations, securing 15 best practice awards across various categories:

1. Vision, Strategy & Business Impact
2. Leadership and Accountability
3. DEI Structure and Implementation
4. Recruitment
5. Advancement & Retention
6. Job Design, Classification & Compensation
7. Work-Life Integration, Flexibility & Benefits
8. Assessment, Measurement and Research
9. DEI Communications
10. DEI Learning & Development
11. Connecting DEI & Sustainability
12. Community, Government Relations and Philanthropy
13. Services and Product Development
14. Marketing and Customer Service
15. Responsible Sourcing

★ The Professionals Network Pakistan (TPN)

1. Employee Volunteer Program
2. Social Impact
3. Crisis/Disaster Assistance

★ National Forum for Environment and Health (NFEH)

1. Rehabilitation
2. Social Impact and Sustainability
3. CSR Initiatives

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The Bank's Sustainability Report is available at:
<https://www.bankalfalah.com/sustainability/>



SUSTAINABILITY FORWARD

Committed to a sustainable way forward by improving people's social, economic and environmental capital.



Targeting Sustainable Goals in Everything the Bank Does

About the Report

The sustainability report for the period of 1st January to 31st December 2023 is a testament to the Bank's commitment towards sustainable business operations and corporate social responsibility (CSR). Entities of Annual and Sustainability Reports are the same. 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 sustainability report is same as the reporting period of annual report.

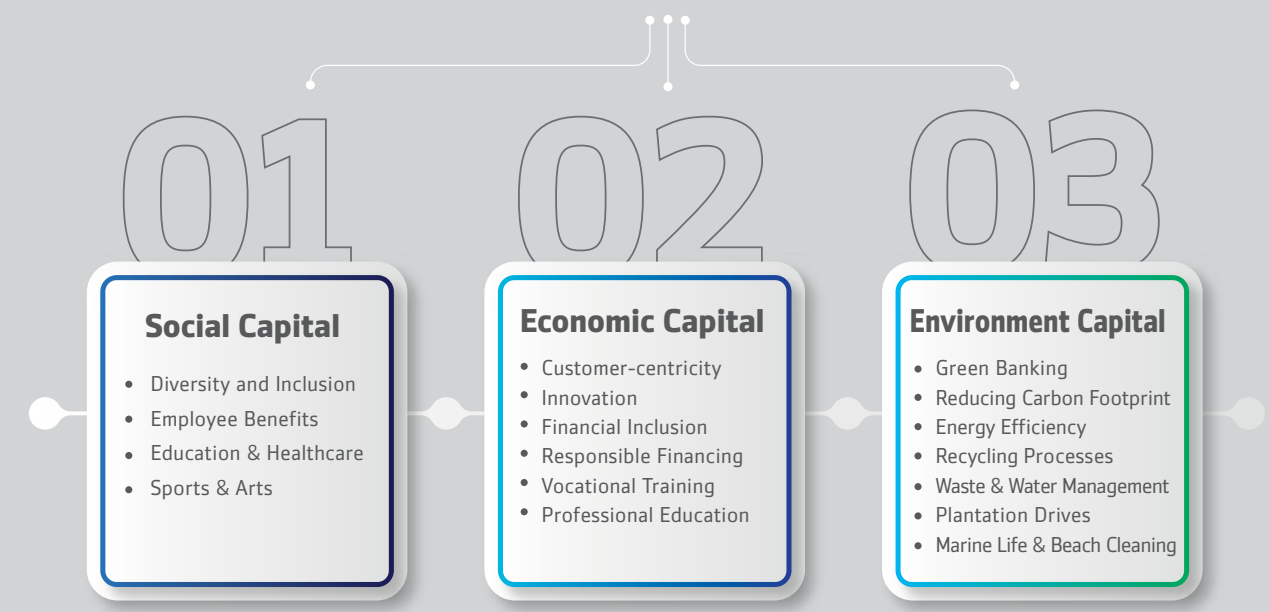
Throughout the journey, a concerted effort was put to enhance reporting standards and sustainability practices. Gratitude is extended to the entire Bank for its involvement in this endeavour and its contribution to improving the organisation's reporting standards. Bank Alfalah did not make any changes 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).

Publishing Date: 14th May, 2024



Focus Areas of Sustainability



Criteria of 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

Reporting Framework

The Bank has presented this report using 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 10 companies in reporting standards by 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.

BANK ALFALAH



FOCUS ON CUSTOMER-CENTRICITY AND INNOVATION

- Total Branches: 1,000+
- Total Deposits: PKR 2 Tn
- ATMs: 1100+
- CDMs: 300+
- CCDMs: 40+
- Sales and Service Centers: 2
- Digital Lifestyle Branch: 1
- Total Digital Transactions: 81%
- Paperless Account Openings: 93%
- Migration of Cash Deposit Trans to CDMs: 51%
- Queries: 0.09% of Total Transactions
- Resolution Rate: 80% in 5 days



DEVELOPMENT OF HUMAN CAPITAL

- Total Colleagues: 14,469
- Male: 11,520 (80%)
- Females: 2,949 (20%)
- Increase in employees: 23.9%
- Maternity Leave: 164
- Paternity Leave: 298
- Salaries and Benefits: PKR 26.5 Bn
- Colleagues Trained: 14,022
- Training hours: 123,804
- Average hours of training per year per employee: 16 hours
- Career Advancement Training: 346
- Medical Coverage: PKR 568 Mn
- Ration Distributed: 3,564
- Attrition: 17.5%
- Staff availing Child Care Allowance: 254



CONTRIBUTION TO ECONOMY

- Taxes: PKR 42.2 Bn
- Imports: PKR 1,300+ Bn
- Exports: PKR 650+ Bn
- Remittances to Pakistan: USD 3.7 Bn
- BISP Beneficiaries: 1.3 million Women amounting to PKR 86 Bn
- Financial Literacy Training: 7,000+ beneficiaries
- Financial Inclusion Awareness for SME and Agri sector: 6,700+ beneficiaries with 60 sessions
- Dividends Paid: PKR 7.2 Billion



SUBSIDISED FINANCING

- SME Financing Borrowers: 6,592
- Financing: PKR 34 Bn
- Revive and Rise (Loans for Flood-impacted Communities): 908 beneficiaries with PKR 211 Mn

IMPACT METRICS



ENVIRONMENT SUSTAINABILITY

- Green Banking Financing: PKR 23.9 Bn
- Total Paper saved from Digitisation: 8,960 metric tonnes
- Renewable Energy Financing Projects Bagasse: 3 Wind: 4 Solar: 2 Hydro: 2
- Solar-Powered ATMs: 150
- Trees Saved from Digitisation: 373



CORPORATE SOCIAL RESPONSIBILITY

- Flood Impacted Community Rehabilitation: PKR 1.2 Bn
- Benefited Colleagues Impacted by Floods: 531, with PKR 110 Mn
- Sustainable CSR: PKR 75 Mn
- Islamic Charity: PKR 55 Mn
- Zakat: PKR 128 Mn
- Employee Welfare: PKR 51.3 Mn (Education+ Health+Marriage+House Building)



COMMUNITY OUTREACH

- Healthcare: 4 Emergency Rooms and 3 Mobile Health Vans, 1 In-patient Unit, 1 Reception Unit for Clinical and Radiation Oncology
- Patients Served: 149,466
- Houses Built: 312
- Facilities Developed: Computer Lab and Library
- Plantation: 15,000 Mangroves
- Education: 2,204+
- Resources Allocated for Education: 43 Mn
- Training Teachers: 100
- Promoting Inclusive Sports: 1,500 Athletes
- Persons with Disability trained through the Financial Inclusion Center: 300

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.

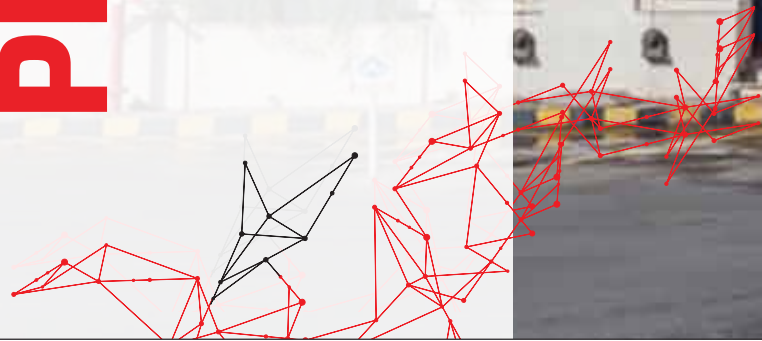
Phase 4

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

ORGANISATIONAL PROFILE



ABOUT BANK ALFALAH



Bank Alfalah is one of the largest banks in Pakistan, with a network of 1000+ branches across more than 200 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 owned and operated 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.



ETHICS AND CODE OF CONDUCT

Integrity and honesty are at the heart of the business and brand. Internal ethical standards and code of business conduct are the results of shared moral convictions. The objectives of 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 Capital Group 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, while maintaining 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, and so on.



CULTURE

Bank Alfalah, strongly believes that a conducive culture has the ability to express the strategy through values and beliefs. The Bank has adopted a culture that imprints the values and is aligned with its strategy.

Culture Strategy rests on the following pillars:

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



BUSINESS MODEL

Linked with SDGs



GROUP OWNERSHIP STRUCTURE

Please refer to 'Organisational Overview' section of the Annual Report 2023 for disclosure on this.

PRESENCE

Bank Alfalah is connected with you via 60,000+ touchpoints.



Branch Network

PAKISTAN

Bank Alfalah is one of the largest private banks in Pakistan with a network of 1,013 branches in more than 200 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

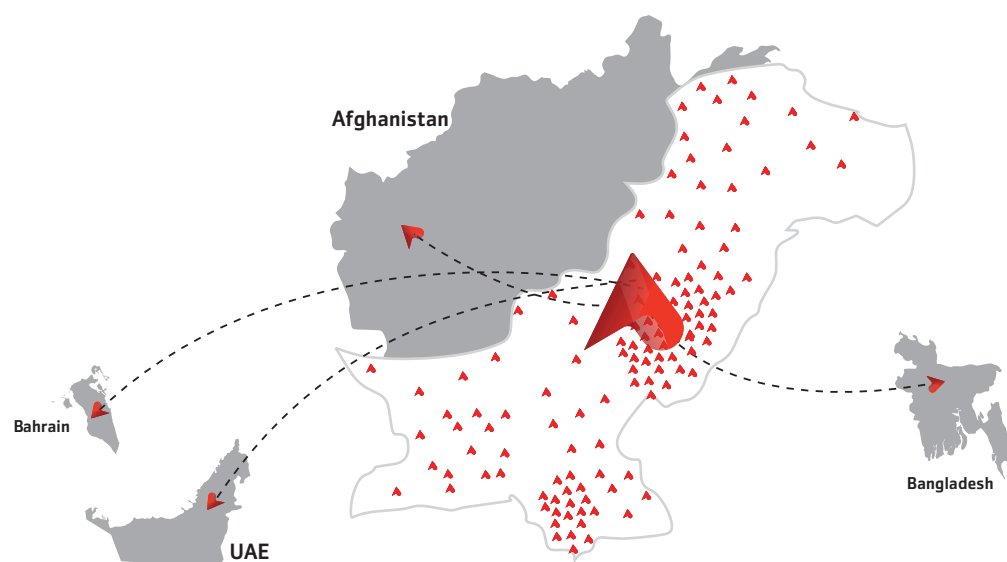
Wholesale Banking Branch in Dubai and One Representative Office in Abu Dhabi.

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	654
Corporate	5
Islamic	354
Domestic	1013
Overseas	11
Grand Total	1024

OVERSEAS OPERATIONS-COUNTRIES

Country	Branch & Sub-Branch
Bangladesh	7
Afghanistan	2
Bahrain	1
UAE	1
Total	11

Country	Representative office
UAE (Abu Dhabi)	1

PAKISTAN OPERATIONS-PROVINCES

Province	Branch & Sub-Branch
Punjab	601
Sindh	204
KPK	93
ICT	60
Balochistan	41
Gilgit Baltistan	7
AJK	7
Grand Total	1013

PAKISTAN OPERATIONS-REGIONS*

Regions	Branch & Sub-Branch
Conventional	
North	177
South	171
East	151
West	155
Corporate	5
Islamic	
North	97
South	73
East	96
West	88
Grand Total	1013

*Bank's internal categorisation

Pakistan Operations – Cities:

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

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



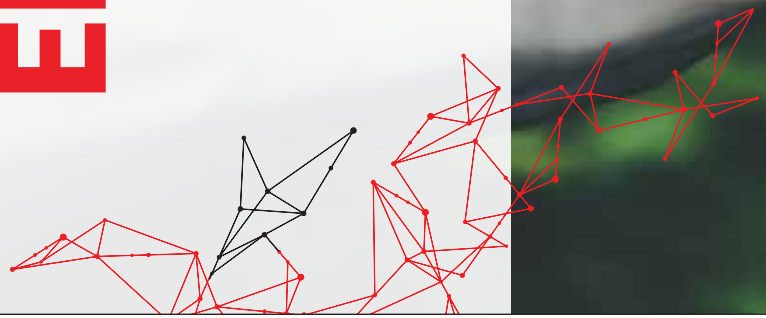
Organisational Value Chain

Please refer to 'Organisational Overview' section of the Annual Report, 2023 for disclosure on this.

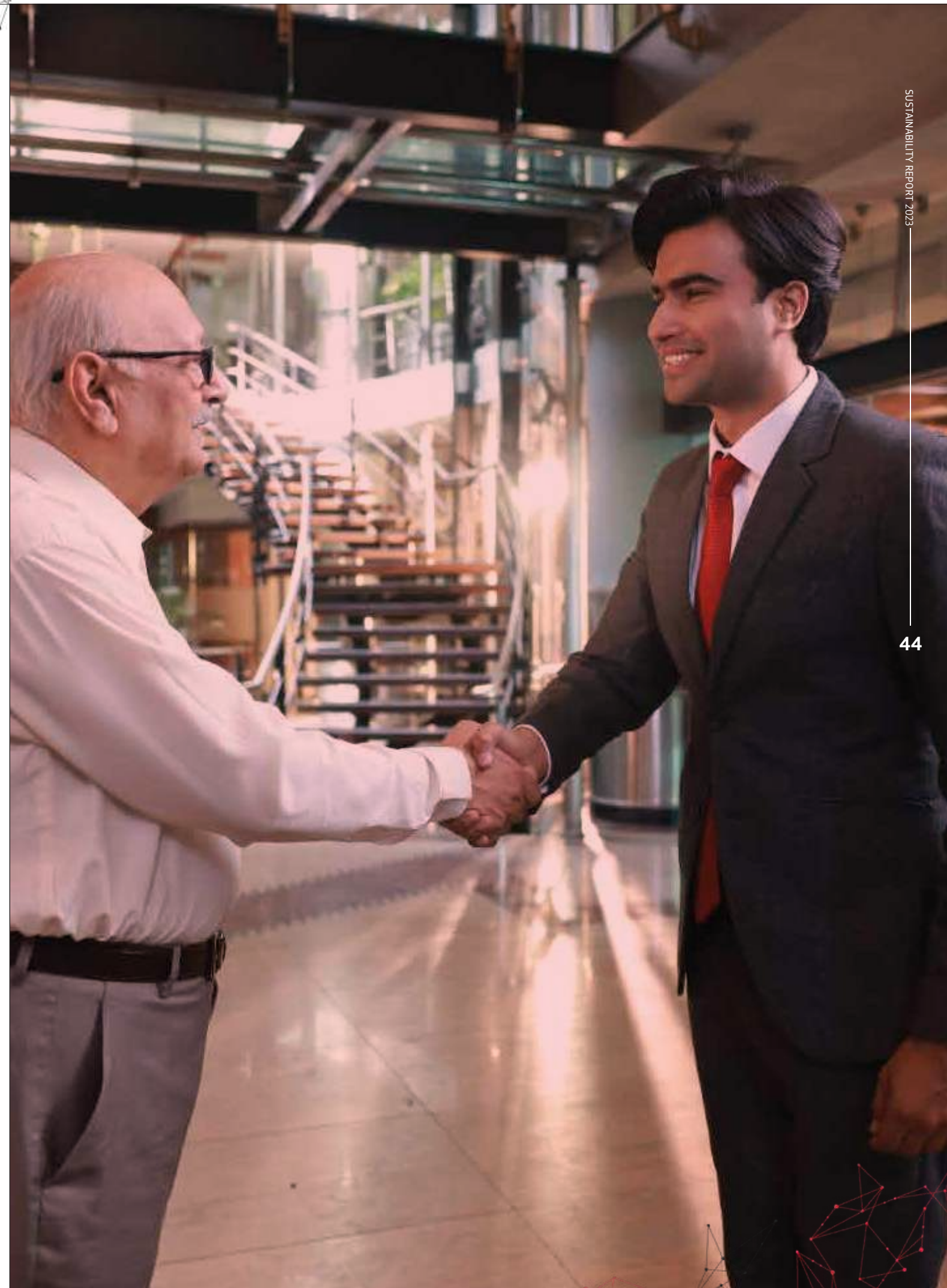
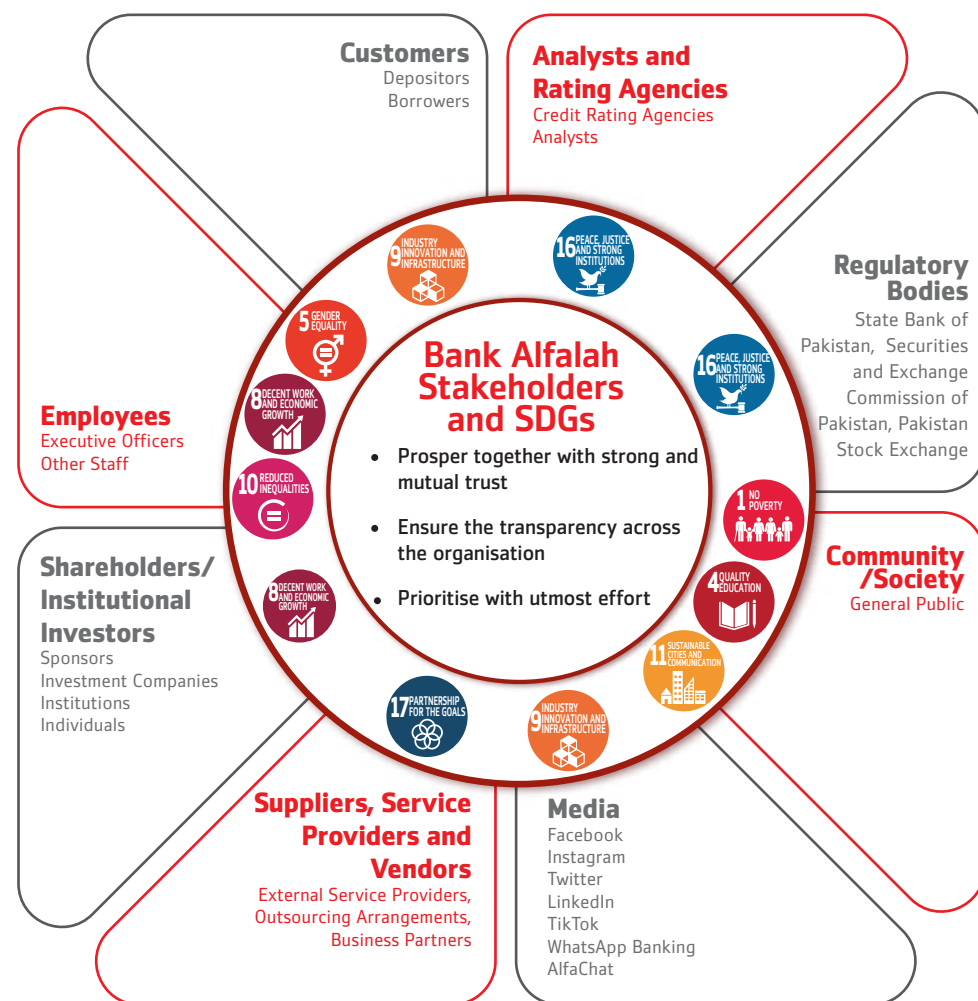
Scan here to view the Annual Report 2023



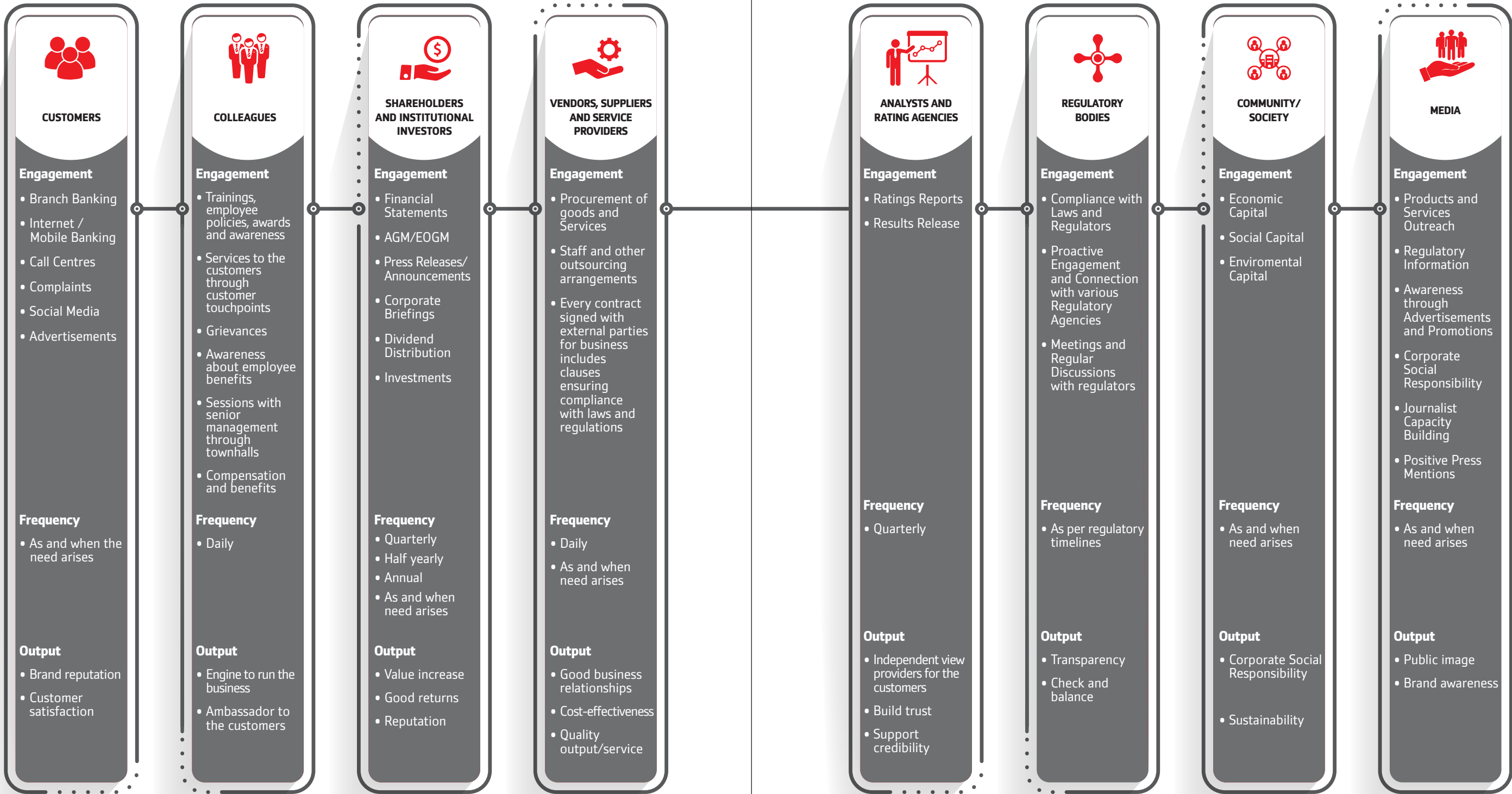
STAKEHOLDER ENGAGEMENT



Stakeholders and Sustainable Development Goals (SDGs)



Stakeholder Engagement Process and Frequency



Customers

Customer Experience and Complaint Management

The Customer Experience Unit functions as the center 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.



Colleagues

Culture at Bank Alfalah

Bank Alfalah strongly believes that a conducive culture has the ability to create a satisfied workforce and open the doorway to a more diverse and inclusive environment where employees find their purpose and love coming to work.

Bank's culture strategy rests on the following pillars:

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

All values have been well-defined by allocating behaviours and competencies to them, to help our people develop a holistic understanding of them. This facilitates an alignment with the values, leading to a positive culture and a workplace that provides a conducive environment for everyone, irrespective of an employee's age, race, religion, gender, ability, and other attributes.

All initiatives proposed are a product of the feedback received from employees, and as a result have a direct impact on the business, behavioural aspects, and customer loyalty. The Bank's devised strategy has been inculcated into the Bank's overarching 5 year strategy, evidencing the senior management's commitment and zeal towards ensuring a positive Culture. The Bank embarked upon a journey to clearly define its Culture and Values, and create subsequent awareness of them within the organisation.

In order to achieve this, each month is dedicated to a value or cultural pillar, structured with the following elements:

- Engage
- Embed
- Empower



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 2023, there were 4,616 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	14,469	69.6%	11,520 (80%)	2,949 (20%)
Outsource Staff	105	30.4%	15	90
Peon, Riders and Maintenance	1,647		1,638	9
Janitorial Staff and Security Guards	4,573		4,571	2
Total Third Party Staff	6,325		6,299	26

New Recruits of Permanent Staffs	3,460	23.9%	2,486	974
Turnover of Permanent Staffs	2,539	17.5%	1,911	628

Salaries		
Permanent Staff Minimum Salary*	PKR 40,000	Contractors/Agency/Consultants This is not calculated at the moment; however will be doing that for the next reporting cycle.
Third-party Staff Minimum Salary*	PKR 32,000	

- **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 bench strength of senior talent. There is a focused approach to build 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

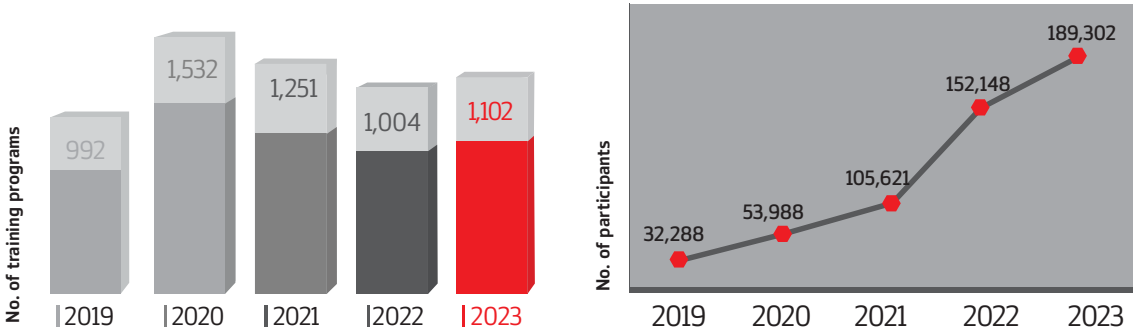
“Opportunity to Learn and Grow” is one of the main pillars of the Bank’s People Happiness Charter. The aim is to invest in employee development and training opportunities so that the employees continue to hone their skills and advance their careers. Specific focus is placed on job role enrichment, upskilling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

2023 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 up-gradation 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 five years:



Our continued extended 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 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, 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.

Information	Impact
16 average hours of training per year per employee	To support the continuous development of relevant skills for future organisational needs
14,022 staff members participated in training programs, collectively completing 123,804 hours	To support the continuous development of relevant skills for future
Total 346 Development Programmes offered for staff	To upskill employees in critical areas to meet future organisational demands
92% employees were appraised, remaining were new joiners who were not eligible	Most of the Bank got a career development review

All policy documents and procedure manuals are available on the HR portal. Colleagues can access the portal for assistance in implementing the organisation’s policies and practices relevant to their function. Further, Bank Alfalah has mandatory trainings via learning portal as well as in person sessions.

Diversity, Equity and Inclusion (DEI)

Bank Alfalah aims to become the employer of choice by creating a conducive environment where people love coming to work and are respected and valued. The organisation’s focus on inclusion is evident from the fact that culture has been placed as a central pillar of Bank Alfalah’s 5-year strategy demonstrating senior leadership’s commitment to improving diversity.

Bank Alfalah believes in diversity of ideas and highly encourages employees to do things differently which is an integral part of the organization’s vision and mission. Bank’s values are well defined by allotting behaviors and competencies to the employees providing a holistic understanding to them. This facilitates an alignment to the values leading to a positive culture and a workplace that has a conducive environment for everyone, irrespective of their diversities.



*Observing International Women’s Day at the Learning and Development Center

Recognised at GDEIB (Global Diversity, Equity and Inclusion Benchmarks) Awards as Most Inclusive Company in 15 categories

Global Diversity, Equity and Inclusion Benchmarks have been developed by the Centre of Global Inclusion, USA, and serve as standards for organisations around the world to compare and improve their DEI practices. In Pakistan, GDEIB Awards are conducted by HR Metrics to recognise organisations’ commitment towards DEI. The Bank is humbled to receive these awards, and will continue to advance its journey of becoming one of the most diverse and inclusive employers of Pakistan.

- 1. Vision, Strategy & Business Impact
- 2. Leadership and Accountability
- 3. DEI Structure and Implementation
- 4. Recruitment
- 5. Advancement & Retention
- 6. Job Design, Classification & Compensation
- 7. Work-Life Integration, Flexibility & Benefits
- 8. Assessment, Measurement and Research
- 9. DEI Communications
- 10. DEI Learning & Development
- 11. Connecting DEI & Sustainability
- 12. Community, Government Relations and Philanthropy
- 13. Services and Product Development
- 14. Marketing and Customer Service
- 15. Responsible Sourcing



Colleagues Benefits

Medical Insurance <ul style="list-style-type: none">Hospitalisation & OPDFollow-up TreatmentsParent’s Medical Coverage	Staff Finances <ul style="list-style-type: none">Personal FinanceHouse FinanceConveyance/SLCL	Life Insurance <ul style="list-style-type: none">Life Insurance CoveragePay Continuation planStaff Finance Insurance
Welfare Program <ul style="list-style-type: none">Medical GrantMarriage GrantEducational Grant	Educational Benefits <ul style="list-style-type: none">Cash Prizes for IBP ExamsReimbursement of Professional Courses’ FeeFinancial Assistance for EMBA	Other Benefits <ul style="list-style-type: none">Life Insurance CoveragePay Continuation planStaff Finance Insurance
Leaves <ul style="list-style-type: none">Privilege LeaveCausal LeaveSick LeaveLeave for Prolonged IllnessMaternity & Paternity LeaveIddat LeaveEmployee Volunteering LeaveSabbatical Leave	End of Service <ul style="list-style-type: none">Provident FundGratuity Fund	

All permanent employees are entitled to parental leaves. In 2023, 298 males colleagues availed the parental leave and 164 female colleagues availed their maternal leaves. The returnship rate is 92%.

Female Representation at the Workplace

Bank Alfalah has 32 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
- 8 Board sub-committees,
- 1 Central Management Committee (CMC)
- 22 Sub-Committees.

We are proud to share that women now make up 20% of our entire workforce. We take pride that women serve the following key roles in our Management Committee and top leadership positions:

- Chief Financial Officer
- Head Retail Banking
- Secretary, Central Management Committee
- Head Corporate South - Head Premier Proposition
- Head Service Distribution
- Head Systems, Policies and Procedures
- Head Corporate Credit Risk
- Head Anti-Money-Laundering (AML)
- Head Cash Products
- Head Digital Operations
- Head Cost Control and Secretary (CMC)
- Head Proximity Payments and Secretary Digital Council
- Head Corporate Communications
- Area Manager(s)
- Team Leader(s) Asset Sales



*Observing International Women’s Day at the Learning and Development Center

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

a) Childcare Allowance

In pursuit of becoming a family-friendly organisation, Bank Alfalah provides childcare allowance to its women employees and single parents. This initiative fulfills commitment to working mothers/single parents as it helps them arrange day-care/caretaker facilities, while setting their sights on their careers.

b) Maternity and Paternity Leave

Both parents have unique roles to play during the first few days with a newborn. Women employees are eligible for a 6-month long maternity leave, while the male employees can avail 7-day paternity leave.

c) Maternity Cover Incentive

The Bank launched a maternity cover policy to ensure continuity of work while a woman is away on maternity leave. Employees are offered the opportunity to serve as 'Maternity Cover' for 6 months to take over the work of the employees going away on maternity leave. The employee serving as maternity cover gets a special monetary incentive at the end of 6 months. Serving as the maternity cover offers development opportunities for employees as it diversifies their experience and gives them the chance to learn new skills.

d) Iddat Leave

This is a unique type of leave that Bank Alfalah is offering across all industries. A fully paid 130-day long iddat leave for the women employees in the unfortunate event of their spouse's death so they may have job security and peace of mind during their grieving time.

e) Flexible Working Hours

Bank Alfalah aims to create an environment where the value of flexible working hours is understood and managers are receptive to the needs of their teams. This policy reinforces a culture of meritocracy through a focus on outcomes rather than location or hours worked.

f) Communication Channel for Women

Bank Alfalah has a channel specifically dedicated to women through which the Bank regularly stays engaged with its employees by sharing articles, counselling services, and reinforcing policies on how to handle harassment. This interactive approach helps create a more conducive work environment for them.



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 2023, the Bank celebrated the entire month of March as the month of happiness for women during which we:

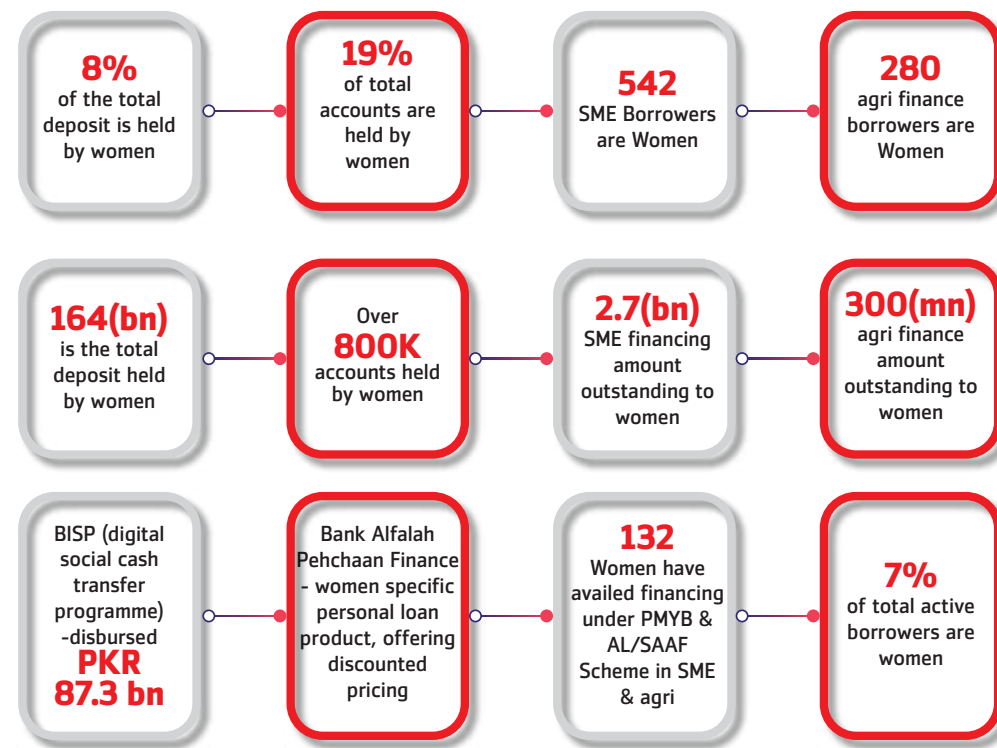
- Sent out celebratory chocolates to all women
- Rolled out communications to emphasise on the benefits for women
- Re-launched e-learning for gender stereotypes
- Launched a logo for Diversity, Equity and Inclusion

i) Meet and Greet sessions

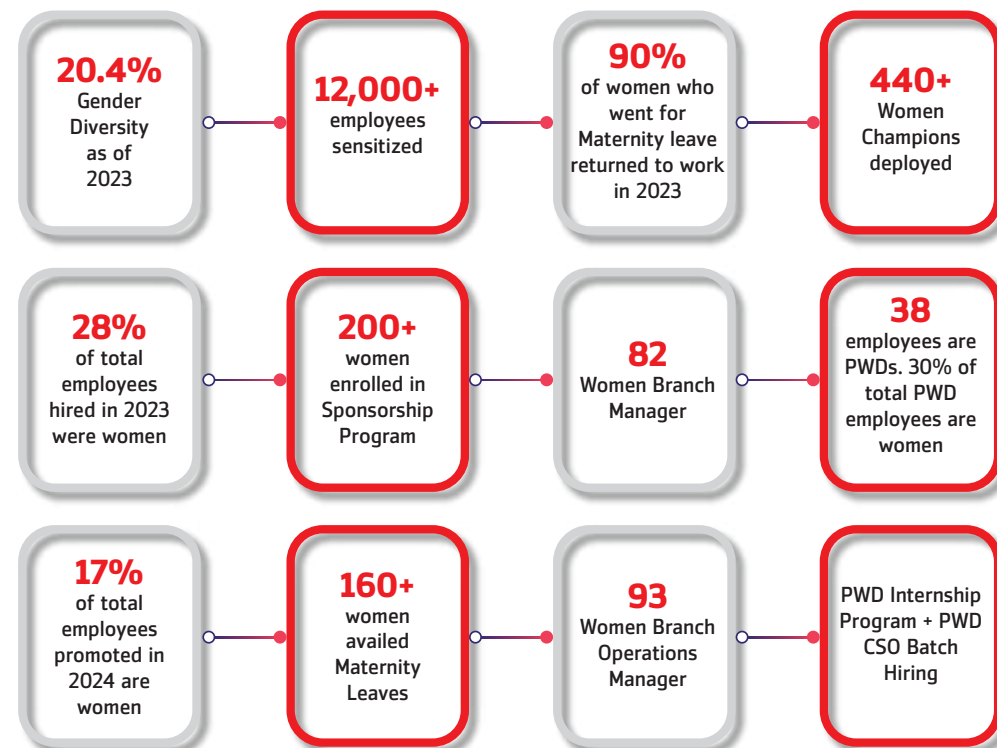
Conducted high impact meet and greet engagement sessions in Karachi and Lahore covering over 70% women bank-wide by engaging the masses and creating awareness on the DEI.



Banking on Equality - Business



Banking on Equality - HR



Male to Female Pay Gap Ratios of Salary

Tier	Grades	Mean Gender Pay Gap Males : Female Ratio	Median Gender Pay Gap Males : Female Ratio
Tier-1	SVP-II to SEVP-II	0.96 : 1	0.99 : 1
Tier-2	AVP-I to SVP-I	1.19 : 1	1.21 : 1
Tier-3	OH-IV to OG-I	1.18 : 1	1.21 : 1
Tier-4	C/NC	1.16 : 1	1.15 : 1



Bank Alfalah Raises Retirement Age to 65, Minimum Salary to Rs. 40,000

The Bank has raised the age of retirement to 65 years, making it the only Bank in the industry with permanent colleagues till 65 years with full benefits. Secondly, the Bank has also taken the initiative of revising the minimum salaries at all levels. In 2023, the minimum gross salary for Bank Alfalah's permanent employees was PKR 40,000/- in comparison with the minimum wage of PKR 25,000/- for first half of 2023, while PKR 32,000/- for second half of 2023. Moving away from the concept of the minimum wage in times of inflation.

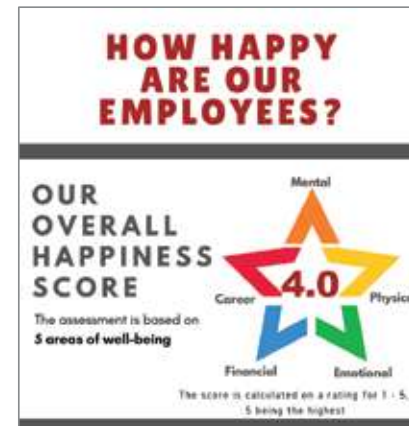
To that end, entry-level salaries at Bank Alfalah have been raised to Rs. 40,000 per month as against the previous Rs. 30,000. To better facilitate its employees, Bank Alfalah has also decided to enhance the benefits of staff house finance limits for all its employees.

People Happiness and Employee Engagement Survey

Bank Alfalah believes that having a data-driven approach to every project proposed, ensures all the initiatives are people-orientated at their core. The Bank has a multi-faceted approach to measuring culture at Bank Alfalah. To ensure a healthy work culture and seamless employee experience, Happiness and Engagement survey is conducted. The completion status of the Happiness Survey by colleagues was 86%. The significance of the survey is as follows:

- Measures Engagement - A valid assessment of how engaged or disengaged the employees are using scales from validated psychometric surveys.
- A Venue for Open Feedback - Participants' direct voice reaches management.
- The 'How to Increase Employee Engagement' - Create direct initiatives and interventions to address problem areas and reduce attrition.
- Direct Organisational Growth - Receiving valuable actionable data to implement for organisational growth in all areas of business.

2023



2022



2021



2020



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 instill 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 2023 the Bank received 8 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

Employee Grievance

Grievance Escalated

Channels

- Secretary(ies) Grievance Committee (GC)
- Members Grievance Committee
- Business HR Partners
- Employee Relations Department
- Head HRLG
- Group Heads
- HR Helpdesk

Acknowledgement of Grievance - 03 days

Review/ Assessment of Grievance (investigation required or not) - 07 days

Appointment of Grievance Investigation Officer/ Team - 04 days

Submission of Grievance Investigation Report - 16 days

Deliberations on Investigation report to submit recommendations to Head HRLG - 07 days

Head HRLG Decision - 05 days

Communication of Final Decisions - 03 days

Grievance Concluded TAT - 45 day

Grievance Concluded TAT 45 days

60

HR Rewards and Services

Bank Alfalah has a Remuneration Policy in place. The policy was prepared in accordance with the directives of the SBP. For details about the Remuneration Policy, refer to the Governance section of the Annual Report 2023, page 282.

• HR Quick Connect

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

• Bank Alfalah Employee Welfare Programme

The Employee Welfare Programme, which is contributory in nature and aims at providing 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.
- ii. **Marriage Grant:** Provides funds for daughters' marriages.
- iii. **Educational Grant:** Provides funds to pay admission fee for professional/postgraduate degrees of employee's children.

Employees contribute to the fund on a monthly basis and the monthly contributions are matched by the Bank. During 2022, 453 employees were facilitated through the Employee Welfare Programme.

• Assistance to staff affected by floods

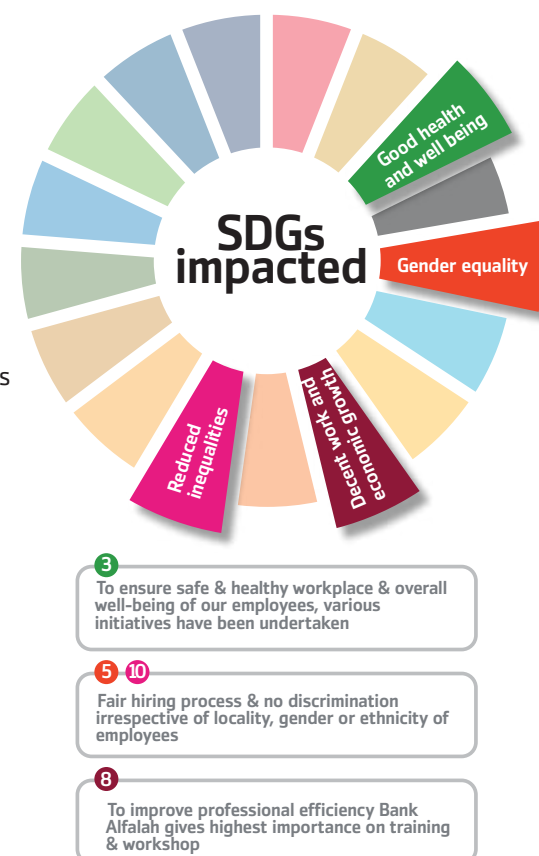
In addition to this, special consideration was given to employees affected by the 2022 floods to support them during these testing times.

• Community Building

The organisation is socially responsible and is generous in partnering with or supporting other social organizations to advance the holistic objective of uplifting the community. Employees are encouraged to participate in and support various community projects.

Some examples include:

1. All employees make a monthly contribution to the Employee Welfare Program. Any permanent or third-party employee can avail support in times of financial hardships.
2. Collaborated 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 redressal of 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.

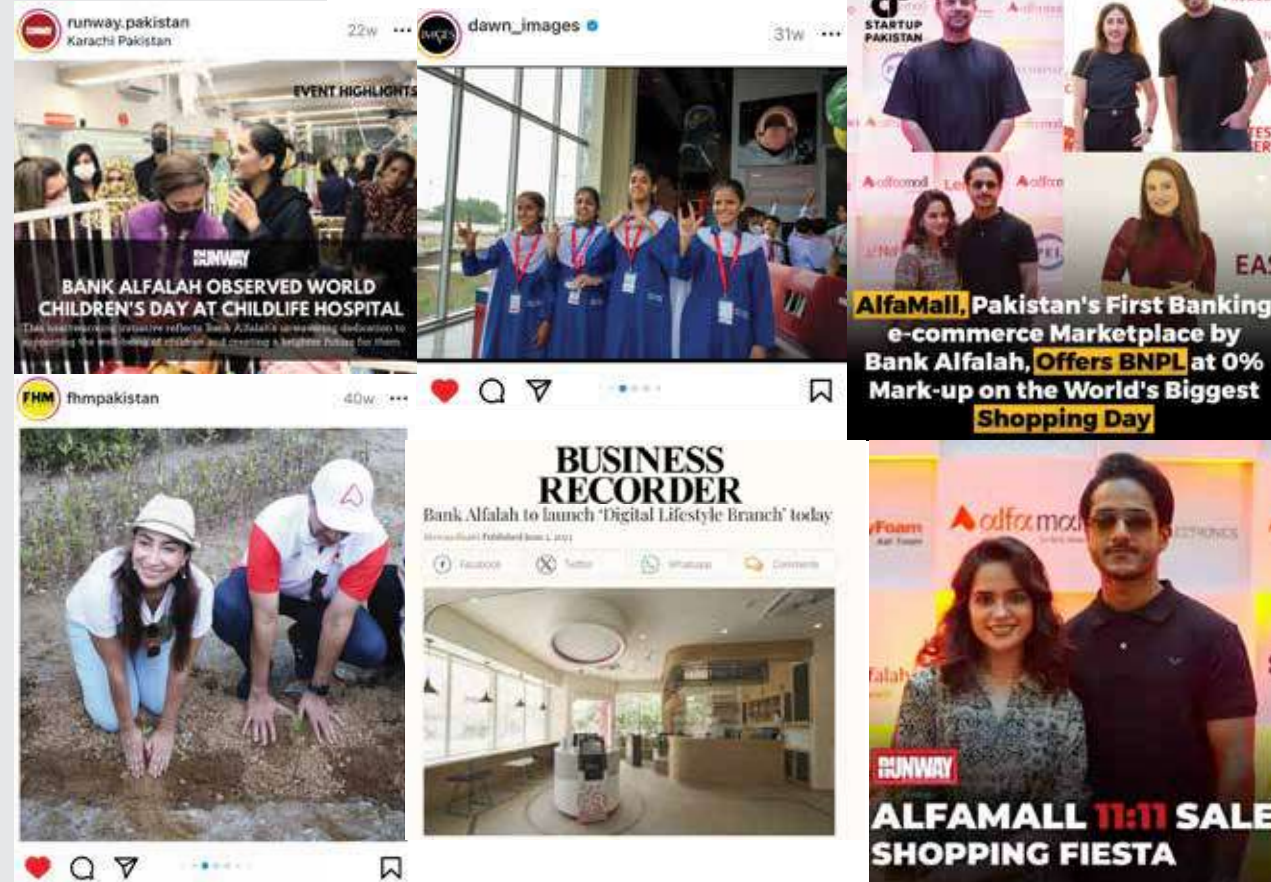
Society

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

The media is instrumental in communicating the Bank's vision, mission and core beliefs in order to inform and educate customers and stakeholders. The Bank utilises conventional and digital media to reach its audience. Whether its television and print or the increasingly popular social media, the Bank aspires to expand its footprint, establish its brand, and inform and update its customers regarding its initiatives and tailor-made offerings. Without the press, the Bank would not be able to develop a relationship of trust with its stakeholders.

The Bank fully uses the impact of media to keep all its stakeholders informed and aware of its performance. The role of the media is immense in the spread of information pertaining to the Bank, whether it's information on financial literacy, green banking, digitisation, DE&I initiatives, regulations, advertisements or promotions. The Bank strives to maintain frequent and open communication with the media at all times to create brand awareness and strengthen its brand image.



Impact Created

In 2023 Pakistan's first digital lifestyle branch garnered the most extensive coverage, with a total of 41 hits. This coverage was significant, as it highlights the transformative step towards embracing digitisation. It serves as a testament to the proactive stance in leading the industry towards reimagining banking. By pioneering Pakistan's first digital lifestyle branch in collaboration with the SBP governor, Bank Alfalah proves to be a trendsetter of new standards for customer-centric services and technological advancement in the financial sector.

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 are of interest to the media and the public.

Media Coverage

The Bank received over 1880 total media hits in newspapers, digital and TV channels. This number indicates a high level of media engagement and interest in the company's activities. The coverage was primarily positive, with over 88 percent of the mentions being positive, 3 percent neutral, and 9 percent negative. This is an excellent outcome as positive media coverage can enhance the company's reputation and increase customer trust and loyalty.

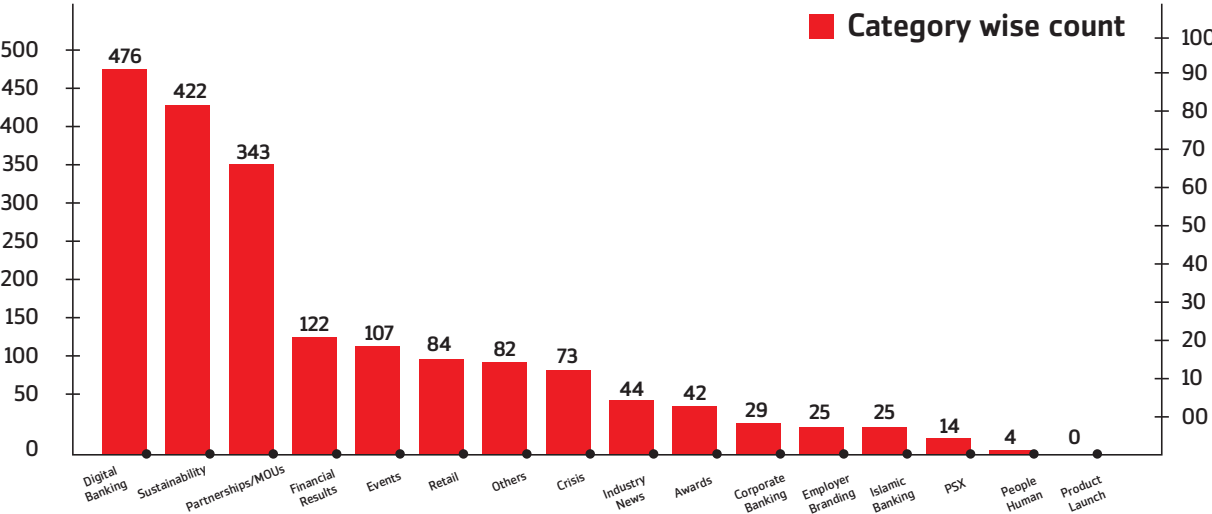
The coverage was primarily in English newspapers, with 82 percent of the mentions in English and 18 percent in Urdu. This indicates that the company has a strong presence in the English-speaking market, but it also needs to increase its outreach to the Urdu-speaking audience. The Bank received coverage in both tier-1 and tier-2 and 3 news outlets. Tier-1 news outlets covered more than 56 percent of the company's media mentions, while tier-2 and 3 outlets covered over 44 percent. This indicates that the company is successful in engaging with both mainstream and niche media outlets.



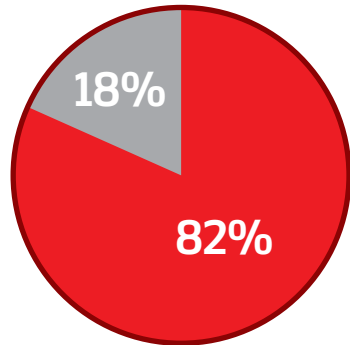
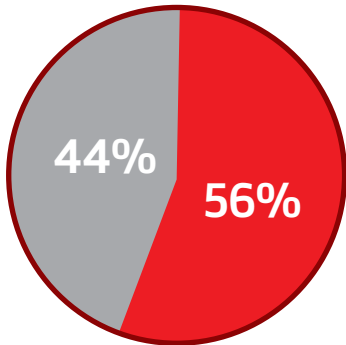
Total Press Mentions - 1880

Categories	Total Press Mentions
Digital Banking	476
Sustainability	422
Partnerships/MOUs	343
Financial Results	122
Events	107
Retail	84
Others	82
Crisis	73
Industry News	44
Awards	42
Corporate Banking	29
Employer Branding	25
Islamic Banking	25
PSX	14
People Human	4
Product Launch	0

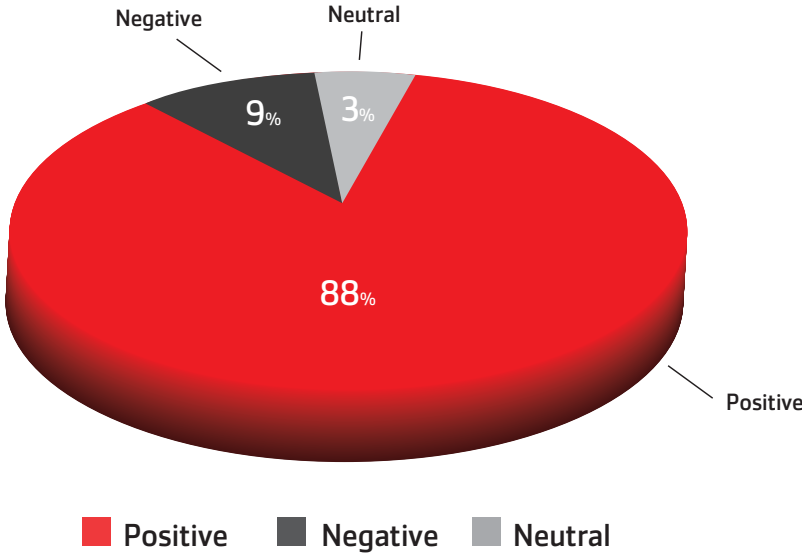
Graphical Snapshot



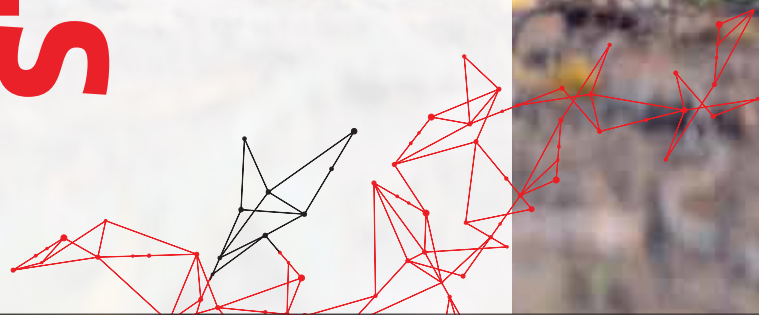
Tier Wise Synopsis



Sentiment Analysis



SUSTAINABILITY STRATEGY



Purpose: Sustainability Statement

"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 Environment 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.
- Wins 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.

Implementantion 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 'Organisational Profile' section of this report for this disclosure.

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:

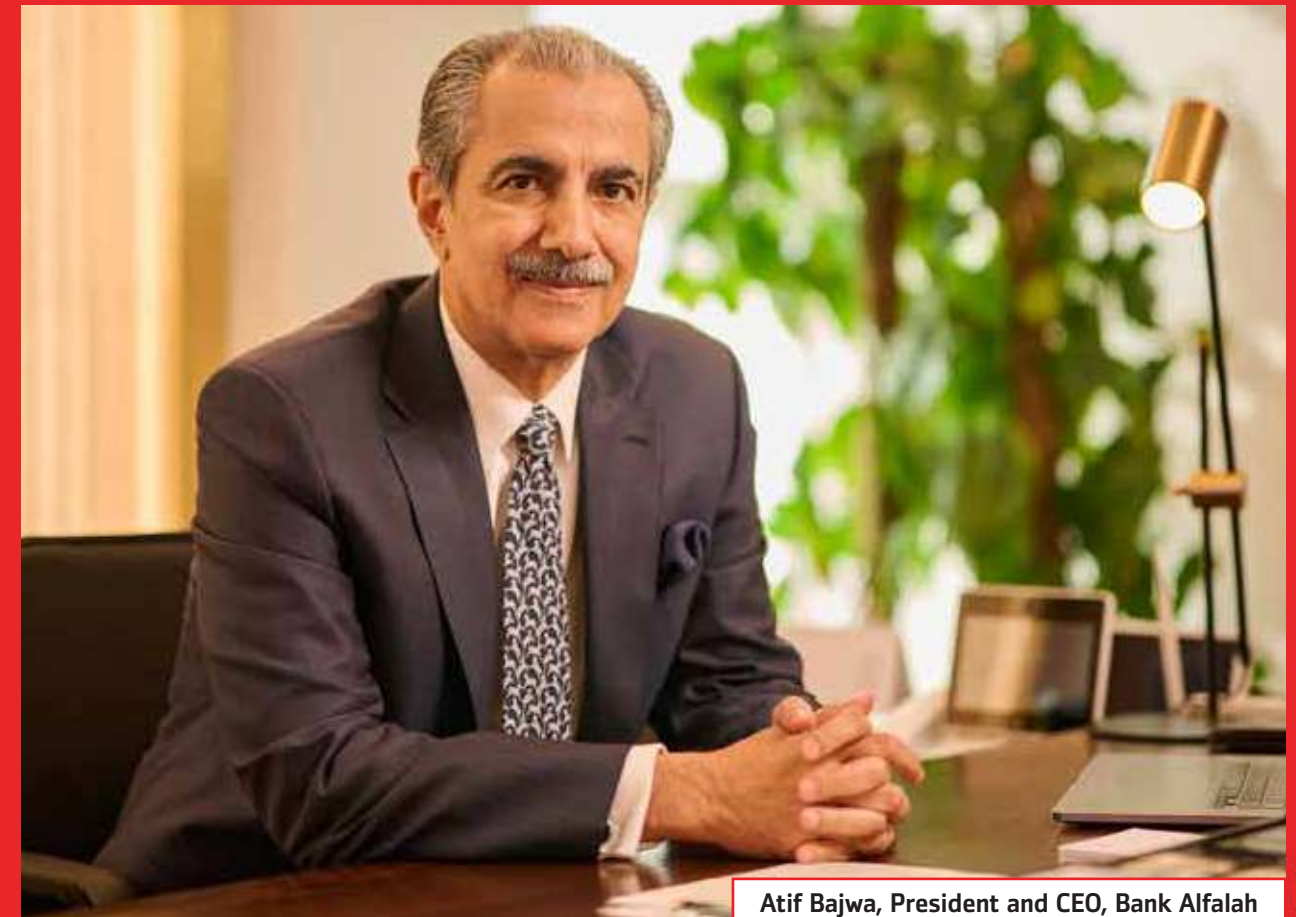
- To serve as a leader and driving agent of the Board of Directors, monitoring and managing all of its activities, and aligning the Board's goals and decisions with that of the Management;
- To ensure that the Board stays in the right direction with respect to achieving its objectives;
- To preside over 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



H.H. Sheikh Nahayan Mubarak Al Nahayan with Atif Bajwa

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.



Atif Bajwa, President and CEO, Bank Alfalah

Board Committees

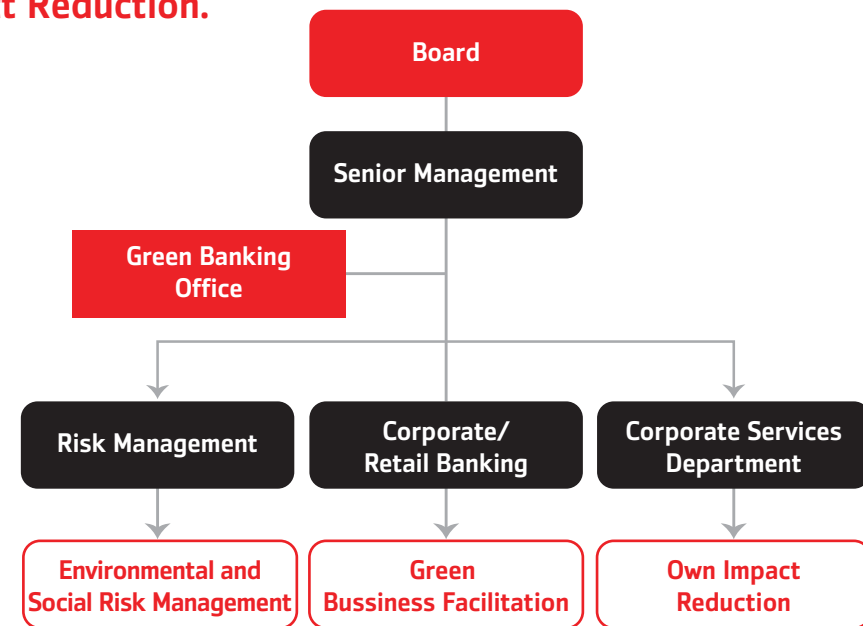
Please refer to 'Governance' section of the Annual Report 2023 for other Board Committees.

Management Committees

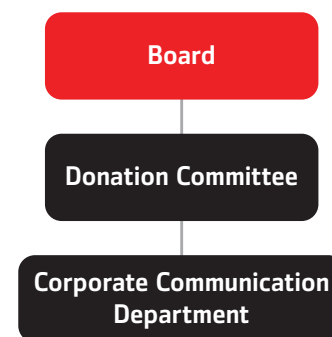
Bank Alfalah has three main Management Committees for the purpose of strategic planning and decision-making under the Chairmanship of the CEO. The Board of Directors has approved the Committees and their TORs. The role of these Committees is to ensure that the activities of the Bank reflect its vision, 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.

Green Business Facilitation, Environmental & Social Risk Management & Own Impact Reduction.



Organogram CSR Function



*As part of the evaluation, no actions were suggested or implemented

Sub-Committees of CMC

CSR Committee (DOC)

- Atif Aslam Bajwa – Chairman
- Faisal Farooq Khan
- Mehreen Ahmed
- Anjum Hai
- Haroon Khalid
- Muhammad Raheel Yousaf
- 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 2023 for other Board Committees.

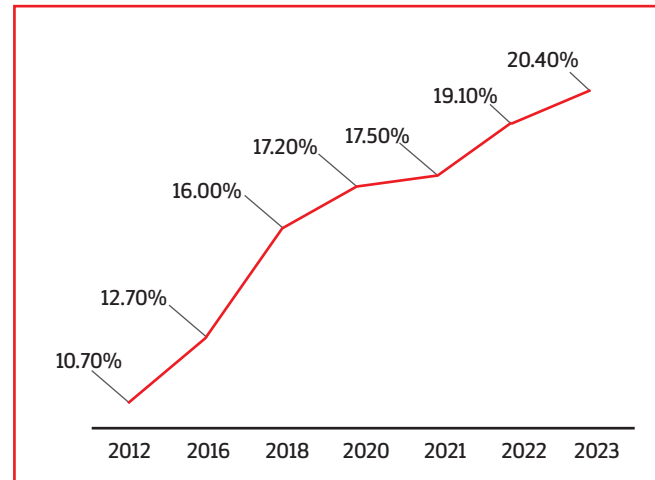
Management Committee of Bank Alfalah



Gender Landscape

Gender Diversity historic trend

Focus remained on inducting and hiring more women



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.



Sustainability Champions Quotes



Mehreen Ahmed
Group Head Retail Banking

“

By achieving the milestone of 1000th branch and surpassing the milestone of Rs 2 trillion deposits, we reflect on our persistent efforts in transforming the banking landscape in the economy of Pakistan and reaffirm our resolve to focus on people's banking needs.

”



Anjum Hai
Chief Financial Officer

“

Bank Alfalah is embarking on a transformative journey to align its reporting standards with best practice in sustainable reporting. We are dedicated to leading the way forward as a financial institution, setting the standard for a sustainable future.

”

“

As a leading Bank recognised for its inclusivity, we take pride in our values and culture pillars, which continue to be a guiding principle for a progressive way forward.

”



Faisal Farooq Khan
Chief Human Resource Officer

“

Leading Green Banking is not just my job; it is my passion, a commitment to steering our institution towards profitability with purpose, ensuring our legacy is one of environmental and social stewardship

”



Sohail Haider
Chief Green Banking Manager

80

79



Mohammad Yahya Khan
Group Head Digital Banking

“

The digitisation of financial services offers a sustainable pathway forward, providing not only convenience but also yielding a positive environmental impact in terms of paper saving, energy efficiency and water and waste management

”



Fatima Dossani
Assistant Manager DE&I Unit

“

At Bank Alfalah, we prioritise diversity, recognizing its significance not only in fostering a fair and inclusive workplace but also in embracing and appreciating the diverse perspectives that lead to innovative solutions and a more sustainable future for everyone.

”

“

Green banking has evolved into a fundamental of financial services for securing a sustainable future. To remain pertinent in today's evolving economy, banks must embrace sustainable practices. It's no longer merely a fleeting trend but an imperative for the banking industry's continued relevance.

”



Faisal Rabani
Chief Risk Officer-Credit &
Risk Management Group

“

In 2023, Bank Alfalah disbursed over PKR 87bn to BISP beneficiaries in KPK, AJK & GB and continued to upgrade its network for a transformative journey, eventually emerging as the largest service provider in 2024, benefitting over 47% of BISP beneficiaries nationwide

”



Faisal Rauf
Head Digital Corporate & Small,
Medium, Micro Enterprises



Aneeqa Kayani
Head Premier Proposition
Department

“ We firmly uphold the value of diversity and its profound impact on both business and society. We acknowledge the vital role of women in our workforce and customer base, and we are committed to providing them with equitable access to opportunities and resources. ”

“ Small and Medium Enterprises (SMEs) are the cornerstone of sustainable growth in any developing economy. Through our diverse and distinctive product offerings and one of the largest distribution channels in the industry, we strive to help SMEs realise their full potential. ”



Shaykh Zeeshan Rauf
Head SME & Commercial Division



Madiha Javed Qureshi
Head Corporate Communications

“ Bank Alfalah is proud to embark upon its sustainability journey in business operations and corporate social responsibility by focusing on the economic, environment and social capital. ”

“ Small contributions and gestures can send big signals about who we are and what we care about. ”



Imran Asad Khan
Head- Branch Banking
Operations Division



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

“ Sustainability is not just about adopting the latest energy-saving equipment or turning to renewable power sources. Sustainability is the responsibility of every individual every day; it is about changing our behaviour and mindset to help make a difference. ”

“ As a dedicated sustainability professional, I drive sustainability efforts to minimize our environmental footprint. Through innovative research and implementation of impactful green initiatives, we are transforming our operations towards net zero emissions, creating a better future for our planet. With every sustainable step, I'm proud to be part of a journey that's making a difference. ”



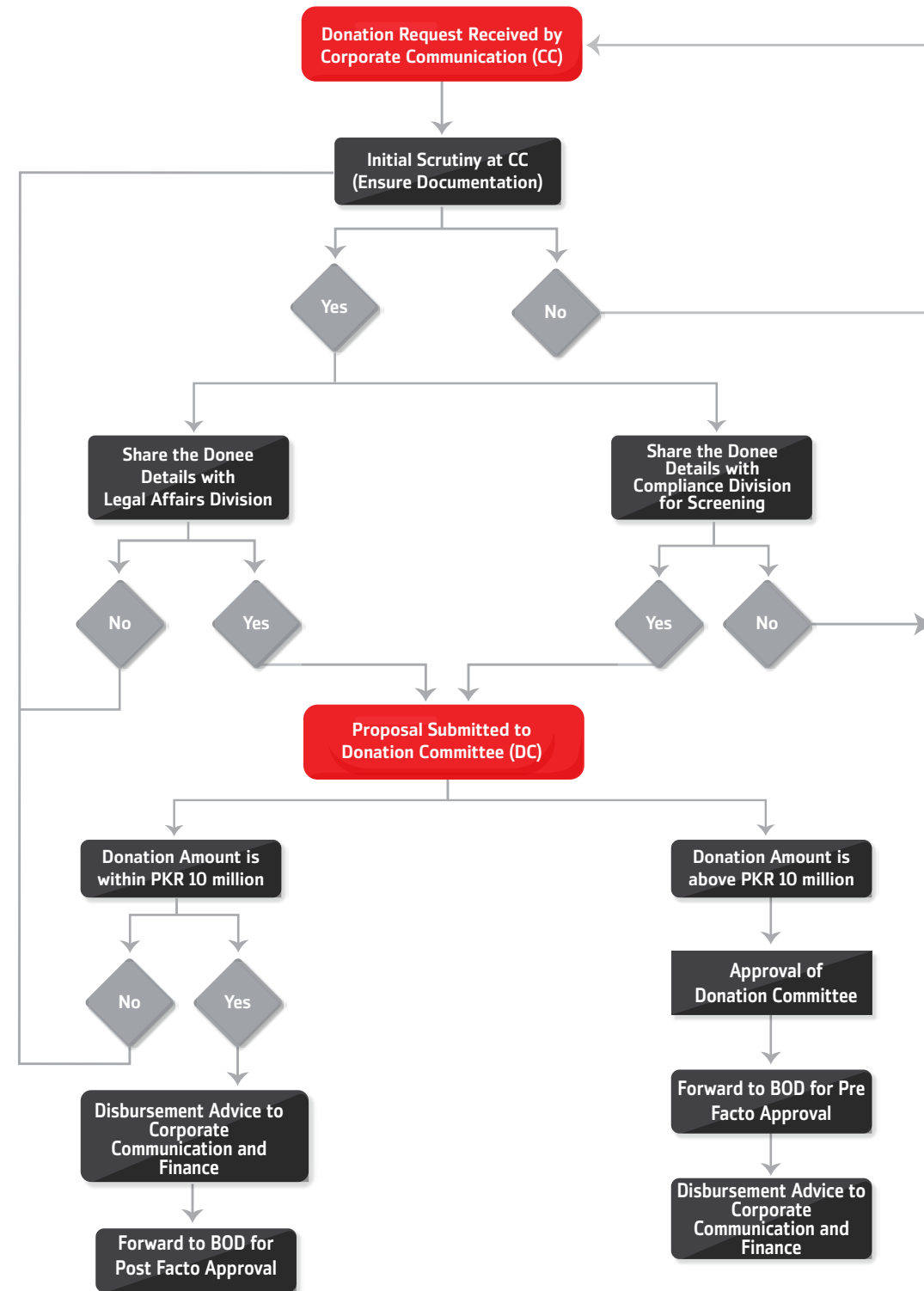
Madiha Kanwal
Manager Business Resilience
and HSE Unit



Raihan Tanveer
Unit Head Business Resilience
and HSE Unit

“ At Bank Alfalah, our Health, Safety & Environment department is spearheading transformative initiatives from both environmental and safety perspectives. We are diligently working not only to mitigate health and safety risks at our premises but also to take various steps to create sustainable, green premises. These initiatives incorporate sustainable practices such as using renewable energy sources and implementing water conservation and waste management techniques ”

Monitoring Mechanism of CSR Funds



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

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:

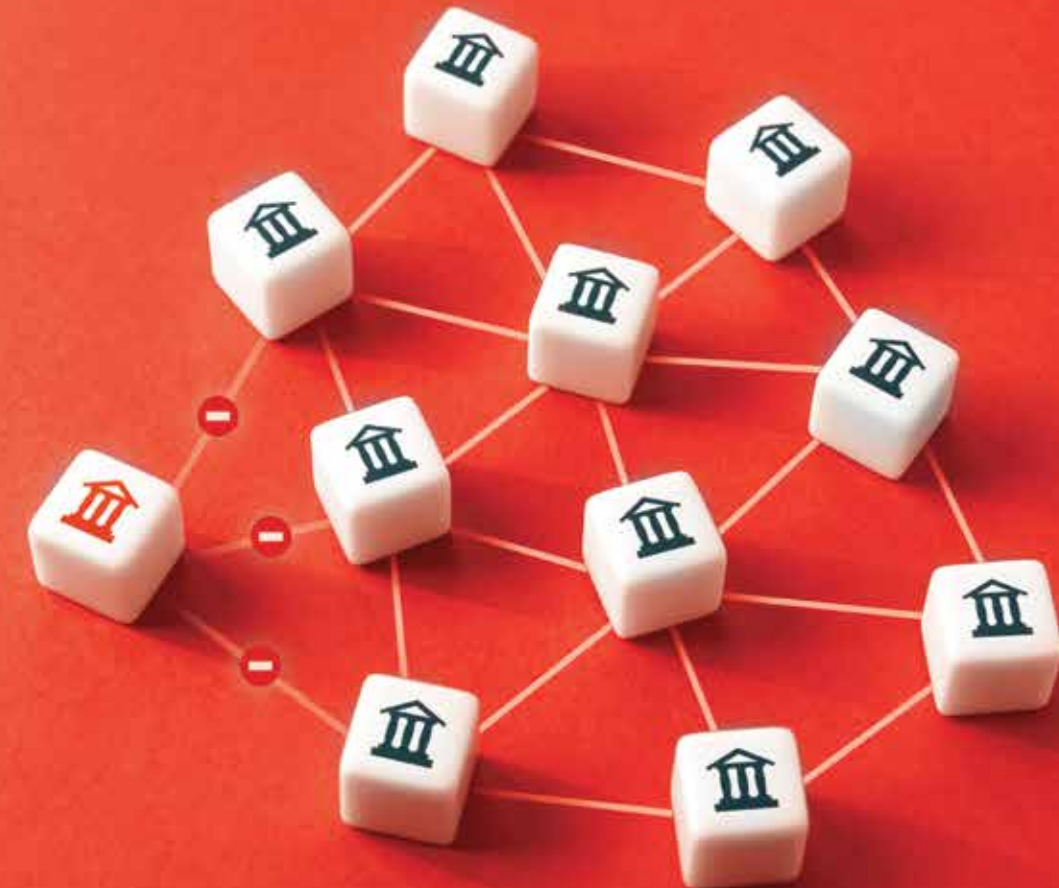
Opening or maintaining:

- 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 ammunitions.
- 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.



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 Liability Management Committee
- Process Improvement Committee
- Governance Committee for Oversees Operation
- IFRS 9 Steering Committee
- IT Steering Committee
- Crisis Management Team



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 & Portfolio Management
- Credit Administration
- Operational Risk
- Credit Division



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.

Key Risks

TYPES OF RISKS	LIKELIHOOD	MATERIALITY
Environmental & Social Risk	Low to Medium	Medium

Actual or potential threats of adverse effects on the environment and living organism by effluents, emissions, wastes, chemical releases, and resource depletion, arising out of the Bank's or its clients' operational activities.

Source: Internal and External
Impact: Social, Environmental, Financial, and Reputational
Capital Affected: Natural and Manufactured Capital
Assessment tools: Environmental & Social Risk Rating based on E&S Due Diligence

Mitigation Strategy: The Bank has adopted an integrated sustainable finance approach in its lending activities. In this regard, Green Banking Policy and Environmental and Social Risk Management (ESRM) Procedures Manual have been put in place. The ESRM Framework essentially requires that any lending opportunity is reviewed and evaluated under IFC exclusion list, applicable national laws on environment, health, safety, social and IFC performance standards. This framework is an integral part of the credit approval process, and all relevant credit proposals require Environmental & Social review prior to approval by the competent authority.

In November 2022, the State Bank of Pakistan (SBP) issued Environmental & Social Risk Management (ESRM) Implementation Manual, based on IFC performance standards, which is applicable to all banks in Pakistan. During 2023, Bank Alfalah has aligned its Green Banking Policy and ESRM Procedures manual with the afore-mentioned SBP manual. From end of November 2023, the Bank has been using SBP's provided ESRM templates and complying with it (Regulatory Implementation dateline is November 2025). Our 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 do not face any difficulty in implementing the revised ESRM framework. The Bank is assigning E&S Risk Rating as 'High', 'Medium', and 'Low' to its borrowers based on its E&S due diligence which facilitates the Management in its decision making.

Risk of supply chain disruptions as a result of ESG related factors	Low to Medium	Medium
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Actual or potential threats of adverse effects on the Banks' supply chain arising from ESG related factors such as effluents, emissions, wastes, chemical releases, and resource depletion.

Source: Internal and External
Impact: Social, Environmental, Financial, and Reputational
Capital Affected: Natural and Manufactured Capital
Assessment tools: Environmental & Social Risk Rating

Mitigation strategy: Vendors need to be managed effectively in order to reduce the risk of supply chain disruption and ensure that the goods and services provided are delivered on time and as per the expected standard. The Bank's approved procurement policy includes 'Sustainable / Green Procurement' guidelines, which incorporate strategies to minimise ESG risks, including assessing and choosing vendors that exhibit a strong dedication to the environment and prioritising reputable brands that promote environmentally-friendly practices. As an example, the Bank uses sustainably sourced paper, i.e., Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) certificated paper, as part of its routine business practices, and ensures that primary as well as alternate vendors supply with the same only.

TYPES OF RISKS	LIKELIHOOD	MATERIALITY
Information Security Risk	Medium	Medium

It is the risk of damage that may be caused by internal or external threats, such as unauthorised access to critical financial data, sensitive customer information, non-availability of critical services, impersonating clients and theft or alteration of information, while performing financial transactions, and loss of the Bank's sensitive electronic data and IT systems.

Source: Internal and External
Impact: Financial and Reputational
Capital Affected: Financial, Intellectual and Social Capital
Assessment tools: Risk Appetite Monitoring, Penetration Testing, Vulnerability Assessment and Cyber Security Risk Assessment.

Mitigation Strategy: The Information Security Division caters to the regulatory requirements for IT Security Risk Management. It maintains the framework that enables the Bank's management and staff to mitigate IT security risks bringing them to acceptable levels. It does research on evolving and emerging threats, suggests and defines relevant information security controls. Furthermore, it performs information security risk assessment before and after the deployment of IT Solutions against the defined categories of IT Risk and Information Security Management System, performs 24/7 information security monitoring of information assets, investigates IT security incidents, reinforces IT security risk awareness among staff, and performs IT security risk management reporting.

Reputational Risk	Low to Medium	Medium
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Source: Internal and External
Impact: Financial and Reputational
Capital Affected: Financial, Social, Human and Intellectual Capital
Assessment tools: External ratings, Market news, Stock Exchange Information, Customer Surveys and review of regular compliance by compliance division.

Mitigation Strategy: Various departments within the Bank assess reputational risk associated with the Bank's activities in order to safeguard its interests at all times. This includes ensuring that contractual obligations are being met under agreements with multilateral and international agencies that cover partnerships and credit facilities extended to the Bank. Furthermore, the Bank has a dedicated customer experience department that works for the resolution of customer complaints and grievances. Additionally, the Compliance & Business Solution Group ensures that all relevant departments Comply with applicable regulatory requirements and mitigation of regulatory risk reputational risk arising from regulatory non-compliance business disruptions and operational issues.

Furthermore, the Bank has devised a comprehensive Business Resilience/Disaster Recovery Plan to ensure continuity of its services during crisis periods.

It refers to a loss that may arise by an activity, action, or stance taken by the Bank, any of its affiliates, or its officials that can impair its image with one or more of its stakeholders resulting in loss of business and/or decrease in the value of the Bank's shares.

TYPES OF RISKS

LIKELIHOOD

MATERIALITY

Country Risk

Low to Medium

Medium

It refers to the possibility that economic and political conditions, or an event in a foreign country, could adversely impact the Bank's exposure in that country. The Bank is engaged in international lending and has cross-border exposures, and is exposed to country risk, in addition to the customary credit, market, and investment risk.

Source: External

Impact: Financial

Capital Affected: Financial and Social Capital

Assessment tools: Country limit monitoring.

Mitigation Strategy: In order to manage the risk, the Bank has in place a comprehensive country risk management framework. Under this framework, country risk is sub-divided into two broad categories; transfer risk and political risk. Additionally, the Bank carries out periodic review of approved limits, ensuring regular monitoring against the same.

Key Opportunities and Initiatives

TYPES OF OPPORTUNITIES

LIKELIHOOD

MATERIALITY

Opportunities through Digitisation

High

Medium to High

With the onset of the Industrial Revolution 4.0, the impact of existing and potential digital avenues can not be ignored. It raises the need to overhaul and transform existing business practices to leverage upcoming and evolving technological advancements in order to create a ripple in the banking/financial sector. The financial services which are being provided to our customers are transforming at a rapid pace, new innovations are being adopted. At Bank Alfalah, making sure customers are happy is not something that is said, it is meant.

Source: Internal and External

Impact: Financial; Customer Centricity

Capital Affected: Financial Capital, Relationship Capital and Human Capital

Strategy for creating value from opportunity:

- **Digital Lifestyle Branch (High, High)** (High, High)
Bank Alfalah launched Pakistan's first ever Digital lifestyle branch enhancing the customers' experience. The branch is designed to fulfil all of the needs of our modern customers. Our lifestyle branch provides a space where customers would be able to socialise, take care of their everyday needs along with their banking requirements. The Digital Lifestyle branch offers digital banking & lifestyle solutions under one roof:
 - Biometrically secured digital lockers
 - Digital floor with self service kiosks (ATM / CDM / CCDM)
 - Conventional & Islamic Buy-Now-Pay-Later (BNPL) store
 - Virtual Service Machine for account opening
 - Digital Facilitation Desk
 - Wealth Management Partner
 - Shared workspaces and dining facility
- **Remote Digital Onboarding (RAPID) (High, High)**
In order to help our prospective clients with the smooth transition of becoming our customers, the bank has introduced a digital onboarding process. It is available through both our portal as well as the Alfa application. Digitising this process has facilitated our customers as they no longer need to visit a physical branch in order to open their full-fledged banking account.

This process has helped us in digitising and keeping track of our customer behavior from the very beginning of the relationship. A variety of account types offered include Asaan Digital Accounts, Asaan Digital Remittance Accounts, Freelancer Digital Account, Pehchaan Current Accounts (targeted to women), PLS Savings etc.
- **WhatsApp Banking** (High, High)
Whatsapp banking is yet another step taken in order to further enhance the experience of our customers through digitisation. Currently through our WhatsApp banking channel, more than 100,000 interactions per month are responded to through our rule based machine learning responses.

The Banks' whatsapp platform is used by customers in order to get upfront information regarding banking services, premier banking, offers and discounts. It also helps customers in activating their credit and debit card instantaneously. Financial transactions and e-commerce shopping are upcoming features to be offered through this medium.
- **Instant Credit Card** (High, Medium)
Bank Alfalah has introduced a real-time credit card approval feature. The customers are able to apply for credit cards using their Alfa app rather than visiting a branch physically. This whole procedure takes less than 5 minutes and on top of that, there is no physical documentation to take care of either. Once the procedure is done and required checks have been made, the physical card is delivered within 1 to 2 days

TYPES OF OPPORTUNITIES	LIKELIHOOD	MATERIALITY
Opportunities through Digitisation	High	Medium to High

- **Instant Loan** (High, Medium)
Following the unprecedented success of our conventional personal loan, Bank Alfalah takes immense pride of being the first in the industry to offer a digital personal loan. This facility is provided on our Alfa app. It requires no visits to the branch or physical documentation. Upon selecting the loan amount and tenure, the approval is carried out over the app as well. The loan amount is disbursed into the customer's account in less than a minute.
- **Digital Wealth** (High, Medium)
In order to gain customer loyalty and to become their bank of choice, Bank Alfalah introduced an end-to-end digital platform for its customers, with multiple offerings of Mutual Funds of different AMCs, securities trading, buying/selling of government bond/securities, and insurance with multiple insurance underwriters. This allows customers to invest their wealth in different investment options and buy different kinds of insurance.

Bank Alfalah also takes great pride for being a pioneer of offering mutual funds to its customers through our mobile banking app; Alfa. Customers can opt for different mutual funds based on their preferences. This investment feature offers both a conventional and an Islamic variant.

As Islamic banking products are becoming more and more popular, Bank Alfalah has introduced a digital Term Deposit in order to cater the needs of their Islamic banking customers. Customers can now earn profit on their savings without worrying about Riba. Also for the very first time, a customer with a conventional banking account would be able to book an Islamic Term Deposit.
- **Alfa BNPL Islamic** (Medium, Medium)
Through our banking app Alfa, customers with any other bank's credit cards can avail the opportunity to sign up for our Islamic BNPL. The products offered would be backed by our registered sellers/ affiliated online merchants. This BNPL option would be offered in the form of easy installments that are shariah compliant and free of Riba. The onboarding process in place for it is smooth and completely digital.

Untapped Potential in Small and Medium Enterprises	High	High
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There is great potential in the SME space to enhance profitability by offering tailored and unique SME product propositions and high service levels. SMEs are considered the engine of growth for developing countries like Pakistan and are sure to boost economic activity in the country.

Source: External
Impact: Financial
Capital Affected: Financial Capital

Strategy for creating value from opportunity:

- **Large menu of products and value-added services:**
Various product offerings (refer to Organisational overview section of this Annual Report for the Bank's SME product offerings) and value-added services such as financing facilities for different customer requirements. The SME toolkits have been further enhanced to penetrate this thriving industry niche. This has been done through a cross-sell initiative by developing a complete set of business opportunities in a relationship, with a 360-degree view. The Bank conducts market-storming activities, visits various small and medium entities, provides consultancy for their business growth, and has created help desks. These have boosted the confidence of businessmen/entrepreneurs in the Bank. We offer the most extensive range of products ranging from working capital, long-term finance, fleet financing, bill discounting, invoice financing, supply chain financing and cash-flow based clean lending products for SME customers.

TYPES OF OPPORTUNITIES	LIKELIHOOD	MATERIALITY
Untapped Potential in Small and Medium Enterprises	High	High

- **Partnership with Karandaaz:**
A new way of evaluating SME creditworthiness has been developed by Bank Alfalah and DigiServ, in collaboration with Karandaaz. This innovative approach goes beyond the traditional methods of credit risk assessment and uses a scorecard that incorporates various factors to determine the eligibility of SME borrowers. The scorecard is designed to help Bank Alfalah offer tailored and affordable credit solutions to SMEs.
- **Prime Minister's Youth Business and Agriculture Loan Scheme (PMYBL-AL)**
It is an initiative by the Government of Pakistan to motivate the country's youth to utilise their entrepreneurial skills and contribute to the economy's growth. Bank Alfalah is pleased to be a partner in this novel initiative led by the Ministry of Youth Affairs, Government of Pakistan and regulated by the State Bank of Pakistan. The Bank has extended finance to various customers under this scheme.
- **SME Asaan Finance Scheme (SAAF)**
It is an initiative by the State Bank of Pakistan in collaboration with the Government of Pakistan with an aim of enabling SMEs that cannot offer security/collateral to access bank finance. Bank Alfalah has been selected as one of the participating banks under the SAAF Scheme. The Bank has extended finance to various customers under this scheme.
- **Alfalah Kamyab Karobar (AKK)**
AKK facilitates SMEs to leverage their business potential to contribute towards economic growth. With Alfalah Kamyab Karobar Account, SME customers get utmost transactional convenience along with attractive features and waivers on banking services essential to manage day-to-day operations.

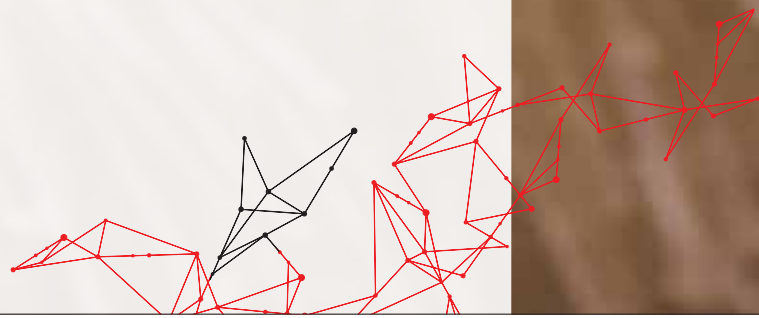
SDGs Alignment with Business Operations and CSR Funding



Economic	Partnership with Akhuwat			
	Ensuring Living Wage			
	Adopting Banking on Equity Policy			
	Adopting Green Banking Policy of State Bank of Pakistan			
	Integrating Charity Partners on App			
	Distribution of ration to Bank to colleagues			
	Subsidised Agri and SME loans			
	Growth through expansion in branches and hiring of employees			
	Financial Inclusion via Agent Network, QR payments, Cash Deposit Machines, RAPID and RDA			
	Amplify digital infrastructure by expanding the network of ATMs, CDMs, POS machines, QR payments			
	Subsidised loans for house building			
	Bank Alfalah's Chairman and Board Pledged USD 10 million to support flood-impacted communities			
	Partnered with Zindagi Trust to establish Digital Arts Lab for 2,000 girls			
	Supporting NOWPDP to run their Center of Excellence for Financial Inclusion			
	Donated to Karwan-e-Hayat for establishing computer lab and library			
Social	Not lending money in the tobacco, arms and ammunition industry			
	No financing for an organisation with child labour involved in the supply chain			
	Compliance with labour laws			
	Medical coverage to all employees, including dependents			
	Employee well-being at the core via Happiness Framework			
	Partnering with primary, secondary, professional and vocational educational institutes			
	Employees volunteered as mentors at schools			
	6 months maternity leave, 7 day paternity and child care allowance			
	Provided scholarship to 4 students at Habib University			
	Donated to Shaukat Khanum Cancer Memorial Hospital and Research Center			
	Partnered with Deaf Reach and Magnificience on the International Day of Sign Language			
	Partnered with Special Olympics Pakistan to train 1,500 athletes			
	Build healthcare facilities to serve patients			
	Two day Work From Home policy to reduce carbon footprint			
	Network of ATMs on solar power			
Environment	Tress saved through digitisation as dependence on paper work reduced significantly			
	Sustainable housing for flood-impacted communities			
	Alfalah Green Energy to Facilitate Green Businesses			
	Financing renewable energy projects			
	Attended ESRM and IFC trainings gor Green Banking			
	Partnering with IFC and benchmarking global standards of banking in Pakistan			
	Launched Green Way Forward by planting 15,000 mangroves with WWF			

For more details refers to page 215 to 228.

SOCIAL



Corporate Social Responsibility

CSR Programme

Over the years, Bank Alfalah has been active in giving back to the society and communities where it operates and continues to build responsible business practices across its activities. There is an opportunity to focus activities and raise the impact of the sustainability programmes. Creating a more robust business model that supports programs that solve societal problems, while also creating value and advantage for Bank Alfalah is essential.

Building on the past philanthropic investments, the priority CSR areas for the Bank include education, health, social welfare, environmental sustainability, leadership development, and promotion of sports, arts and culture.

Donations Paid: PKR **1.24** Billion
Charity Paid: PKR **55.0** Million

Zakat Paid: PKR **128** Million

Employee Welfare: PKR **51.3** Million
Staff Benefited: **371**
Flood Relief to staff: PKR **104** Million
Staff Beneted: **479**



IMPACT & SUSTAINABILITY BULLETIN

The Big Picture



Rescue



Relief



Rehabilitation



Rebuilding

Over PKR 1.24 billion disbursed

Phase 2: Rehabilitation and Rebuilding - PKR 902 million

Rebuilding Houses



Construction In Progress
235/400 Houses
6 Villages
Sindh, Punjab and Balochistan



Construction Complete
Larkana: 42 Houses
Shed for animals, water, electricity supply



Construction Complete
Surkhab 35 Houses
Construction In Progress
40 houses are being built at Hanna & Urak.



Revive & Rise

Interest free loans for reconstruction of flood affected houses.
Disbursed PKR 211 Million | 908 Beneficiaries

Healthcare



Served 720 patients
399 Male | 321 Female



Provided Essential Supplies, Services and Nutrition



4 Emergency Rooms:
Helped 118,000 critical patients



3 Mobile Health Vans:
15,746 Patients have been treated

Education



Primary School Nawabshah
The school will serve 180 students

Staff Facilitation - Flood Relief Assistance Program (EWP)

Allocated PKR 110 million
Supported 269 permanent staff
Helped 262 third party staff



and many more

Bank Alfalah Disbursed PKR 1.24 Billion Among Flood-Impacted Communities In 2023

Under the visionary leadership of His Highness Sheikh Nahayan Mubarak Al Nahayan, Chairman of Bank Alfalah, who graciously donated \$10 million to devastating floods that hit Pakistan in 2022, and with the steadfast support of the Board of Directors, the Bank has embarked on a two-pronged strategy to rebuild 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:

This Phase focused on immediate relief with PKR 338 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.



Phase-2:

In 2023, the Bank embarked on phase 2 of its flood relief efforts with a disbursement of PKR 902 million, focusing on rehabilitation and rebuilding lives. This phase encompassed several key areas: sustainable housing, healthcare, education, and livelihood support.



A) Healthcare Provision Worth PKR 468 million

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.



Partnership with Aga Khan Foundation to Provide Health Services

Bank Alfalah's generous contribution of PKR 200 million highlights its dedication to uplift vulnerable communities and fostering social development. The funds will enable AKF (Pak) and its implementing partners to execute the project efficiently, ensuring the desired impact on the ground.

The partnership's objective is to tackle the multifaceted challenges faced by flood-affected communities. The key goals encompass various aspects, starting with improving the accessibility and utilisation of health services through existing delivery platforms and mobile outreach services.



Another objective is to enhance access to Water, Sanitation, and Hygiene (WASH) infrastructure for these communities, ensuring better living conditions and hygiene practices.

It also endeavours to expedite the restoration of agricultural livelihoods in the affected areas, supporting the revival of farming activities. Lastly, the project seeks to bolster households' food security and resilience, equipping them to withstand ongoing challenges and uncertainties.



Iqbal Walji, Chairman National Committee of Aga Khan Foundation, Pakistan said, 'We are appreciative of Bank Alfalah's generous donation of PKR 200 million towards the flood relief efforts of the Aga Khan Foundation and the agencies of the Aga Khan Development Network. This partnership exemplifies the shared commitment to uplift and support vulnerable communities in times of crisis. Together, the agencies of the Aga Khan Development Network and Bank Alfalah are determined to provide essential health services and promote resilience among the flood-affected populations in Pakistan and thus make a lasting impact and create a brighter future for those in need.'



A donation was made to the Patient Aid Foundation, focusing on aiding the underserved 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 118,000 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 375 million



Bank Alfalah partnered 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 include Baitussalam Welfare Trust, which completed 42 houses with utilities in Larkana and Shahid Afridi Foundation, which handed over 75 houses in Sukhab, Balochistan. Moreover, Karachi Relief Trust continues constructing 394 houses in Nawab Shah, Nowshero Feroz, Sohbat Pur, and Rajanpur. The bank also made disbursements to support reviving agricultural land impacted by flood.



Empowering Communities with Karachi Relief Trust

The collaboration with KRT is focused on providing cost-effective housing solutions in the regions affected by floods. Through this association with Bank Alfalah, Karachi Relief Trust intends to reconstruct two clusters of villages that were ravaged by the floods. The two clusters will consist of 70 homes each, with an estimated cost of PKR 350,000 per house.



“

Khayam Husain, Trustee of KRT said, *The partnership enables us to sow the seeds of change through our program 'Reimagine: Build Back Better.'* Together with Bank Alfalah, we can have a significant impact on the lives of flood affected families. We are proud to have Bank Alfalah as our partner in this effort.

”

Second Batch of Homes with Shahid Afridi Foundation

The Bank partnered with Shahid Afridi Foundation to benefit the flood affectees. These homes now stand, a testament to Bank's commitment against the floods. Empowered by the collective support of the donors.



Sahil Welfare Association

PKR 25 million



In Sajawal, the Bank collaborated with Sahil Welfare Trust to build 90 mud houses, powered by solar panels, clean washrooms and water facilities.

To ensure sustainable livelihood for rural women, the Bank built community centers for stitching and embroidery. These centers provide women with a safe and supportive space to learn new skills and earn a living.



With the support of Bank Alfalah, the NGO renovated and refurbished the Girls Primary School in Sajawal. This has allowed hundreds of girls to continue their education, even after the floods.

The community centers are providing women with the skills and opportunities they need to build a better future for themselves and their families.



The girls at the Girls Primary School are grateful for the opportunity to continue their education. They are determined to succeed and make a difference in their community.

The Bank is working together to rebuild the communities that were affected by floods. Stronger together, the Bank will not give up until everyone has a safe and dignified place to live.



Bank Alfalah is committed to making a difference in the lives of the people we serve. The Bank believes that everyone deserves a chance to succeed, and it is working hard to make that happen.

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 211 million has been disbursed to over 900 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.

Revive & Rise



Bank Alfalah's "**Revive & Rise**" initiative supports Sindh farmers with subsidized credit and advisory services for the sustainable revival of livelihoods and socio-economic uplift.

PRODUCT PROPOSITION

Salient features of the program:

- Subsidized rate i.e. @ **2% p.a.**
- Collateral free.
- Simple & hassle free transactions.
- No processing fee, CIB / NADRA Verisys charges /
- 1st Cheque Book Free.



Product Contours

- Production finance for crops & vegetable farming
- Establishment of household dairy clusters
- Milk collection & transportation unit
- Veterinary & input supply unit
- Farm transport finance: For purchase of mini loader / motor cart by farmers, motorcycles by milk men, Vet staff.

Bank Alfalah takes pride in expressing gratitude through its unwavering support for flood affectees, as it actively works towards making lives better and contributing to the overall well-being of affected communities.



D) Education Support Provision worth PKR 49 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 a Primary School for 180 students in Nawabshah. The project is currently at the sub-structure stage and will be completed by June 2024, well before the commencement of the 2024-2025 academic year.

Bank Alfalah also supported Sahil Welfare Association to reconstruct and renovate the Girls Primary School in Said Pur.



Building Schools with The Citizens Foundation

Bank Alfalah has partnered with The Citizens Foundation (TCF) to fund the construction of a primary school in Asif Nagar in Nawabshah, Sindh, for PKR 49 million. Bank Alfalah's contribution towards rebuilding schools is particularly noteworthy given that more than 25,000 schools have been damaged in Pakistan. The donated amount will facilitate the building of a TCF primary school, contributing to the organization's efforts to increase literacy in areas where education is hindered by flood damage.

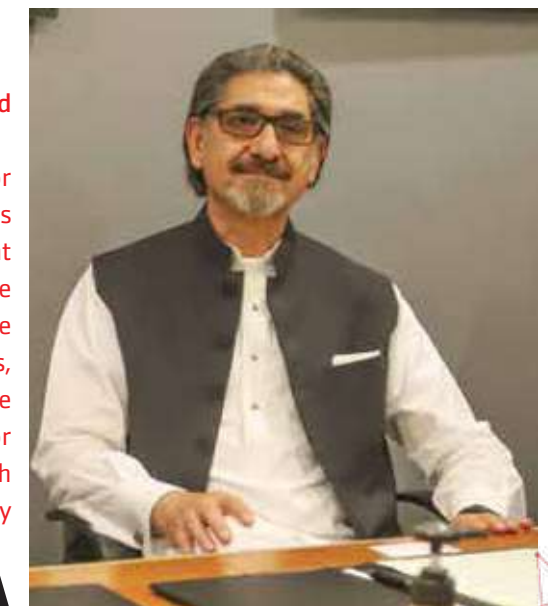


The school will provide education from kindergarten to fifth grade comprising 30 students in every class with an overall operational capacity of 180 students, 8 faculty, and 5 non-faculty members to ensure a reasonable teacher-student ratio. It will be a purpose-built primary school with essential facilities like running water, electricity, classrooms, and a library and resource center for the children affected by the catastrophic floods.



Ahsan Saleem, Chairman of The Citizens Foundation, commented on the partnership with Bank Alfalah,

I would like to extend my heartfelt gratitude to Bank Alfalah for always supporting TCF in educating the less privileged as well as helping communities in times of crisis. With their recent donation, TCF will provide access to quality education for the children in the district of Nawabshah. This contribution will have a lasting impact on the lives of many children and communities, creating opportunities for learning and growth that will shape their futures in immeasurable ways. Education is still a dream for many children residing in underserved communities, and through staunch supporters like Bank Alfalah, we can touch as many children through education and make their dreams come true.



#MentoringforChange

The Citizen Foundation's Rahbar Program!

The Bank's commitment to sustainability is not just a commitment; it's a legacy it wants to pass on to the next generation. The dedicated colleagues spent 6 weeks at TCF's Rahbar Program guiding and mentoring students on the path from 'Thought to Destiny'. Their enthusiasm to give back to community is truly inspiring.



It is about nurturing the potential within our youth. Students represent the promise of a brighter, more sustainable future, and the Bank is on a mission to empower them. The Bank's commitment to sustainability goes hand in hand with its belief that students are the future of Pakistan, and it is dedicated to working for their better tomorrow.



Bank Alfalah, NOWPDP Team up to Create Job Opportunities for Persons with Disabilities

Bank Alfalah signed a strategic partnership with Network of Organizations Working For People With Disabilities Pakistan (NOWPDP) to empower persons with disabilities by creating employment opportunities for them and promote financial inclusion in the banking sector.

Under the partnership, Bank Alfalah funded the running costs of the Centre of Excellence for Financial Inclusion (CEFI) against an amount of PKR 4 million. The goal of the center is to improve financial inclusion and literacy among persons with disabilities by providing them with access to financial products and creating income opportunities for them. Through this partnership, the Bank collaborated closely with NOWPDP to create specialized modules and provide training on financial management, budgeting, and saving at the center.



"This partnership is a significant step towards promoting financial inclusion and literacy among persons with disabilities in Pakistan. We are excited to work with Bank Alfalah, a leading financial institution, to provide access to financial services and products to persons with disabilities," said Amin Hashwani, President of NOWPDP.



Social Capital

Bank Alfalah, one of the most inclusive banks in Pakistan, is committed to employing persons with disabilities as part of its inclusive hiring policy.

To date, the Bank has successfully installed ramps at all branches, and it has designated 16 branches specifically for PWDs customers. The Bank has also made Braille forms available at its branches and ensured that talking ATMs are fully functional to cater to customers with visual impairments.

According to a report by UNDP, an estimated 6.2% of people in Pakistan have some form of disability.

NOWPDP arranged a sensitization session for the Bank followed by engaging activities.

The partnership between Bank Alfalah and NOWPDP is a significant step towards promoting financial inclusion and empowerment for persons with disabilities in Pakistan.



WWF-Pakistan

Bank Alfalah Launched #GreenWayForward by Planting 15,000 Mangrove Trees in Collaboration

WWF-Pakistan has been at the forefront of environmental conservation since 1970, and together with Bank Alfalah, they plan to plant a **minimum of 15,000 saplings** at the Wetlands in Sandspit, Karachi, symbolising the total number of employees at the Bank.



The plantation of 15,000 mangrove trees signifies a monumental step towards safeguarding Karachi's coastal ecosystem. The Mangroves of Sindh's coastal zone are extensive, covering about 600,000 hectares. These coastal forests support exceptional biodiversity by serving as vital habitats for various plant and animal species. The **#GreenWayForward** plantation drive with WWF aims to increase the forest cover of mangroves.



Bank Alfalah has taken a promising step towards sustainability by pledging to plant 100,000 trees across Pakistan by the year 2030.

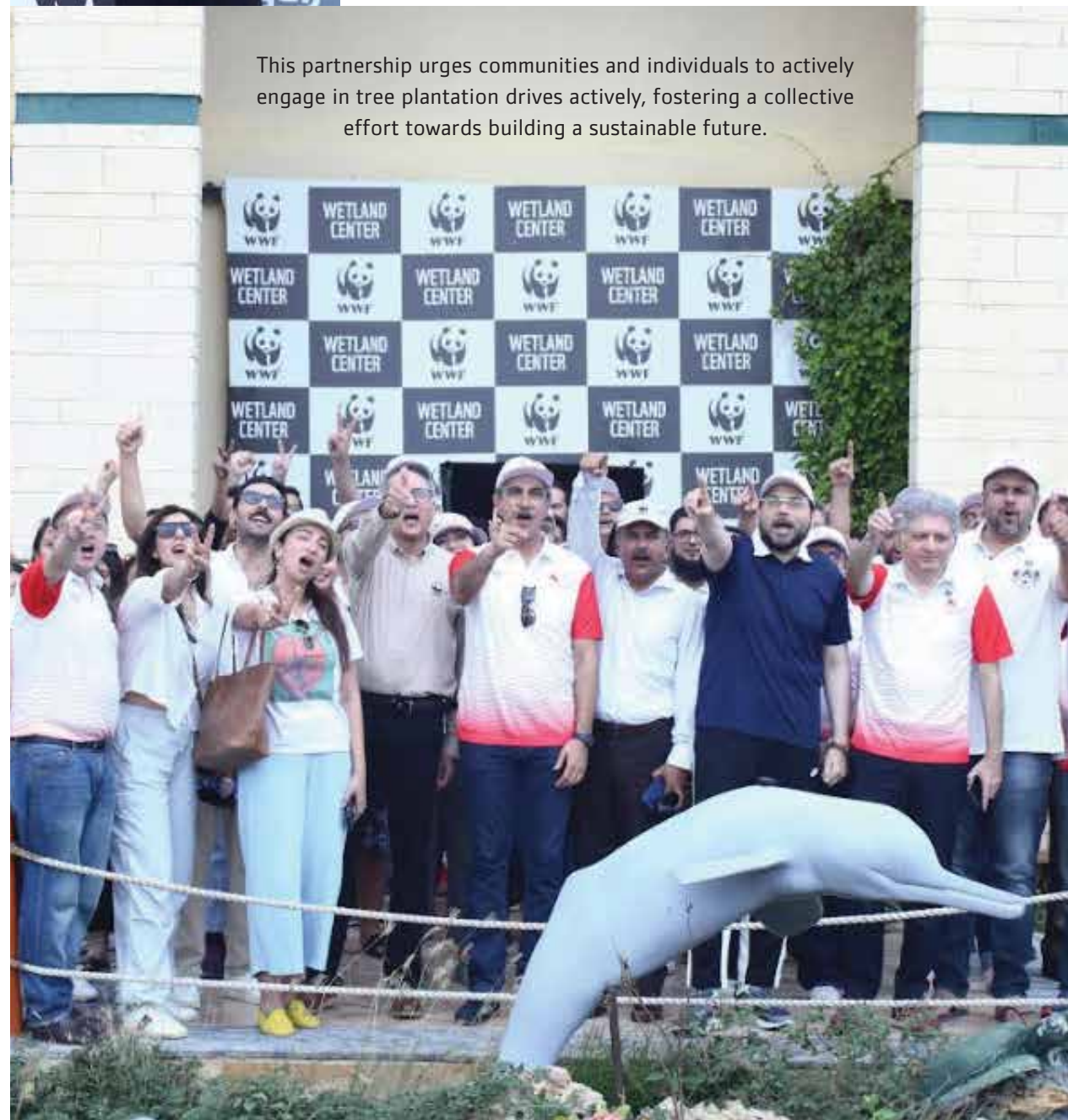


“

Corporate partnerships play a vital role in advancing our conservation efforts and building a sustainable future. We appreciate the support of our corporate partners in driving initiatives that contribute to environmental sustainability. Together, we can address the challenges of climate change and work towards preserving our precious ecosystems for future generations. With this, we are constructing resilient coastal ecosystems to create a sustainable future.” said Hammad Naqi Khan, Director General, WWF-Pakistan.

”

This partnership urges communities and individuals to actively engage in tree plantation drives actively, fostering a collective effort towards building a sustainable future.



Zindagi Trust

Bank Alfalah and Zindagi Trust Unite to Transform Education Through Integrating Digital Arts and the Financial Literacy



Bank Alfalah and Zindagi Trust committed to transforming the landscape of education in Pakistan, with the Digital Arts and Financial Literacy Program at Zindagi Trust schools.

This initiative is pivotal in Bank Alfalah's dedication to fostering educational innovation and digitisation in Pakistan. Bank Alfalah funded PKR 14.84 million over a span of two years to facilitate the establishment of a digital art lab empowering young girls.

The program aims to evolve the educational landscape by integrating digital arts and essential financial literacy into the curriculum, offering girls professional opportunities in the digital world. The collaboration is set to benefit around 2,000 female students at Zindagi Trust's adopted schools in one academic year.





“We are grateful to pioneer this initiative, and we look forward to seeing the positive impact it will have on our students. This collaboration with Bank Alfalah highlights our commitment to providing our students with the best possible education and opportunities for success.” said Shahzad Roy, Founder and President at Zindagi Trust.

The framework for this groundbreaking program has been meticulously developed in collaboration with esteemed faculty from the **Indus Valley School of Arts and Architecture** and **Karachi University**. Furthermore, Zindagi Trust has worked closely with **Umair Najeel**, a renowned digital artist, to ensure the program is at the forefront of digital arts education.

Habib University

Enhancing Access to Higher Education: Bank Alfalah Collaborates with Habib University for 'Alfalah Scholars Programme'



Bank Alfalah has pledged an annual commitment of PKR 6.4 million (amounting to PKR 25.6 million) over four years to support select applicants pursuing social sciences and engineering studies. As part of the program, four high-merit and deserving students will get equal educational opportunities, promoting inclusivity by focusing on women. The recipients of the scholarships are honored as 'Alfalah Scholars'.



“Wasif Rizvi, President of Habib University, said, 'The collaboration between Bank Alfalah and Habib University underscores a shared dedication to academic excellence and a recognition of higher education's profound impact on individuals and society. By providing scholarships, this partnership not only opens doors of opportunity for talented students but also strengthens the ranking of higher education in Pakistan.'”

For this partnership we go beyond merely donating, fostering a long-term relationship that creates meaningful impact. As part of this partnership, Bank Alfalah conducted a mentorship session for students focusing on career counseling and opportunities within the financial sector. This was followed by a networking session, allowing for further discussion and questions.



Deaf Reach

Deaf Reach is a program of the Family Educational Services Foundation (FESF). It is the only branch network of schools catering to the needs of the Deaf community, providing a full-circle solution from education and skills training, teacher development and parent training to job placement and community inclusion.



Bank Alfalah partnered with Deaf Reach schools to support the educational expenses of students with hearing impairment. Deaf Reach envisions a future where quality education is a reality for all deaf children in Pakistan. Acknowledging the reality that the excellence of education is directly correlated with teachers' proficiency, Bank Alfalah has pledged to support its teachers' training program. Therefore, the donation amount will be partially utilised for teachers' training, and the rest will benefit over 100 students.



Bank Alfalah, Deaf Reach & TDF Join Hands for Inclusivity on International Sign Language Day

To show its commitment to inclusivity and diversity, the Bank aimed to raise awareness about the significance of Sign Language Day and advocate for the rights of the hearing-impaired community, promoting inclusivity and communication.



The International Day of Sign Languages, as proclaimed by the UN General Assembly, is a unique opportunity to support and protect the linguistic identity and cultural diversity of all hearing-impaired people and other sign language users.

In Pakistan, **there are over a million deaf children of school age, yet less than 5% attend school.** Deaf Reach has been a beacon of hope for the Deaf community, providing a comprehensive solution encompassing education and skills training.



Bank Alfalah has been proudly supporting Deaf Reach's noble cause since 2012, with over PKR 15 million in donations, and this collaboration marks a significant step in furthering their shared mission.

Bank Alfalah arranged a special field trip for the students of Deaf Reach School to TDF's MagnifiScience Centre. This educational outing allowed students to explore and learn in a hands-on and interactive environment.



The day promised an interaction filled with education, and fun activities, designed to offer a meaningful and enjoyable experience for all participants, encouraging active participation, questions, and meaningful conversations towards a more inclusive future.



Special Olympics

Special Olympics is a global movement that unleashes the human through sport's transformative power and joy. Through programming in sports, health, education and community building, Special Olympics is tackling the inactivity, stigma, isolation, and injustice that people with intellectual disabilities (ID) face.



The mission of Special Olympics Programs connects with the Bank's vision, and it aligns with the UN Sustainable Development Goals of SDG 4, Quality Education and SDG 10, and Reduce Inequalities. Special Olympics Pakistan has a wide network of special schools nationwide, and most of its programming is offered in school settings. SOP's school-based sports program is self-sustainable as it is implemented with the help of the school coaches and the management. At the request of the Special Olympics, Bank Alfalah provided financial assistance through donations to support their sports initiatives.



Karwan-e-Hayat

Karwan-e-Hayat is the only institute providing essential mental health care services in Pakistan catering to people who are suffering from psychiatric ailments. They are preparing people for the society, enabling them to earn a sustainable livelihood. The Bank shortlisted this NGO as it is aligned with the Bank's CSR Policy and United Nations Sustainable Development Goals (SDG 8 and 11). The institute is vital in rehabilitating patients and helping them lead fulfilling lives

The donated PKR 3 million was allocated to the following initiatives:

- **Establishment of Computer Labs:** A portion of the funds was used to set up state-of-the-art computer labs at the rehabilitation centers. This initiative aims to empower the patients with digital skills, enabling them to explore new avenues and enhance their employability prospects
- **Creation of a Library:** Another donation segment was utilised to establish a well-equipped library within the premises. This library will provide patients with access to literature, educational resources, and a peaceful environment for personal growth and development.

By investing in the mental health sector, the bank is directly contributing to the betterment of our society and the overall well-being of its members.

Pahchaan

Pahchaan is one of the very few NGOs that are working for the primary health care of women and children in the most neglected and marginalised communities. Working with Pahchaan is aligned with the bank's sustainability and CSR policy, and it is also aligned with United Nations SDG Goals: SDGs 3, 6, and 17.

Their Mother and Child Health Promotion Centers are low-cost and highly effective and minimise mortality rates among mothers and children. Bank Alfalah is helping Pahchaan build more centers, and each center will help them cater to over 15,000 visits of mothers, along with their children, each year.



The community center will cater over
15,000 visits of mothers

Alamgir Welfare Trust

In the festive spirit of Eid, Bank Alfalah, keeping up with its annual tradition, partnered with Alamgir Welfare Trust to spread the blessings of Ramadan through the distribution of ration packages. This heartwarming collaboration extended its reach to the dedicated staff members of the Bank across eight major cities: Lahore, Karachi, Islamabad, Rawalpindi, Multan, Faisalabad, Quetta, and Peshawar.



Rashan Distributed to
3,564 beneficiaries

i-Care Foundation

i-Care Foundation provides a platform for organised and intelligent giving for corporate donors to maximise the impact and effectiveness of their donations. With the support of Bank Alfalah, i-Care Foundation worked with the Sindh Institute of Physical Medicine and Rehabilitation (SIPMR) to train 50 college/university degree-holder persons with disabilities (PwDs) in financial literacy, customer service, and computer skills.

Shaukat Khanum Memorial Cancer Hospital

Shaukat Khanum Memorial Cancer Hospital has a mission to bring cancer care closer to patients; hence, Pakistan's third Shaukat Khanum Memorial Cancer Hospital and Research Centre (SKMCH&RC) is being constructed in Karachi. Bank Alfalah made a prior commitment of PKR 100 million towards the construction and dedication of the main reception and waiting area for clinical and radiation oncology, along with the reception and waiting area for the Inpatient Unit. Bank Alfalah's contribution is a source of relief and support to many indigent cancer patients who will be treated at SKMCH&RC, Karachi.



Make-A-Wish

Make-A-Wish Pakistan is an affiliate member of Make-A-Wish Foundation Int'l, which is dedicated to granting the most cherished wishes of critically ill children. Since its inception, Make-A-Wish Foundation Pakistan has granted thousands of wishes to critically ill children, enriching their lives with hope, strength and joy.

ECONOMIC DEVELOPMENT



Bank Alfalah Achieves Two Milestones with the Launch of Its 1000th Branch and Surpassing PKR 2 Trillion Deposits

Bank Alfalah Limited achieved two significant milestones with the launch of its 1000th branch and the surpassing of PKR 2 trillion deposits. These milestones reflect its enduring commitment to growth and further solidify its position as a leading financial institution in the country's banking sector.

The launch of the 1000th branch signifies a remarkable journey. Over 26 years ago, starting in 1997, when esteemed investors from Abu Dhabi, led by the Chairman, His Highness Sheikh Nahayan Mubarak Al Nahayan, acquired three(3) branches of Habib Credit and Exchange Bank Limited in Karachi, Lahore, and Rawalpindi. With the vision to transform the banking landscape in Pakistan and improve access to finance, the institution was renamed 'Bank Alfalah', which has consistently prioritised innovation and customer-centricity for over two decades.

The significant milestone of surpassing PKR 2 trillion in deposits was achieved within only two and a half years after the Bank reached the PKR 1 trillion deposits mark. During this time, challenging economic conditions prevailed both nationally and internationally. Nevertheless, the Bank's sturdy growth is a resounding testament to the dedication and resilience of the colleagues for outperforming in testing times.



*President and CEO standing alongside with members of the senior management inaugurating the 1000th branch

Brimming with pride on this momentous occasion, the man who envisioned the dream of Bank Alfalah more than two decades ago, His Highness Sheikh Nahayan Mubarak Al Nahayan, Chairman, said: **"Over two decades ago, we had believed in the transformation in Pakistan's banking sector, today that dream has been materialised as we have evolved into a leading force in the banking industry."**

Atif Bajwa, President and CEO of Bank Alfalah, took pride in the Bank's journey as a testament to its commitment to excellence. "Reaching the landmark of our 1000th branch and surpassing the milestone of PKR 2 trillion deposits, we reflect on our persistent efforts in transforming the banking landscape and reaffirm our resolve to focus on people's banking needs by reimagining a digital future. Our recent digital service strides highlight our dedication to innovative solutions redefining the banking landscape in Pakistan. Today, Bank Alfalah is a prominent financial institution excelling in commercial, retail, Islamic, corporate investment, and digital banking services. Its dedication to delivering exceptional customer experiences and enhancing the financial inclusion of people in Pakistan. The Bank's commitment extends to collaborative efforts with public, private, and civil society stakeholders, reinforcing its role as the 'Caring Bank.'"

Bank Alfalah Launches Digital Payments Sales and Service Centres



*Deputy Governor, President/CEO and Chief Digital Officer inaugurate the First Digital Sales and Service Centre

Bank Alfalah, one of the leading commercial and digital banks, inaugurated Pakistan's first Digital Payments Sales and Service Centers—digital payments hubs strategically positioned in the vibrant and bustling Badar Commercial DHA and Disco Bakery Gulshan in Karachi to facilitate and provide convenient access to merchants and small-scale businesses for all their payment acceptance and financing needs within the digital ecosystem.

In 2023, Bank Alfalah achieved unprecedented digital banking success, winning the Best Digital Banking award at the coveted Pakistan Banking Awards for the second consecutive year for its significant performance, as nearly 80% of counter transactions and 95% of eligible account opening this year are through the Bank's paperless digital channels.

In 2023, Bank Alfalah introduced an innovative digital payments sales and service centre targeting merchants and small-scale businesses. The center will handle automated daily fund withdrawals and deposits of customers and be the nexus in the area with over 200 merchants, facilitating them with services such as self-service digital merchant onboarding for digital payment acceptance, payment card issuance, instant cash/cheque management and meeting working-capital needs.

The centre, located at Badar Commercial DHA, was inaugurated by the Deputy Governor of the State Bank of Pakistan, Dr Inayat Hussain, and other notables, along with the senior management of Bank Alfalah, including Atif Bajwa, the President and CEO, Muhammad Yahya Khan, Group Head of the Digital Banking Group, and Mehreen Ahmed, Group Head of retail Banking.

The Digital Payments Sales and Service Center will facilitate banking for merchants and small-scale businesses with integration on the Alfa Business Merchant App.



Bank Alfalah Inaugurates Pakistan's 1st Digital Lifestyle Branch:

The ongoing growth of digital transformation in the banking sector in 2023 is fueled by changing consumer behaviours and rising expectations regarding digital financial services.

From the widespread adoption of mobile banking apps to the integration of AI-driven chatbots and personalised financial management tools, Bank Alfalah has embraced digital solutions to enhance customer experiences and streamline operations. Moreover, the rise of open banking ecosystems has cultivated collaboration between financial institutions and various third-party platforms, paving the way for a new era of financial innovation.

Innovating the customer experience means adding more value to the customer's relationship with Bank's business. While there are many ways to do this, Bank Alfalah remains at the forefront of digital innovation and technological advancement. It is our priority to provide best-in-class services to our customers. Given below are the initiatives that the Bank has taken to enable and promote innovation to make customers' lives easy.

A Hub of Convenience and Innovation:

Bank Alfalah's Digital Branch is not just another bank branch; it's a dynamic and versatile space designed to cater to the multifaceted needs of the modern customer. The branch combines the functionality of a bank with the comfort and vibrancy of a restaurant, co-working space, and a 'Buy Now, Pay Later' (BNPL) store. This is the essence of Bank Alfalah's vision to create an ecosystem where banking seamlessly integrates with your lifestyle.

The All-in-One experience features a Digital Lobby with Account Opening, Cash and Cheque Deposits, Digital Financial Desks, BNPL store, Digital Locker, Higher ATM Withdrawal Limit, Go-to cafe- Premo and a coworking space- Workhall.



Digital Banking Initial

Activity	Current	Target for 2024*	Target for 2025*	Impact
Total Digital Transaction of the Bank	81%	82%	85%	128.4 paper saved annually. 9,008 MTs of paper saved equivalent to 374 trees
Paperless accounts openings	93% is digital (Paperless)	95%	98%	
Cash Deposit Machine Transactions	3.72% of the total transactions	4%	6%	Around 50% of the cash deposit transactions at the tellers have been moved to the CDM network in areas of installation.
Cash and Cheque Deposit Machine Transactions	51% migration of Cash Deposit transactions to CDMs	52%	54%	

*Aspirational



*Customer getting briefed at the First Digital Lifestyle Branch

Customer Journey

At Bank Alfalah, customer satisfaction is the foundation for success. That's why the Bank embrace a customer-centric culture, fueled by a robust complaint handling mechanism based on fairness, transparency, promptness, and accessibility. Bank offers multiple channels for convenient complaint registration: a dedicated call centre, a user-friendly website, direct emails, a mobile app, and drop boxes at the branches. Every complaint is promptly logged in the advanced complaint management system.

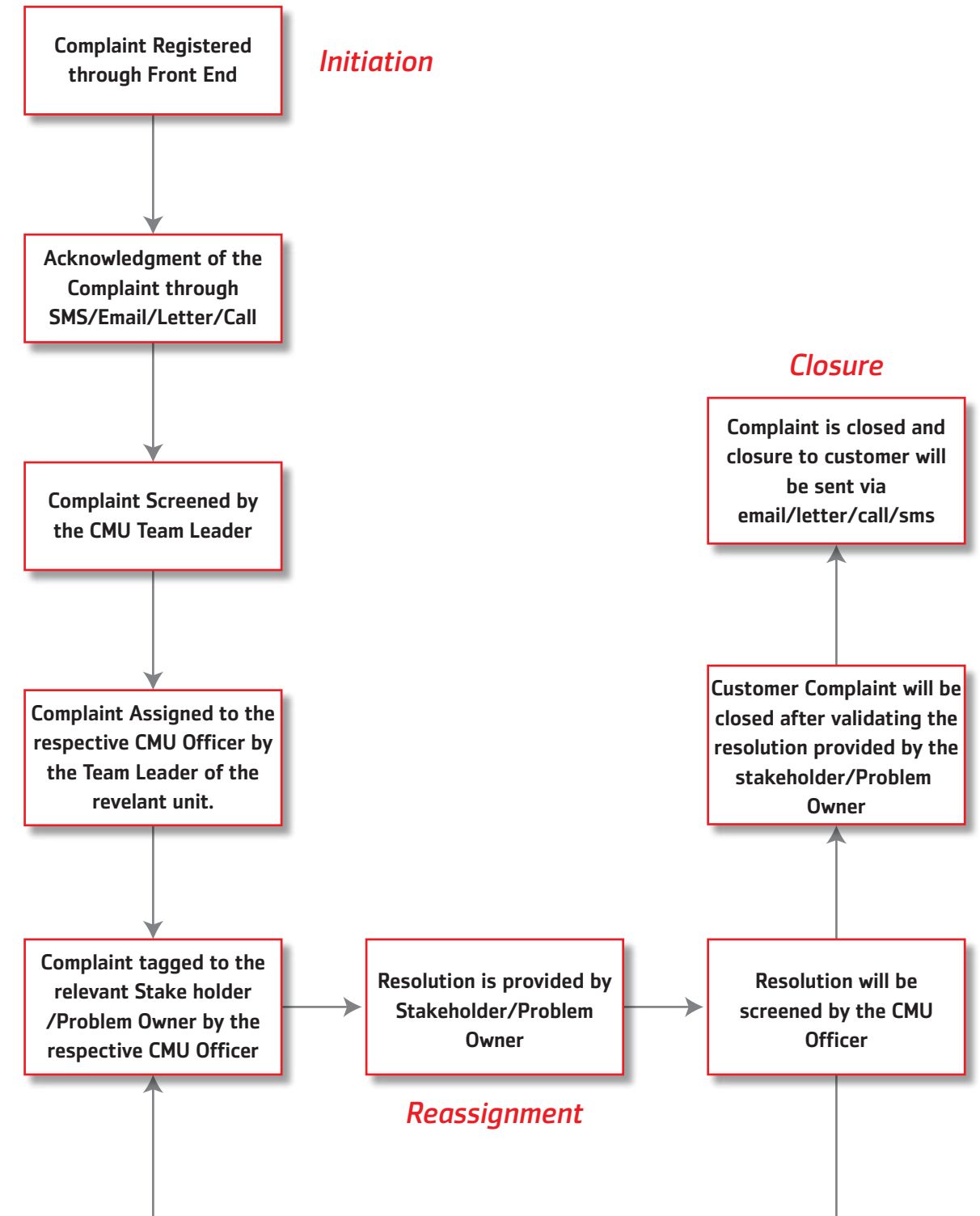
To ensure timely resolution, teams have a defined escalation matrix. If a complaint remains unresolved within the designated timeframe, it is automatically escalated to the next management level, ensuring priority attention. Furthermore, teams actively analyse complaint trends, sharing insights with Senior Management, and Business Segments. This root cause analysis enables to proactively address issues and minimize future grievances.

Customer Experience in a Snapshot

- Total Complaints: **79,019**
- Percentage of complaints pertaining to "Disclosure of confidential information": **0.09%**
- Average Turn Around Time: **3.6 days**
- Targeted Turn Around Time for 2024: **3 days**
- Percentage of total complaints resolved within 5 days TAT: **80%**
- Target for 2024: **85%**
- Complaints from regulatory bodies: **15**
- Total number of identified leaks, thefts, or losses of customer data: **Nil**



CUSTOMER QUERY MANAGEMENT PROCESS



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

Responsible Financing

Karandaaz and Bank Alfalah join hands to scale up the female agent network

The Bank signed an agreement with Karandaaz to expand the female agent network in Pakistan. The partnership aims to promote women's financial inclusion in Pakistan and is aligned with the objectives of Karandaaz's Women's Financial Inclusion (WFI) programme. This collaboration is a significant step towards fostering economic empowerment and accessibility in the financial sector.

The focus of this strategic partnership is to scale up Bank Alfalah's female agent network, specifically in the digital branchless banking realm, aiming to actively engage in providing services such as Home Remittance, G2P disbursements, e-commerce & QR transactions, money transfer, utility bill payment, and airtime-related transactions.

In line with the collaboration, Bank Alfalah will onboard female agents across various regions of the country and technically enable them with appropriate use such as remittances where our female customers will be more comfortable in getting serviced and sharing their phone numbers.

Small-Medium Size Enterprise and Agriculture Banking

The Bank has extended significant support to Small and Medium Enterprises (SMEs) and agricultural ventures, ushering in a new era of growth and prosperity for the applicants. In total 6,592 borrowers were financed an amount of PKR 34 billion.

Under the initiative for modernizing SMEs, PKR 678.576 million has been disbursed to 20 SME borrowers. This capital infusion catalyses innovation, allowing these enterprises to modernize their operations, enhance productivity, and unlock their full potential.

Bank Alfalah partnered with the State Bank of Pakistan to provide subsidized loans ranging from 3% to 7%, in contrast to the market rate of 22%. The Bank disbursed approximately PKR 140 billion in subsidised loans across 14 products, focusing on Small and Medium Enterprises (SMEs), agriculture, housing, women's empowerment, and renewable energy.

Furthermore, the Financing Facility for Storage of Agricultural Produce (FFSAP) has empowered 7 farmers with over PKR 12.454 million in crucial financial support. This investment underscores the Bank's commitment to bolstering the agricultural sector, ensuring food security, and uplifting rural communities.

Under the umbrella of NFAS collaboration with Greenstar facilitated financial inclusion workshops, generating leads for PMYB&AL & RF Scheme for Women Entrepreneurs (WE), while also providing financing to five female entrepreneurs. Plans are underway to expand lending activities further. Additionally, recognition was received from the President for efforts in promoting gender diversity initiatives. Furthermore, a female-only incubation center was established in Karachi through sponsorship from Ladies Fund/Dawood Global Foundation, marking a significant milestone.

These loans are not merely transactions; they are investments in the future, driving sustainable growth, creating employment opportunities, and fostering economic resilience. As the bank continues on this journey, it remains steadfast in its dedication to empowering businesses and communities, propelling them towards a brighter tomorrow.

SSAF Scheme

Disbursed **PKR 1.69 billion**
processed over **405 applications**

Prime Minister Youth Business & Agriculture Loan Scheme

Disbursed **PKR 170.125 million**
processed over **79 applications**

Financing Facility for Storage of Agricultural Produce (FFSAP)

Disbursed over **PKR 12.454 million**
to **7** farmers

Modernization of SMEs

Disbursed **PKR 678.6 million**
to **20** SME borrowers

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 2023 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, which resulted in the highest ever inaction of 38%(YoY) in Pakistan in the year CY2023.
- **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. 42.2 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 finalised up to and including tax year 2023.
- **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 2023. Our assessment of sufficiency of tax provision made in financial statements along with comparisons to tax assessment for last three years are satisfactory.

Taxation related disclosures come under International Financial Reporting Standards (IFRS), and compliance with IFRS (as evidenced by our standalone and consolidated audit reports) should mean any other reporting related to financial aspects should be deemed to be complied. Also, the policy is 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.



IT Governance

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 provider 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 derive 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 multilayered 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, periodically, 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' technology direction and risk ensuring that Information Technology remains a key differentiator in Bank's strategy. The objective has fueled the organization ambitions for automation and digitalization 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' first choice.

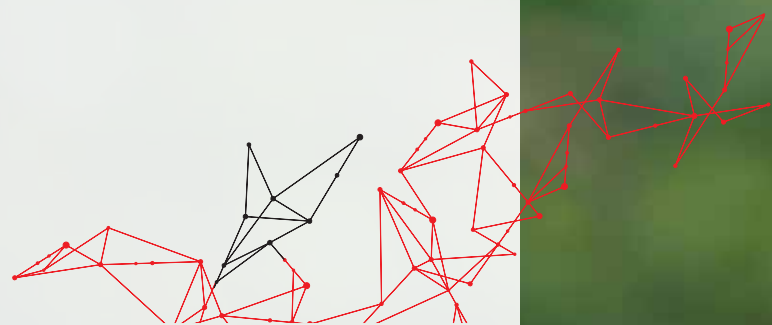
The Board and Executive management also remain mindful of risk associated with Cyber Risk, which is supported by a comprehensive strategy and plans, internally as well as by Independent Third parties – for periodic assessments of effectiveness of technology risks and controls.

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 since years now. Whilst the bank has institutionalized 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



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

In ongoing commitment to a sustainable future, the Bank is dedicated to the improving the social, economic, and environmental capital of community in a sustainable manner. Carrying on 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 our commitment to fostering sustainable and accountable banking operations.

The partnership encompasses a multifaceted approach aimed at enhancing the green banking initiatives. It involves a comprehensive diagnostic assessment conducted by IFC to evaluate the potential of Green Assets in the banking portfolio and improving internal capacity of BAFL staff in the area of 'Own Impact Reduction'.

Moreover, this collaboration will enable the Bank to explore and capitalise on opportunities in green finance, including green bond issuance and sustainable infrastructure financing.



Green Banking at Bank Alfalah

Bank Alfalah's commitment to betterment in growing environmental and social issues has already been there when, in 2015, it introduced Environmental & Social Management Framework for integration in its credit approval process. As the SBP Guidelines enlarge the scope, this Policy now outlines an enhanced commitment of Bank Alfalah to contribute towards betterment in environmental and social issues through below strategy:

- Environmental & Social Risk Management: Continuing with integration of Sustainable Finance in its lending operations.
- Green Business Facilitation: Allocation of funding 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.
- 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.

Achievements in this regard include 150 ATMs converted on solar energy, declining paper consumption, replacement of diesel-fueled generators with UPSs for backup power supply, replacement of regular saver lights with low consumption LEDs, and the replacement of conventional ACs with inverter ACs. The Bank is also continually bringing about resource efficiency and reducing cost by optimal utilisation of all resources.

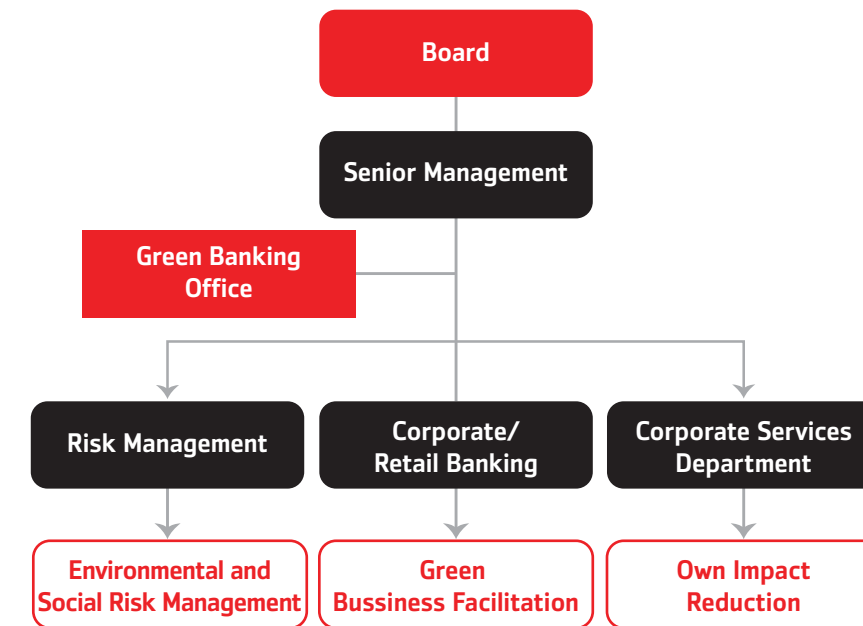
The cumulative impact of all steps taken so far shows that the Bank has successfully started to achieve the objective of Green Banking as laid down in the SBP Guidelines.

In August 2018, Bank Alfalah embarked upon its journey of Green Banking when its Board of Directors approved its first Green Banking Policy and formulating Green Banking Office in the Bank, aligning with the SBP's Green Banking Guidelines 2017.

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 labor laws and in case of non-compliance, pushes the customers towards compliance and follow-up periodically on the progress.

Green Business Facilitation, Environmental & Social Risk Management & Own Impact Reduction.



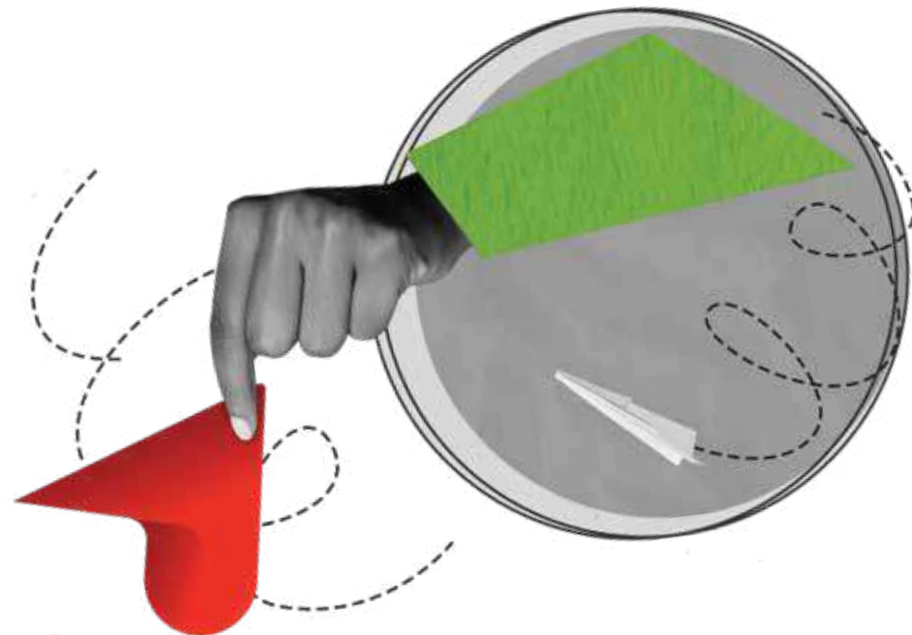
In December 2023, Bank Alfalah embarked upon its journey of green banking by signing a strategic agreement with International Finance Corporation (IFC) to formalise a Green Banking Advisory Agreement. This agreement underscores Bank Alfalah's dedication to fostering sustainable and accountable green banking practices.

The collaboration with IFC will encompass several key initiatives. Through this engagement, IFC will leverage its global expertise in supporting Bank Alfalah in developing a green banking roadmap and own-impact measurement capabilities and exploring avenues for sustainable financing. Additionally, the partnership will empower Bank Alfalah to explore avenues in sustainable finance, leveraging IFC's global network.

Expressing commitment to advancing sustainable development in Pakistan, Atif Bajwa, the President and CEO of Bank Alfalah, stated, "Bank Alfalah is committed to playing a leading role in promoting sustainable development and looking forward to embarking upon the journey towards green banking. This partnership with IFC will reinforce our green banking capabilities, contributing to a greener future for the nation."

We encourage our clients to improve their operations and technologies by initiating eco-friendly schemes. We 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.



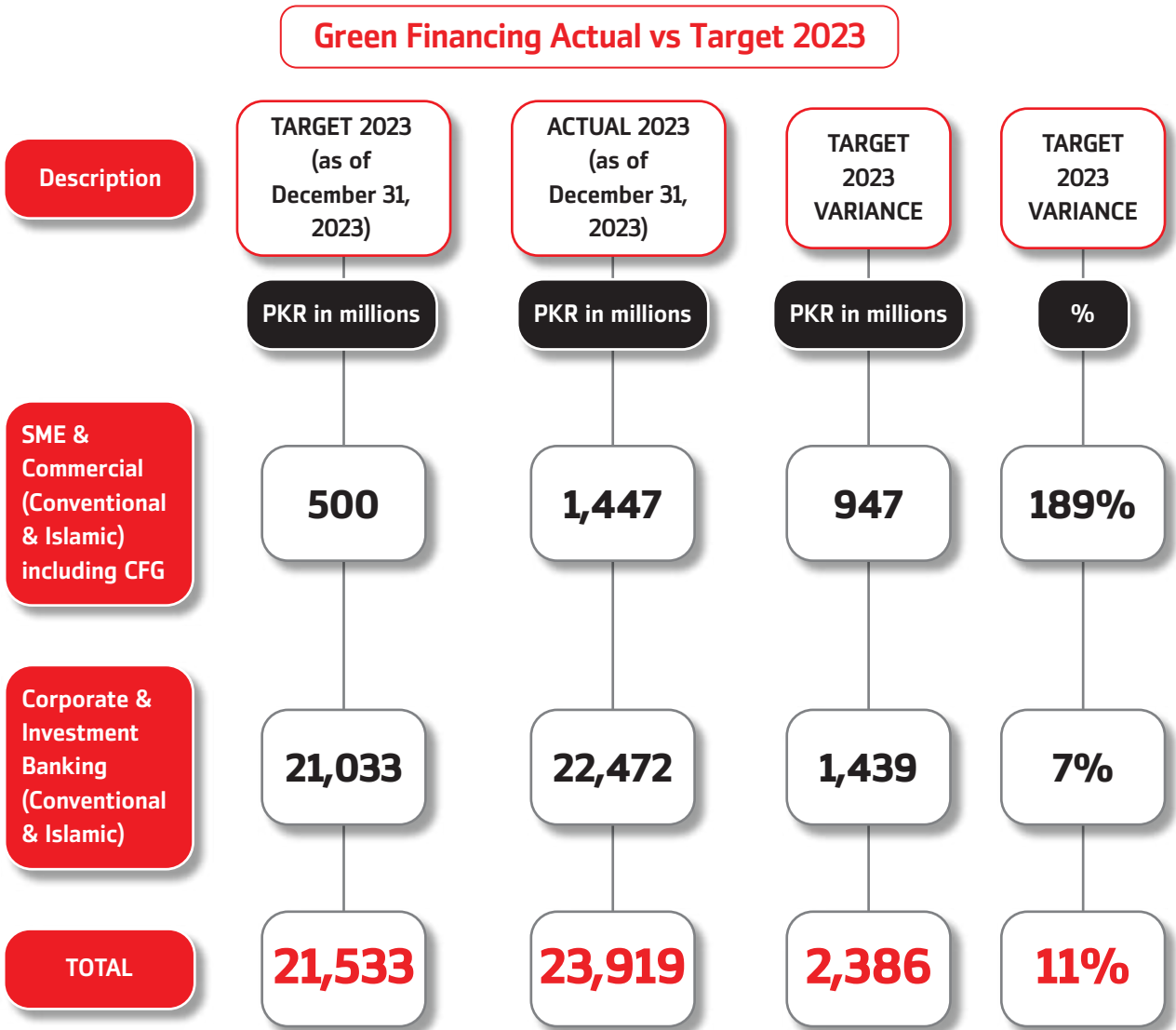


Bank Alfalah has provided financing for the following mega green projects:

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

Aligned with State Bank Pakistan guidelines following is the performance:

The Actual vs Target in terms of Green Financing outstanding as of December 31, 2023, is as follows:



Annual Green Financing Target 2024

The Annual Green Financing Targets received for the year 2024 are as follows:

Description	ACTUAL 2023 (as of December 31, 2023)	TARGET 2024 (as of December 31, 2023)	Increase
	PKR in millions	PKR in millions	%
SME & Commercial (Conventional & Islamic) including CFG	1,447	2,147	48%
Corporate & Investment Banking (Conventional & Islamic)	22,472	30,211	34%
TOTAL	23,919	32,358	35%

Therefore, our Bank's Annual Green Financing Target for 2024 is Rs. 32 bn.

Health, Safety and Environment

Occupational Health Awareness and Measures

A dedicated function is managing the Health, Safety & Environment (HSE) domain and creates a culture of safety leading towards healthy and creative delivery of service, inside and outside the workplace. Bank Alfalah's HSE team is running an active annual training programme, simulation exercises, incident tracking, and branch inspections to spread awareness and develop focused mitigation measures based on the pre-emptive knowledge rule. The communication program includes but not limited to life safety, workplace safety, safe working practices, environment preservation and sustainability, viral diseases, fire protection and prevention. The occupational health and safety management system has been implemented based on best practices. The scope of activities, and workplaces covered by the health and safety department includes all permanent and third-party employees and vendors.

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 being installed in all Bank Alfalah branches and key buildings.

This initiative has been found to be very promising and has saved major fires; and is now a mandatory feature of all new and old Bank Alfalah premises.

B) Emergency Preparedness and Responses

The Bank's HSE team prepares staff through training and communication for possible adverse situations in a way that precautions become part of office culture and lifestyle. The emergency preparedness programme, includes delivering health and safety awareness communication, emergency evacuation and fire extinguishing trainings to the staff.

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. Workers/staff are encouraged in interactive trainings to participate and share their suggestions. These suggestions are also welcomed through email communications.



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 safety and wellbeing.

F) Vendor Third Party Safety Training

In order to strengthen safety practices and encourage responsible procurement/sourcing, HSE & Procurement teams arranged training session on Safe Working Practices for the Bank's external partners related to project management, electrical, UPS works, facility management & catering services. By enforcing these health and safety practices, vendors will not only create a safer and more hygienic environment for bank but also reduce risks for potential incidents during their day-to-day activities.

The Bank aims to continue these training and awareness sessions for its suppliers so that safe and responsible working will be embedded in Bank's working practices.

Following were the key areas of discussions covered during the session.

- Hazards, incidents and accidents
- Safe working practices at construction sites
- Electrical and fire safety hazards & safety precautions
- Hygiene practices & house keeping
- Risk management
- PPE management



G) 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 BAFL network in Pakistan.



H) 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 colleagues in dire need of blood. Until today, 23 staff have been assisted in emergency with 75 units of blood free of cost.



I) Incident Reporting and investigation

Staff/workers are being trained and encourage to report incidents and refrain from working in unsafe conditions. Where necessitated, HSE then investigates the root cause and recommends corrective actions as per hierarchy of controls to minimize reoccurrence of similar incidents.

J) Crisis Management – Torrential Rain and Flood Emergency Response

During last year, Pakistan was struck by natural calamity of torrential rains and urban flooding, around 100 branches along with few back offices of southern region of Pakistan were non-operational due to flooding, rainwater accumulation and access blockage to premise and unavailability of network. The operation of the branches was continued from one of the three BCP branches. Real time BCPs of departments were also activated through dedicated BCP sites, home working, and agile working.

A comprehensive Rain Emergency Response Plan has been developed, which is based on lesson learnt and actions taken during last few year's unprecedented torrential rains. The plan covers action plans, safety precautionary measures and roles & responsibilities.

Few key actions taken during unprecedented rains are:

- Critical branches were operated with skeleton staff. Female staff in critical branches were allowed to take off or work from home.
- Critical staff who worked from office were accommodated for meal arrangement and VPN approval.
- Diesel was arranged for branches and critical locations including Data Centres.
- Guards were deputed in critical and low laying branches.
- Sandbags were provided in the branches that are at road level and can be affected due to rainwater flooding.
- Time to time advisories was shared with staff for adherence of safety precautionary measures.
- High bed vehicles were arranged for staff located in high impacted areas.
- Live CCTV monitoring of branches was performed.
- Installation and utilisation of satellite links

Enhanced BCP Arrangements

Dedicated BCP Sites

Additional BCP sites for critical departments have been developed to ensure continuity of business in any disrupted and unprecedented event.

Agile Working Room

An agile room has been developed for the staff who cannot access their office due to any unwanted event. Staff just have to plug in the Laptops to continue their work without any hindrance.



Home Working Capabilities

Pre VPN permissions have been taken for the staff, who need to work from home in case of unavailability of their main workspace. These VPN accesses can be activated any time by just requesting the IT team.

Sustainable Environment Initiative: Own Impact Reduction

In line with the commitment to reduce bank's own carbon footprint and energy consumption, Bank Alfalah is working on sustainability initiatives like reduced electricity, fuel, waste and paper consumptions in consultation with WWF (World Wildlife Fund). The Bank has arranged training program with Head office staff as a kick-off for the implementation of this initiative.

Energy Consumption

The total energy consumption calculations yet to be concluded. Bank Alfalah onboarded IFC consultancy on reducing Scope 01 and 02 Emissions. 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.

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

Conservation initiatives

- PV Solar System Installation: A 219 kW capacity solar system has been installed in key buildings
- LED Lights installation
- Long backup UPS installation
- Inverter-based ACs implementation
- Purchasing of energy star rating products
- Roll out communication to increase employees' awareness

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

Projects under consideration:

- Placement of UV films in BA Building
- Solar Expansion in owned facilities
- Planning to install a water flow meter in the Head Office to measure and monitor the water consumption and optimiser to reduce the water usage
- Implementing a waste management system in the Head Office.



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 recognises 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, prioritising health and safety not only safeguards employees but also enhances productivity and organisational resilience.

Renewable and Clean Energy

Fostering a green banking environment and promoting sustainability, Bank Alfalah is actively incorporating renewable energy solutions. A Solar Grid Tied System with a combined capacity of 219 KW has been installed at three main buildings of Bank Alfalah. This initiative will curtail the shared electrical load by 10% contribution. Further, 150 ATMs operate seamlessly with the assistance of solar panels, demonstrating the Bank's dedication to harnessing cleaner energy sources. As a result, over 260,000 Kgs of carbon dioxide has been offset with clean source of energy within this year.

Bank Alfalah is not only deploying solar panels but is also embracing a diverse range of clean energy technologies to achieve sustainable energy practices. These include long backup UPS systems, inverter ACs, LED lights, and solar panels towards clean energy. This strategic move aligns with the Bank's broader commitment to responsible and eco-friendly banking practices.

Paperless Operations

The business implications of transitioning to a paperless system are evident in an improved customer experience, heightened productivity, enhanced operational efficiency, and reduced carbon footprint. Cash/Cheque Deposit Machines (CDMs), branch report digitisation, and various other initiatives are being implemented to eliminate and/or minimise the use of paper through the Bank's digital transformation initiatives. Simultaneously, the Bank encourages environmentally conscious employee behaviour, customer facilitation and processes improvement.

Reduced Paper Consumption:

In order to reduce paper consumption and to contribute to reduction in carbon emission Bank Alfalah is promoting duplex printing. Further SOA (statements of accounts) have also commenced to be printed on A5 paper, which will not only save paper cost but will also reduce the electricity cost.

- **Utilisation of Environment Friendly Paper:** Being sustainable and reduce environmental impact is Bank Alfalah's utmost priority. To contribute in this noble cause bank is using only eco-labeled/environment friendly papers.

Building Design and Infrastructure

All new branches and structures within the Bank Alfalah network adhere to the Branch Design Manual, ensuring a consistent and controlled approach to construction. The manual meticulously addresses several crucial aspects:

- In line with accessibility standards, all primary entrances, including ATM vestibules, are designed to incorporate ramps.

- Railings are mandatory features for facilities with multiple steps to facilitate safe ascent and descent.
- Emergency exits equipped with push-bar doors are mandatory to ensure unimpeded evacuation in critical situations.
- Ceiling-mounted automatic/self-fire extinguishers are compulsory in all unmanned and high-hazard locations.
- Specific to IT rooms and electrical rooms, automatic/self-fire extinguishers are now independently incorporated.
- To mitigate fire hazards, compartmentalisation has been introduced between UPS batteries and electrical installations.
- HD cameras secure cash routes in every branch, monitored centrally from a command and control centre.
- New buildings prioritise access to natural light or direct sunlight, wherever possible, to reduce reliance on electric lighting and promote energy savings.
- Over workstation areas, 2'x2' panel lights are being introduced to enhance brightness and ensure high-quality vision.
- The incorporation of dedicated indoor green spaces is underway in bank branches where feasible.
- In adherence to State Bank of Pakistan (SBP) directives, 17 branches tailored to accommodate People with Disabilities (PWD) have been designed and implemented.
- As a safety measure, aluminium louvers are now used as enclosures for Electrical Distribution Boards, employing non-combustible materials.
- Ensuring customer satisfaction across all aspects, the Bank places significant investments in the renovation of its branches. In 2023, over 75 existing branches had undergone renovation, falling into minor, medium, major and redesigning categories, presenting a refreshed and vibrant ambiance for both customers and staff alike. In addition, 19 relocations, 20 premier hybrid lounges development, 04 L & D Centres redesigning and more than 30 special projects also initiated.

Efficient / instant reporting via Centralised Complaint Management System (Here4U)

In order to cater issues efficiently centralised complaint management system (Here4U) has been established. The system helps in tracking and rectifying the issues before turning in to serious incident.

Environment Protection Measures

The Bank's aim is to be an environment-friendly organisation. Thus regular awareness campaigns and broadcasts to staff through various communication channels are a key feature of the Bank's strategy to encourage employees to efficiently use energy and protect the environment.

Energy Conservation

The Bank has systematically replaced the majority of traditional light fixtures and air conditioning units with energy-efficient LED lights and inverter ACs and environmental friendly air-conditioning gases. This strategic move is part of a meticulously planned life cycle replacement initiative and intelligent investment strategy aimed at reducing maintenance costs while elevating overall efficiency levels. By embracing sustainable technologies, the bank not only minimises its ecological footprint but also contributes to long-term energy conservation goal.

Water Conservation and Sanitation

Bank Alfalah has installed sensor based water taps and water flow optimisers at select locations to effectively conserve water. 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

The Bank uses shredder machines to destroy sensitive / unwanted paper. After amassing a significant quantity of shredded papers, they undergo a pulping process to be recycled into usable paper. Offices are cleaned daily and waste is managed through proper dumping mechanisms, i.e. government's waste management vehicles. Throughout the year, the Bank managed 64 tons of dry paper waste for responsible recycling.

Services with Greener Impact

Bank Alfalah undertakes the responsibility of reducing environmental footprint very seriously. Limiting energy consumption and emphasising operational efficiency are the Bank's key areas of focus. The Bank's green services include e-statements/mini-statements, SMS alerts and WhatsApp Banking Channel.

Environment, Social and Governance 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 environmental and be more transparent about ESG reporting. ESG program 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:

ESG INDICATORS



ENVIRONMENT

Environmental criteria focuses on the company’s Aripact on the planet_ In addition to climate-change initiatives, this category includes energy usage, pollution outputs, water management, and other environmental impacts.

- Renewable fuels
- Greenhouse gas (GFIG) emissions
- Energy efficiency
- Climate risk
- Water management
- Recycling processes
- Emergency preparedness



SOCIAL

The social element of ESG focuses on the way the company treats people. It includes the relationships that organizations have with their workforces, the societies in which they operate, and the current political atmosphere including diversity, equity and inclusion; health and safety; labor management, data privacy, and community relations.

- Health and safety
- Vilorking conditions
- Employee benefits
- Diversity and inclusion
- Human rights
- Impact on local communities



GOVERNANCE

The governance aspect refers to a set of organizational practices; controls, and procedures used to make effective decisions, remain compliant, and meet stakeholder demands, including fraud, anti-bribery and corruption, security, financial performance, business ethics, and internal audit; as well as executive leadership and pay.

- Ethical standards
- Board diversity and governance
- Stakeholder engagement
- Shareholders rights
- Pay for performance

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 stragey 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 2023, the Bank further delivered on it’s 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 2023
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	The Bank has taken various steps in this regard: 1. Conversion of normal ACs to Inverter ACs



Pillars	Indicators	Some Possible Activities
		<div>3. Opening green branches where the branch has lesser dependency on power grid.</div> <div>4. Making more use of solar energy to fulfil power needs of the Bank.</div> <div>5. Financing for modernised farming resulting in more crops production with less waster utilisation.</div>
Social	Health & Safety	The Bank's dedicated Health, Safety, Enviroment (HSE) team endeavors for safety of its employees and customers. Further, the Bank has Employee Welfare Programs 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.
	Human Rights	<div>The Bank takes all necessary measures to promote human rights on all fronts. Given below are the Bank's contributions</div> <div>1. Bank Alfalah complies with IFC guidelines whereby it does not lend money to organisations involved in activities pertaining to child labour;</div> <div>2. Bank Alfalah offers a six month paid maternity leave to all 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; and</div> <div>3. 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.</div> <div>4. The Bank has various employee centric policies that are aimed at uplifting the economic status of employees.</div> <div>For further details, refer 'Stakeholders' and 'Sustainability' sections of this Annual Report.</div>
	Diversity & Inclusion	Bank Alfalah embarked upon a Diversity and Inclusion (D&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&I inspires creativity and innovation unlocks productivity, and enhances profitability. For further details, refer 'Stakeholders' section of this Annual Report.
	Working Conditions	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.

Pillars	Indicators	Some Possible Activities
Social	Impact on Local Communities	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 underserved 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.
	Board Diversity and Governance	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.
	Pay for Performance	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. 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.
Governance	Stakeholder Engagement	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.
	Shareholder Rights	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.
	Ethical Standards	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
Economic Performance	On Economy: Job Creation, enhanced financial inclusion, increased economic activity, and more taxes for the government. On Environment: 70% paper saving through digitisation, which promotes green banking activities On People: 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.	Construction and operation of bank branches involve energy consumption, resource use, and waste production, contributing to a larger carbon footprint. Privacy Concerns: Expanding banking networks can increase data collection, raising privacy and protection concerns.	"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. The governing bodies include: 1. The Board 2. Board Strategic Finance Committee 3. Board Real Staff Committee 4. Board IT Committee 5. Central Management Committee 6. Digital Council 7. Information Technology Steering Committee The terms of reference of these committees can be reviewed on pages 247-257 of the annual report. With Customer-centricity and innovation being the Bank's leading aspirations, growth in market share is a strategic pillar of the Bank. For more information on this, please review 130-137 Bank Alfalah is embarking on its green banking journey with IFC. For more reviews, please refer to page 67. The bank has installed a robust IT infrastructure mechanism for data privacy; please refer to 174-181 of the annual report and 131 of the sustainability report.	Please refer to pages 100-127 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
Market Presence	<p>In 2023, Bank Alfalah aligned itself with the minimum wage for all full-time employees and third-party headcounts. The positive impacts of this initiative include:</p> <p>Employee Morale and Motivation:</p> <p>Ensuring minimum wages boosted employee satisfaction and morale, leading to increased motivation and productivity.</p> <p>Reduced Turnover Rates:</p> <p>Decrease employee turnover, reducing the costs associated with hiring and training new staff. The attrition in 2023 was lower than 2022</p> <p>Enhanced Reputation:</p> <p>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>Improved Financial Security for Employees:</p> <p>Employees are more financially stable, improving their quality of life and reducing stress.</p> <p>Stronger Employer-Employee Relations:</p> <p>Aligning wages with minimum wage regulations fosters trust and goodwill between the bank and its employees, strengthening employer-employee relations.</p> <p>Positive Economic Impact:</p> <p>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>Industry Practice: 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 100-127 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> <p>Improved Compliance and Regulatory Adherence:</p> <p>Enhanced Corporate Reputation:</p> <p>Increased Stakeholder Trust and Confidence:</p> <p>Reduced Legal and Financial Risks:</p> <p>Improved Organizational Culture:</p> <p>Strengthened Internal Controls.</p>	<p>Alternative impact includes</p> <p>Higher implementation cost and ensuring everyone does mandatory training on this</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.	Please refer to pages 100-127 of the annual report for informing stakeholders and ensuring effectiveness.
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>	Page 431 of Annual Report	Page 431 of Annual Report	Please refer to pages 100-127 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
<div><div><div>• Training and Education</div><div>• Diversity and Equal Opportunity</div><div>• Non-discrimination</div></div></div>	<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.</p> <p>Investment in employee development fostered a sense of value and recognition, leading to higher job satisfaction.</p> <p>The attrition rate dropped to 17.5% in 2023. 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. 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 2023 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 100-127 of the annual report for informing stakeholders and ensuring effectiveness.</p>
The Bank will work on other disclosure of sustainability in 2024. This will include Energy, Emissions, HSE and Customer Privacy.				



GRI Content Index

Statement of use Bank Alfalah has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.

GRI 1 used GRI 1: Foundation 2021

Applicable GRI Sector Standard

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted / Reason
GRI 2: General Disclosures 2021	The organization and its reporting practices		
	2-1.Organizational details 2-2.Entities included in the organization's sustainability reporting 2-3.Reporting period, frequency and contact point 2-4.Restatements of information 2-5.External assurance 2-6.Activities, value chain and other business relationships 2-7.Information on Employees 2-8.Workers who are not employees	29-37 43-46, 21, Additional Disclosure 21 and back cover 21, Additional Disclosure Additional Disclosure SR 37-40 and AR 62 49-50, Additional Disclosure 50	2-6 c unavailable; development planned for upcoming reporting cycles. 2-8 b and c unavailable; development planned for upcoming reporting cycles.
	Governance		
	2-9.Governance structure and composition 2-10.Nomination and selection of the highest governance body 2-11.Chair of the highest governance body 2-12.Role of the highest governance body in overseeing the management of impacts 2-13.Delegation of responsibility for managing impacts 2-14.Role of the highest governance body in sustainability reporting 2-15.Conflicts of interest 2-16.Communication of critical concerns 2-17.Collective knowledge of the highest governance body 2-18.Evaluation of the performance of the highest governance body 2-19.Remuneration policies 2-20.Process to determine remuneration 2-21.Annual total compensation ratio	AR 236-237, 244-245, 249-255, 261-273 SR 75-76, Additional Disclosure AR '261-262, SR 76, Additional Disclosure SR 73-74, AR 258 SR 72-74, AR 245, 32-45 SR 75-76, AR 247-257 SR, 72-74 AR 29, 184 AR 263 AR 263,265-266 AR 262 AR 260, 273, SR 75, Additional Disclosure AR 282-287 AR 282-287 AR 272, 361, 436	2-9 b unavailable; development planned for upcoming reporting cycles. 2-12 b and c unavailable; development planned for upcoming reporting cycles. 2-13 b unavailable; development planned for upcoming reporting cycles. 2-14 a unavailable; development planned for upcoming reporting cycles. 2-19 b Confidentiality Constraints, the KPIs of Senior Management cannot be disclosed. 2-21 a and b cannot be given in the report due to confidentiality constraints

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted / Reason
GRI 2: General Disclosures 2021	Strategy, policies and practices		
	2-22.Statement on sustainable development strategy 2-23.Policy commitments 2-24.Embedding policy commitments 2-25.Processes to remediate negative impacts 2-26.Mechanisms for seeking advice and raising concerns 2-27.Compliance with laws and regulations 2-28.Membership associations 2-29.Approach to stakeholder engagement 2-30.Collective bargaining agreements	69 SR 22, AR 268, 269 AR 232, 266-267 SR 158-167, AR 230-232 SR 52, AR 265-266 AR 380, 292-294, Additional Disclosure 40 Additional Disclosure SR 41-66, AR 100-127	2-23 a-f unavailable; development planned for upcoming reporting cycles. 2-24 a (i-iv) unavailable; development planned for upcoming reporting cycles. 2-25 b-e unavailable; development planned for upcoming reporting cycles. 2-30 Not applicable. The law regarding Collective Bargaining Agent does not applicable 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	Materiality		
	3-1 Process to determine material topics 3-2 List of material topics	25, 156, Additional Disclosure 25, 156	3-2 b not applicable as this is first report as per GRI standards, hence this disclosure does not apply.
GRI 201: Economic Performance 2016	Economic Performance		
	3.3 Management of material topics 201-1 Direct economic value generated and distributed 201-2 Financial implications and other risks and opportunities due to climate change	Page 155 and onwards 361 AR SR 87-89, AR 160-161	3-3 e and f unavailable; development planned for upcoming reporting cycles. 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.

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted / Reason
GRI 201: Economic Performance 2016	Economic Performance		
	201-3 Defined benefit plan obligations and other retirement plans	AR 222, 435	201-3 e unavailable; development planned for upcoming reporting cycles.
	201-4 Financial assistance received from government	131, Additional Disclosure	
GRI 202: Market Presence 2016	Market Presence		
GRI 203: Indirect Economic Impacts	3.3 Management of material topics	Page 155 and onwards	3-3 c, d&e unavailable; development planned for upcoming reporting cycles.
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	50, Additional Disclosure	
	202-2 Proportion of senior management hired from the local community	AR 234-244, Additional Disclosure	
GRI 203: Indirect Economic Impacts	Indirect Economic Impacts		
	3.3 Management of material topics	AR 389, 309-310 23-24	3-3 a and f unavailable; development planned for upcoming reporting cycles.
	203-1 Infrastructure investments and services supported		3-3 a and f unavailable; development planned for upcoming reporting cycles.
	203-2 Significant indirect economic impacts		3-3 a and f unavailable; development planned for upcoming reporting cycles.
GRI 205: Anti-corruption 2016	Anti-corruption		
	3.3 Management of material topics	Page 155 and onwards	3-3 c, d & e unavailable; development planned for upcoming reporting cycles.
	205-1 Operations assessed for risks related to corruption	86	205-1 b is unavailable; development planned for upcoming reporting cycles.
	205-2 Communication and training about anti-corruption policies and procedures	51 Last Paragraph, 60 Last Paragraph	205-d and e unavailable; development planned for upcoming reporting cycles.
	205-3 Confirmed incidents of corruption and actions taken	AR 66	205-3 a-d unavailable; development planned for upcoming reporting cycles.
GRI 207: Tax 2019	Tax		
	3.3 Management of material topics	Page 155 and onwards	3-3 c, d and e unavailable; development planned for upcoming reporting cycles.
	207-1 Approach to tax	SR 132, AR 401, 292-294, 375, 376	207-1 i, ii and iv unavailable; development planned for upcoming reporting cycles.
	207-2 Tax governance, control, and risk management	SR 132, AR 247, 285-287	207-2 a unavailable; development planned for upcoming reporting cycles.
	207-3 Stakeholder engagement and management of concerns related to tax	SR 132, AR 107, 375-376, 430-431	207-3 a i-iii unavailable; development planned for upcoming reporting cycles.
	207-4 Country-by-country reporting	SR 132 AR 430-431	

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted / Reason
GRI 302: Energy 2016	Energy		
	3.3 Management of material topics	25	3-3 c, d and e unavailable; development planned for upcoming reporting cycles.
	302-1 Energy consumption within the organization	148	302-1 a-e are unavailable; development planned for upcoming reporting cycles.
	302-2 Energy consumption outside of the organization	148	302-2 a-c are unavailable; development planned for upcoming reporting cycles.
	302-3 Energy intensity	148	302-3 a-d are unavailable; development planned for upcoming reporting cycles.
	302-4 Reduction of energy consumption	148	302-4 a-d are unavailable; development planned for upcoming reporting cycles.
GRI 305: Emissions 2016	Emissions		
	3.3 Management of material topics	25	3-3 a-f are unavailable/Incomplete. Will be made part of the next cycles.
	305-1 Direct (Scope 1) GHG emissions	137	305-1 a-g are unavailable/Incomplete. Will be made part of the next cycles.
	305-2 Energy indirect (Scope 2) GHG emissions	137	305-1 a-g are unavailable/Incomplete. Will be made part of the next cycles.
	305-30ther indirect (Scope 3) GHG emissions	137	305-3 is unavailable/Incomplete. Will be made part of the next cycles.
	305-4 GHG emissions intensity	NA	Not Applicable as the Bank is developing a roadmap to address its journey towards reducing GHG emissions.
	305-5 Reduction of GHG emissions	137	305-5 a-e is unavailable/Incomplete. Will be made part of the next cycles.
	305-6 Emissions of ozone-depleting substances (ODS)	137	305-6 a-d is unavailable/Incomplete. Will be made part of the next cycles.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	137	305-7 a-c is unavailable/Incomplete. Will be made part of the next cycles.
GRI 401: Employment 2016	Employment		
	3.3 Management of material topics	25	3-3 a-f are unavailable; development planned for upcoming reporting cycles.
	401-1 New employee hires and employee turnover	50	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	53	
	401-3 Parental leave	53	401-3 c,d and e are unavailable; development planned for upcoming reporting cycles.

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted / Reason
GRI 405: Diversity and Equal Opportunity 2016	Diversity and Equal Opportunity		
	3.3 Management of material topics	25	3-3 a-f are unavailable; development planned for upcoming reporting cycles.
	405-1 Diversity of governance bodies and employees	52-55, AR 238- 257	405-1 a & b are unavailable; development planned for upcoming reporting cycles.
	405-2 Ratio of basic salary and remuneration of women to men	58	
GRI 403: Occupational Health and Safety 2018	Occupational Health and Safety		
	3.3 Management of material topics	25, 144-145	3-3 a, d, e and f are unavailable; development planned for upcoming reporting cycles.
	403-1 Occupational health and safety management system	144-145	
	403-2 Hazard identification, risk assessment, and incident investigation	144-148	403-2 a(i) is unavailable; development planned for upcoming reporting cycles.
	403-3 Occupational health services		403-3 a is unavailable; development planned for upcoming reporting cycles.
	403.4 Worker participation, consultation, and communication on occupational health and safety	144	
	403-5 Worker training on occupational health and safety	144-148	
	403-6 Promotion of worker health	51, 144-148	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		403-7 unavailable; development planned for upcoming reporting cycles.
	403-8 Workers covered by an occupational health and safety management system		403-8 a and c are unavailable; development planned for upcoming reporting cycles.
	403-9 Work-related injuries		403-9 unavailable; development planned for upcoming reporting cycles.
	403-10 Work-related ill health		403-10 unavailable; development planned for upcoming reporting cycles.

GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted / Reason
GRI 404: Training and Education 2016	Training and Education		
	3.3 Management of material topics	25	3-3 a-f are unavailable; development planned for upcoming reporting cycles.
	404-1 Average hours of training per year per employee	23, 51-52	404-1 a(ii) are unavailable; development planned for upcoming reporting cycles.
	404-2 Programs for upgrading employee skills and transition assistance programs	51-52	404-2 b are unavailable; development planned for upcoming reporting cycles.
	404.3 Percentage of employees receiving regular performance and career development reviews	52	
GRI 406: Non discrimination 2016	Non-discrimination		
	3.3 Management of material topics	25	3-3 a-f are unavailable; development planned for upcoming reporting cycles.
	406-1 Incidents of discrimination and corrective actions taken	60	406-1 a and b are unavailable; development planned for upcoming reporting cycles.
GRI 418: Customer Privacy 2016	Customer Privacy		
	3.3 Management of material topics	25	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	129-130	418-1 a (ii) and b are unavailable; development planned for upcoming reporting cycles.

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 2023

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, 2023(‘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 criterion 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 criterion.

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 I. 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 2023 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 14, 2024



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



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



Contact Information - Corporate Communication Team



Madiha Javed Qureshi
Head of Corporate Communications
madiha.qureshi@bankalfalah.com



Rida Manzoor
Manager Corporate Communications
rida.manzoor@bankalfalah.com



Talha Hyder
Manager Corporate Communications
talha.hyder@bankalfalah.com