

SUSTAINING NEW HEIGHTS

SUSTAINABILITY REPORT 2024



TABLE OF CONTENTS

04 Sustainability Journey of Allied Bank

06 About the Report

07 Message from the Chairman

08 Message from the CEO

10 GENERAL REQUIREMENTS

- 11 The Bank
- 29 ABL’s Approach towards Implementing the IFRS S1 and S2 Requirements
- 31 Materiality Assessment

34 GOVERNANCE

- 36 Corporate Governance
- 49 Sustainability Governance
- 58 Beyond Corporate Governance

80 STRATEGY

- 82 Overview
- 83 Sustainability Goals
- 84 Sustainability Focus Areas
- 85 Sustainability Targets
- 87 Strategic Management of Sustainability Related Risks & Opportunities Across the Value Chain
- 89 ABL Approach Towards Climate Change
- 95 Resilience

96 RISK MANAGEMENT

- 98 Overview
- 98 Risk Management Process
- 100 Initiatives for Risk Management
- 101 Sustainability and Climate-related Risk Management

104 METRICS AND TARGETS

- 106 Overview
- 106 Sustainability-related Metrics and Targets

116 ENVIRONMENT

- 118 Resource Efficiency
- 120 Climate Action
- 120 Reduction in Energy Consumption and Emissions
- 124 Green Financing
- 125 Waste Management
- 125 Bio-diversity

126 SOCIAL

- 128 Empowering the Workforce
- 146 Customer Management
- 152 Community Engagement-Corporate Social Responsibility (CSR)

158 MEETING THE SUSTAINABILITY STANDARDS



SUSTAINABILITY JOURNEY

2008	Introduction of Environment and Social Risk Assessment (ESRA) in Credit Policy	2023	Establishment of the Sustainability Forum under MANCO
2009	First CSR Policy of the Bank Launched	2023	Launch of the First Standalone Sustainability Report of the Bank
2018	Establishment of the Green Banking Office (GBO) of the Bank	2024	Integration of Environmental and Social Risk Management (ESRM) in Credit Policy and Procedure
2018	Launch of ABL's First Green Banking Policy	2024	Approval of the 'Sustainability Framework and Strategic Plan' of the Bank
		2024	Launch of Second Sustainability Report of the Bank in line with IFRS S1 & S2, SASB, GRI, SECP ESG Guidelines



ABOUT THE REPORT

Allied Bank Limited (ABL) believes that the sustainability of the country lies on the clear commitment and concrete actions from all the sections of the society including the banking sector. Following this belief, Allied Bank Limited (Allied Bank or the Bank or ABL) has embedded the sustainability pillars i.e., Environmental, Social and Governance (ESG) in its strategies, policies, procedures and practices.

Sustainability governance is an evolving phenomenon and it is at nascent stage in developing countries including Pakistan. The compliance to best practices and standards for sustainability reporting is crucial for the clear understanding of companies' commitment and actions. The Securities and Exchange Commission of Pakistan (SECP) issued voluntary ESG Disclosure Guidelines for Listed Companies and instructions to adopt International Financial Reporting Standards (IFRS) S1 & S2 of International Sustainability Standards Board (ISSB). ABL, being a responsible corporate entity and believing in the sustainability, has adopted the SECP's guidelines and instructions for the Sustainability Report of the Financial Year 2024.

In addition, this report is in line with the Sustainability Accounting Standards Board (SASB) requirements of ISSB and the Global Reporting Initiative (GRI) standards. The report also describes ABL's contributions related to United Nations Sustainable Development Goals (SDGs). In this report, the Bank is reporting its benchmark emissions against Scope 1, Scope 2 and Scope 3 (Business Travel -Air and Employee Commute categories) calculated using the Greenhouse Gas Protocol.

It is worth mentioning that, the Bank has adopted the Green Banking Guidelines and Environmental and Social Risk Management

(ESRM) Implementation Manual issued by the State Bank of Pakistan (SBP) and the Performance Standards of the International Finance Corporation (IFC) incorporated in ESRM.

This report is structured in accordance with the IFRS S1 and S2 reporting requirements and is organized into the sections covering General Requirements, Governance, Strategy, Risk Management, and Metrics and Targets, along with separate sections on Environmental and Social topics. Additionally, the report has been mapped to GRI, SECP ESG Disclosure Guidelines, relevant SASB Topic Standards, and the UN Sustainable Development Goals to a holistic alignment with global sustainability and disclosure frameworks.

The report reflects Bank's sustainability related initiatives, impacts and disclosures for the reporting period covering January 01, 2024 to December 31, 2024. The report is limited to ABL only and does not include its subsidiaries. To ensure consistency across different reports, this report is aligned with the information provided in the Bank's annual financial report. This report is ABL's first disclosure of IFRS S1 and S2, and should be read in conjunction with the Bank's Financial Report for FY 2024 for a full view of performance. The financial and sustainability reports of the Bank are updated and published annually and are available on website (www.abl.com.pk). For any queries, contact info@abl.com and telephone number (+92 42) 35880043.

MESSAGE FROM THE CHAIRMAN

Sustainability stands at the heart of Allied Bank's strategic vision. It is not only a guiding principle but a defining purpose that shapes how we operate, innovate, and create value. Through this strategic approach, the Bank continues to manage its impact on the environment, economy, and society with responsibility and foresight. We view sustainable practices not merely as compliance, but as a long-term investment — one that drives innovation, unlocks new market opportunities, and strengthens value creation for all stakeholders.

Our Sustainability Framework and Strategic Plan integrates sustainability into every aspect of the Bank's operations. It serves as a comprehensive guide for embedding Environmental, Social, and Governance (ESG) considerations into our policies, procedures, processes, products, and services. The framework articulates the Bank's commitment to sustainable development and corporate responsibility while aligning with both national and international sustainability standards. It also reinforces our belief that long-term success depends on responsible growth — growth that benefits people, communities, and the planet alike.

A healthy environment lies at the core of our vision. The escalating impacts of global climate change — particularly on Pakistan — demand urgent, collective action. Governments, corporations, and individuals alike share the responsibility to safeguard the environment and prioritize climate resilience. As a responsible corporate citizen, Allied Bank is fully committed to contributing to the achievement of Net Zero targets in line with the Paris Agreement. Our efforts are directed not only at reducing the Bank's own environmental footprint but also at enabling

our customers, borrowers, and partners to advance Pakistan's transition toward a green and sustainable economy. Social responsibility forms another cornerstone of our sustainability philosophy. Allied Bank ensures that its policies, products, and initiatives uplift the social fabric by promoting diversity, equity, inclusion, and financial literacy, while expanding access to quality education, healthcare, sports, culture, and technology. Through a robust Corporate Social Responsibility (CSR) program, we remain committed to empowering communities and enhancing the well-being of our employees, customers, and society at large.

Equally vital to our sustainability journey is strong and ethical governance — the foundation of Allied Bank's enduring success. Our governance philosophy rests on the highest standards of transparency, accountability, integrity, and risk management, upheld through a dynamic and forward-looking governance framework. This commitment continues to strengthen our institutional resilience and competitive edge in an evolving financial landscape.

As we look to the future, Allied Bank remains steadfast in pursuing its sustainability goals with a clear vision of environmental preservation, social equity, and sound governance. We will continue to advance this vision through sustainable financing, financial inclusion, circular economy initiatives, DEI, community partnerships, technological innovation, and digital transformation. Together, these pillars will ensure that Allied Bank's legacy is not only one of financial strength, but also of lasting positive impact — for our nation and for generations to come.

Mohammad Naeem Mukhtar
Chairman, Board of Directors

MESSAGE FROM THE CEO

Allied Bank has long been at the forefront of embedding sustainability into its core business practices, aligning itself with the highest international standards of responsible Banking. The Sustainability Report 2024 marks a landmark achievement for the Bank — its first-ever report to comply with the International Financial Reporting Standards (IFRS) S1 & S2 and the Sustainability Accounting Standards Board (SASB) requirements issued by the International Sustainability Standards Board (ISSB). It also adheres to the Global Reporting Initiative (GRI) standards, reflecting our dedication to transparency and accountability.

Beyond compliance, this report maps Allied Bank's strategies, policies, and activities against the Environmental, Social, and Governance (ESG) Disclosure Guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) and the United Nations Sustainable Development Goals (SDGs). It offers stakeholders a clear view of our long-term commitment to sustainable growth, responsible governance, and societal well-being.

At Allied Bank, sustainability is not a parallel agenda — it is woven into the fabric of our strategy. Guided by our Sustainability Framework and Strategic Plan, approved by the Board of Directors, we continue to align our policies, processes, products, and services with a unified vision of environmental stewardship, social responsibility, and ethical governance. This framework serves as a living document, translating our Board's aspirations into actionable goals and measurable outcomes.

Throughout 2024, the Bank took meaningful steps to reduce its environmental footprint and support the transition to a greener economy.

We installed solar power systems at 80 new locations, adding 1,620 kW of renewable energy capacity, and ensured all new buildings were designed on energy-efficient principles. A further 55 existing buildings were retrofitted with energy-saving technologies. In parallel, the Bank deployed an integrated Supervisory Control and Data Acquisition (SCADA) system to monitor and optimize energy use, and an Internet of Things (IoT)-enabled genset fuel monitoring solution that significantly reduced fuel consumption and emissions.

Our commitment to green finance remains strong. In 2024, the Bank extended Rs. 1,553 million in green loans, bringing total outstanding green financing to Rs. 11,606 million. These funds supported renewable energy projects, sustainable agriculture, and energy-efficient infrastructure across Pakistan. We also planted over 100,000 trees and saplings nationwide — reaffirming our belief that lasting change begins at the roots.

Among our most distinctive environmental initiatives was a clean-up drive at the K2 Base Camp, where the ABL team collected 1,200 kilograms of waste, setting an unprecedented example for environmental preservation in Pakistan's high mountain regions. Complementing these efforts, we hosted the Allied Bank Marathon 2024 under the theme "Run for a Greener Tomorrow", and organized cycling events in Lahore and Karachi under "Pedal for a Greener Tomorrow", inspiring communities to take part in the journey toward a sustainable future.

People are central to our vision of sustainability. Allied Bank is deeply committed to Diversity, Equity, and Inclusion (DEI), fostering gender equality, fair recruitment, and equitable career development. We believe in nurturing

a workplace where every team member can thrive — professionally and personally — in an environment of respect, support, and well-being. For enhanced customer experience, the Bank has also deployed a robust Customer Relationship Management (CRM) system to ensure seamless and responsive service delivery.

Our Corporate Social Responsibility (CSR) initiatives continue to focus on education, health, sports, science and technology, culture, and the promotion of literature. In 2024, we contributed Rs. 186 million to community development projects that empower individuals and strengthen the social fabric of Pakistan.

Good governance remains the cornerstone of our institution. Allied Bank's governance philosophy is grounded in honesty, integrity, transparency, accountability, and fairness, supported by a strong culture of compliance and prudent risk management. These principles guide every decision we make, ensuring resilience and trust in an ever-changing world.

As we look ahead, Allied Bank reaffirms its resolve to contribute meaningfully to a sustainable and equitable future. Through continuous innovation, responsible leadership, and unwavering dedication to environmental and social progress, we aim to build a legacy that endures — for our stakeholders, our communities, and our planet.

Aizid Razzaq Gill
Chief Executive Officer



GENERAL **REQUIREMENTS**

THE BANK

Allied Bank Limited was the first Bank to be established in Pakistan. The Bank started its operations in Lahore under the name Australasia Bank before independence in 1942. Following nationalization in 1974, it was merged with three other Banks and the name was changed to Allied Bank of Pakistan Limited. In August 2004, SBP, under Scheme of Reconstruction, transferred its ownership to a consortium of Ibrahim Group; consequently, the new management renamed the entity as Allied Bank Limited in 2005.

The Bank is listed on the Pakistan Stock Exchange Limited. The Bank offers a full suite of Banking products and services through a large network of 1,510 online branches (Conventional: 1,348; Islamic: 160; Karachi Export Processing Zone: 01 and 01 Wholesale Banking in Bahrain) in over 601 cities and towns. The Bank has a vast network of 1,604 ATMs across Pakistan. The long-term credit rating of the Bank assigned by the Pakistan Credit Rating Agency Limited (PACRA) is 'AAA' while the Short-term rating of the Bank is 'A1+'. The Corporate Governance Rating of ABL is CGR9++, as assessed by VIS Credit Rating Company Limited.

The Bank is forging new frontiers in creating sustainable value through high standards of corporate governance, digitization and superior asset quality, thereby, maintaining a robust financial position with stable profitability. The Bank serves its customers (individuals, businesses, governments and institutions) and facilitates their financial objectives through a range of Banking products and services. 2024 marks the 20 Years milestone of the recapitalization of Allied Bank Limited by the Ibrahim Group. The journey, from its recapitalization in 2004 to becoming one of the leading Banks in Pakistan in 2024, is a story of strategic vision, robust management and consistent performance. Under the stewardship of the new Board and

Management, Allied Bank embarked on a journey of rapid expansion and technological advancement. The Bank invested heavily in modernizing its infrastructure, introducing state-of-the-art Banking technologies and expanding its branch network. The Bank's unwavering commitment to providing digitally led, integrated solutions, supporting the growth of the digital ecosystem in the financial sector, and promoting environmentally friendly, green Banking practices as a socially responsible corporate citizen has received global recognition. The Bank has been honored multiple times on international platforms by world-renowned organizations, including The Banker (Financial Times Group, U.K.), FinanceAsia and Euromoney – a true testament to Allied Bank's achievements.

With a strong foundation and a clear vision for the future, Allied Bank is well-positioned to continue its legacy of excellence and contribute to Pakistan's economic development.

BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

ABL offers a range of Asset and Liability products for the Retail, Commercial, SME, Corporate sector through its Commercial and Retail Banking, Islamic Banking, Corporate and Investment Banking and Digital Banking groups. The products and services of the Bank are both conventional and Shariah-compliant Islamic Banking. The product range also includes the environment friendly products, Agri, consumer & specialized products for women, children and senior citizens. ABL also offers home remittance and cash management services.

الائتدب بى



Our Vision

To become a dynamic and efficient Bank providing integrated solutions in order to be the first-choice Bank for the customers.



Our Mission

To provide value-added services to our customers.

To provide high-tech innovative solutions to meet customers' requirements.

To create sustainable value through growth, efficiency and diversity for all stakeholders.

To provide a challenging work environment and reward dedicated team members according to their abilities and performance.

To play a proactive role in contributing towards society.



Core Values

Integrity

High Performance

Excellence in Service

Innovation and Growth

Memberships and Associations

- Pakistan Banks Association
- Pakistan Business Council
- Management Association of Pakistan
- Pakistan Institute of Corporate Governance – Membership
- Lahore Chamber of Commerce – Custodian of Membership certificate
- Karachi Chamber of Commerce – Custodian of Membership certificate

Ratings

Long Term Credit Rating

AAA

Short Term Credit Rating

A1+

(By Pakistan Credit Rating Agency)

Corporate Governance Rating

CGR 9++

(By VIS Credit Rating Company)

Awards and Recognition



Euromoney 2024
Pakistan's Best Digital Bank



Euromoney Islamic Finance Awards 2024
Pakistan's Best Domestic Islamic Bank



Finance Asia Awards 2024
Best Domestic Bank



Finance Asia Awards 2024
Most DEI Progressive Bank



The Pakistan Business Council (PBC),
along with the World Bank Group's
International Finance Corporation (IFC)

Employer of Choice Award -
Gender Diversity & Inclusion



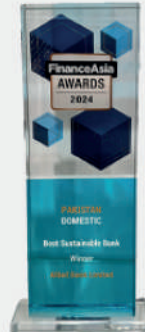
GDEIB Awards 2025
Recruitment, DEI Learning
and Development



ABF Corporate & Investment Banking Awards 2024
Syndicated Loan of the Year



Finance Asia Awards 2024
Best Bank for Financial Inclusion



Finance Asia Awards 2024
Best Sustainable Bank



Finance Asia Awards 2024
Most Innovative Use of Technology

Awards and Recognition



Euromoney Awards for Excellence

- Pakistan's Best Digital Bank

Euromoney Islamic Finance Awards

- Pakistan's Best Domestic Islamic Bank

Global Diversity & Inclusion Benchmarks (GDIB)

- 'Best Practice in Industry Bank' in RECRUITMENT category
- 'Best Practice in Industry Bank' in DEI LEARNING AND DEVELOPMENT category.

Pakistan Digital Awards

- Best Customer Relationship Management (CRM) Technology Award
- Best Augmented & Virtual Reality – ABL Metaverse Branch 2024

VISA Incorporation

- Excellence in Card Issuance in Pakistan

Future Banking and Summit at Expo 2024

- Best Bank for Startup Support 2023-24

The Asset Triple A Awards for Sustainable Finance

- Best Deals - Significant Deal(s) of the Year

FinanceAsia

- Best Domestic Bank
- Most Diversity Equity Inclusion Progressive Bank
- Most Innovative use of Technology
- Best Bank for Financial Inclusion
- Best Sustainable Bank

The Pakistan Business Council (PBC), along with the World Bank Group's International Finance Corporation (IFC)

- Employer of Choice Award - Gender Diversity & Inclusion

ABF Corporate & Investment Banking Awards

- Syndicated Loan of the Year

CFA Society Pakistan

- Runner-Up in Best ESG Bank Category

SBP - Excellence in Financial Literacy Awards

- 2nd Runner-Up - Financial Literacy Champion Bank 2024

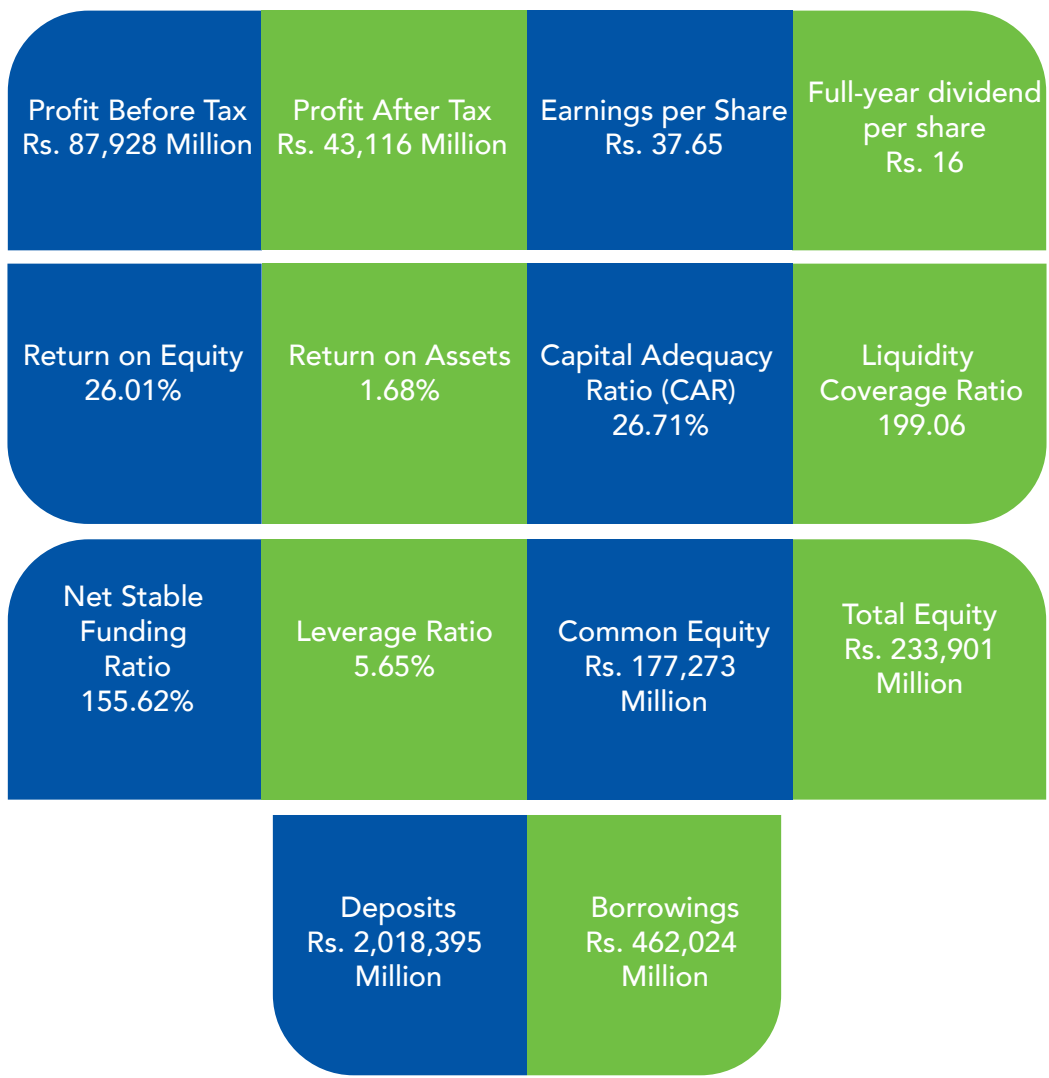
National Forum for Environment and Health (NFEH)

- Corporate Governance
- Technology, Innovation and Inventions
- Women Welfare, Empowerment and Development
- Green Energy Initiatives

Network Outreach



Key Financial Numbers 2024



Key CSR/Sustainability Numbers 2024

Community Services	Sustainability
Education – Rs. 72 Million	Green Financing – Rs. 11,606 Million
General Welfare – Rs. 56 Million	Solar Energy Locations – 147
Health Sector – Rs. 43 Million	Total Solar Power Installed – 2,242 KW
Sports – Rs. 15 Million	Tree Plantation Campaign – 100,000 approx. saplings/trees

Value Creation
Business Model

INPUTS		
Financial Capital	• Common Equity	Rs. 177,273 million
	• Total Equity	Rs. 233,901 million
	• Deposits	Rs. 2,018,395 million
	• Borrowings	Rs. 462,024 million
Manufactured Capital	• Domestic & Foreign Branches	1,510
	• ATM Network	1,604
	• Digital Touch points	23
Human Capital	• Engaged and capable employees	
	• Female Employees	3,264
	• Male Employees	10,011
	• Total Number of Employees	13,275
	• State of the Art Management Development Centers	4
	• Culture of Empathy	
Social and Relationship Capital	• Depositors	9.2million+
	• Obligors	23,000+
	• Regulators, Pakistan Business Council, PBA, Chambers of Commerce and Industry	
	• Community Service (CSR)	
	• Strong Social Media Presence	
	• Robust Complaint Handling Mechanism	
Intellectual Capital	• 10 Year Rolling Strategic Plan	
	• Strong IT Infrastructure	
	• Robust Risk Management	
	• Comprehensive Compliance Management	
	• Detailed Policies & Procedures	
	• Strong Management Structure - Leadership Teams	
Natural Capital	• Solar Locations	147
	• No. of Inverters Installed	1,802
	• Green Banking Initiatives and Products	
	• Compliance to Environmental Laws	



OUTPUTS		
Loans & advances, investments, deposits, remittance services, fee based services, Trade related products & services, unfunded facilities, REPO transactions, advisory services.		
Shareholders	• Profit Before Tax	Rs. 87,928 million
	• Profit After Tax	Rs. 43,116 million
	• Earning per Share	Rs. 37.65
	• Full-year dividend per share	Rs. 16
	• Return on Equity	26.01%
	• Return on Assets	1.68%
Customer	• Capital Adequacy Ratio (CAR)	26.71%
	• Advances Growth	35%
	• Deposits Growth	20%
	• Decrease in Non Performing Loans	0.4%
	• CASA Mix	86%
	• Customer Onboarding	1.4million+
Employees	• Customer Complaint Resolutions	97%
	• myABL Registered Users	2.1 million+
	• myABL amount of transactions	Rs. 2,440,775 million
	• No. of Debit Cards issued	805,000+
	• Digital / Counter Transactions mix	85:15
	• Corporate Website Visits	9.3 million+
Regulators	• Social Media Subscribers	3.6 million+
	• Salaries and Benefits	Rs. 20,136 million
	• Employee Retention Ratio	86%
	• Employees Trained in Service	12,132
	• Total Investment in Employee Trainings	Rs. 254. 837 million
	• Team building events	
Society	• Amount spent on employee healthcare	Rs. 290.347 million
	• Long Term Entity Credit Rating	AAA
	• Short Term Entity Credit Rating	A1+
	• Corporate Governance Rating	CGR 9++
	• Compliance with all Regulatory requirements	
Society	• Contribution to National Exchequer	Rs. 99,959 million
	• Customer Deposit Protection	Rs. 1,822 million
	• Improving Workplace Environment	Rs. 868 million
	• Environmental Sustainability	Rs. 338 million
	• Plantation of Trees	100,000+
	• Community Services	Rs. 186 million

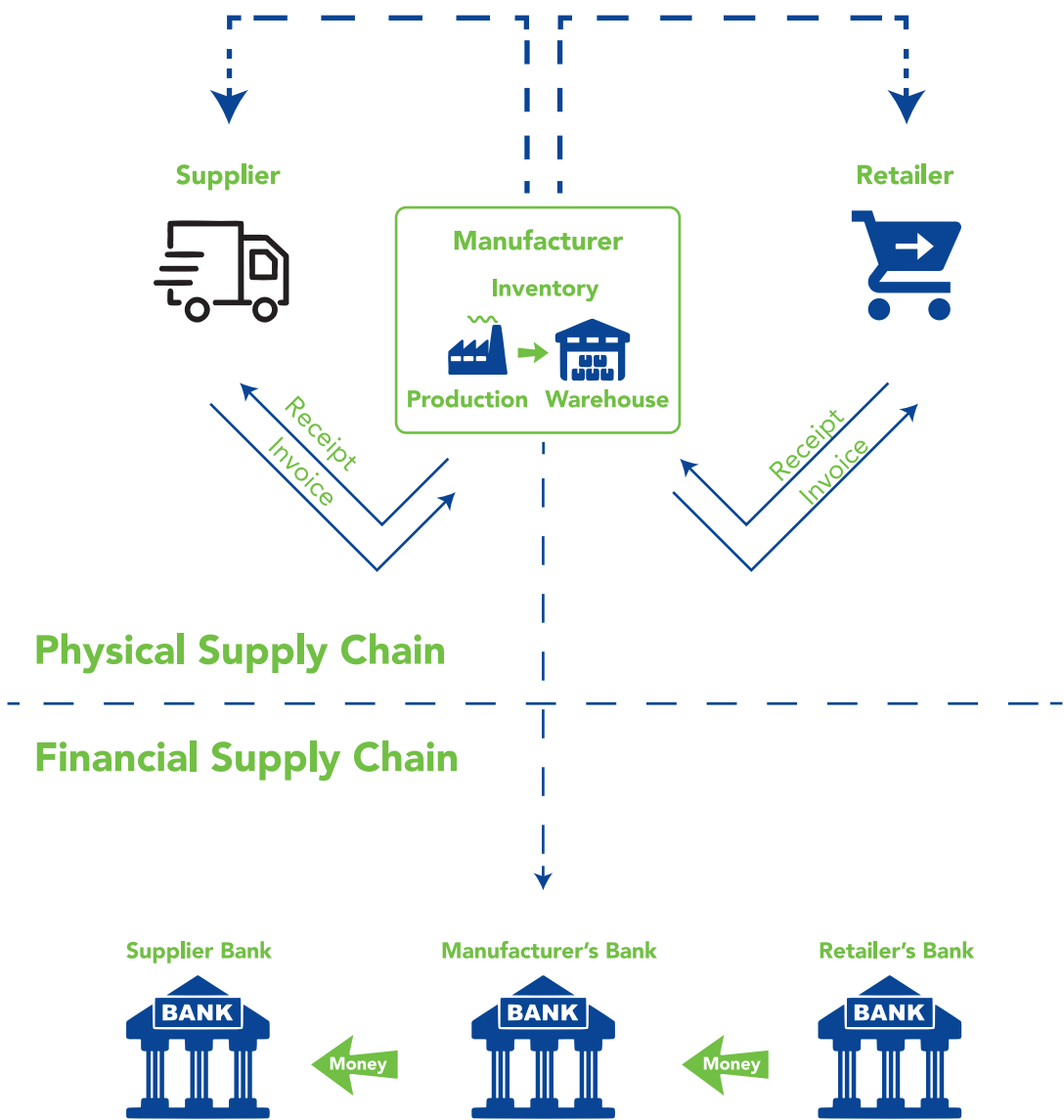
Financial Supply Chain

Allied Bank Limited, being a financial institution, manages money flows in partnering supply chain organizations, by developing innovative methods for streamlining their financial distribution networks. The role of the Bank in the value chain is to improve inter-organization money flows. The Bank provides a set of financial and technological tools to help companies improve working capital management and free up cash trapped in supply chain processes and transactions. Furthermore, the Bank's role as an intermediary

between suppliers and buyers facilitates in strengthening their ties.

- Supplier prefers to get money for delivered products or services sooner whereas,
- Buyers want to extend payment terms.

Banks offer services to improve the financial health of the supply chain by reducing both buyer and seller working capital.



Economic Impact

Allied Bank has been a continuous source of contribution to the overall economic progress of the country. The direct and indirect economic impacts of the Bank include:

- Economic Growth and Development/ Contribution to GDP: Facilitated economic growth by channeling funds from depositors to productive sectors for economic development which is directly linked to the country's GDP, contributing to overall economic output. The Bank's total deposits at the end of the year 2024 were Rs. 2,018,395 million whereas advances were Rs. 1,051,314 million.
- Financial Inclusion: The Bank has played a key role in financial inclusion to introduce the general population of the country to Banking products and services for inclusive economic growth. The efforts included financial awareness and new account opening. The Bank has added more than 1.4 million new accounts in 2024. A total of 855,341 new Asaan Accounts were added in 2024.
- Remittance Services: The Bank has been instrumental in providing easy and competitive remittances services which plays a vital role in improving the economy of the country by providing foreign exchange, improving the balance of payments and reducing the reliance on external borrowing. These services also contribute to financial stability by bringing more funds into the formal Banking sector and enabling investments in savings, education, and income-generating assets. For individuals, especially low-income families, remittances serve as a lifeline, supporting their livelihoods, alleviating poverty, and improving per capita income, with formal channels

offering a greater multiplier income impact.

- ESG Implementation: The Bank is not only relentlessly working for the implementation of Environment, Social and Governance (ESG) in its internal operations but also striving for improving the ESG of borrower companies so that the country achieves a sustainable economy.
- Contribution to UN Sustainable Development Goals (SDGs): The Bank is committed towards achieving the targets assigned under UN Sustainable Development Goals (SDGs) of the United Nations. The key CSR objectives of the policy are aligned with the rolling strategic plan of the Bank; ensuring close adherence to the global Sustainable Development Goals (SDGs).
- Improving the Governance Structure: The Bank is adopting the best industrial practices of governance to improve the overall governance practices in the country. The Bank adopts a stringent Corporate Governance Framework, robust Risk Management and Compliance structure and other ethical Banking practices to meet the national as well as international governance standards.
- Job Creation: The Bank has been creating new jobs in the country and providing not only a respectable job to people but also helps in decreasing the unemployment in the country. In 2024, the Bank employed 2,838 new people. In addition, thousands of people secure employment opportunities in various organizations as a result of the Bank's overall operations.
- Capacity Building: ABL believes that the service quality of the Bank is dependent

on the quality of the staff. The capacity building of the staff not only enhances the quality of work of the Bank but also improves their skills and expertise. In 2024, ABL provided training to more than 12,000 participants for upskilling the capacity of the staff and spent an amount of PKR 255 million on training. The average training was 47.6 Hours Served per Employee.

- Contribution to National Exchequer: The Bank’s contribution to National Exchequer in 2024 includes:
 - Income & Super Tax
Rs.55,509 million
 - With Holding Tax as Agent
Rs.41,935 million
 - Federal Excise Duty and Sales Tax
Rs.2,515 million
 - Zakat Collection
Rs.371 million

Direct Economic Value Generated and Distributed

Revenues	Total income net of markup expenses	Rs.143,203,233,000
Operating Costs	Operating cost less HR cost, donations, SBP penalty	Rs.37,485,712,000
Employee Wages & Benefits	HR cost	Rs.20,136,042,000
Payments to Providers of Capital	Dividend as per SOCE	Rs.18,321,180,000
Payments to Government	Taxes, etc.	Rs.44,905,394,000
Community Investments	Donations, Sponsorships and Green Banking payments	Rs.270,320,000
Economic Value Distributed	Total of Operating cost, HR cost, Dividend, Govt. and community investments	Rs.121,118,648,000
Economic Value Retained	Revenue less economic value distributed	Rs.22,084,585,000

- Digital Transformation: Digital transformation is crucial for expanding access to Banking services for underserved populations while strengthening business resilience during disruptions and supporting sustainability goals by reducing the carbon footprint. The Banking industry has undergone a profound transformation with the adoption of digital technologies, driven by customer demand for convenience, speed, and personalized experiences. The Bank has strategically integrated technological advancements including Artificial Intelligence (AI), Generative AI and Blockchain to enhance operational efficiency, improve customer experience, strengthen information security, optimize decision-making, and promote financial inclusion.

ABL’s Approach towards Implementing the IFRS S1 and S2 Requirements

The IFRS sustainability disclosure standards; IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, were issued by the ISSB (International Sustainability Standards Board) in June 2023. The IFRS S1 and S2 standards have evolved from the base work completed by the Task Force on Climate-related Financial Disclosures (TCFD) which was established by the Financial Stability Board (FSB) in 2015 as a strategic response to the growing recognition of climate change as a critical financial risk. The purpose of TCFD was to provide a structured framework for companies and financial institutions to disclose climate-related financial information transparently. The TCFD succeeded in driving following significant improvements in corporate climate disclosure practices globally:

- Its recommendations set the foundation for standardised, comparable climate-related reporting, paving the way for the development of the ISSB framework, which now incorporates all the TCFD’s principles.
- Additionally, the TCFD’s influence is evident in the European Union’s Corporate Sustainability Reporting Directive (CSRD), which mandates detailed sustainability disclosures for in-scope companies. Together, these frameworks reflect a unified push toward greater transparency and accountability in corporate sustainability reporting, ensuring consistency across jurisdictions and sectors.

The TCFD has officially concluded its work, following the successful integration of its recommendations into the ISSB framework. The principles of TCFD have now been fully incorporated into the IFRS S2 Climate-related Disclosures Standard, ensuring that its legacy continues through a unified global framework. This marked the end of the TCFD as an active

task force but solidified its legacy as the foundation for global climate-related financial disclosures. The TCFD was disbanded to streamline and simplify sustainability reporting standards for companies and investors. This transition ensures a single, unified framework for climate-related financial disclosures, reducing complexity and enhancing comparability across jurisdictions and industries. The IFRS S1 and S2 has effectively replaced the TCFD framework.

The IFRS S1 S2 standards have yet to be fully endorsed by various jurisdictions worldwide. However, owing to SECP’s directive on the adoption of IFRS S1 and S2, Allied Bank Limited adheres to the IFRS S1 and S2 standard disclosure requirements. The Bank believes that these measures will promote more comprehensive, transparent and consistent reporting of sustainability-related financial information, while also enhancing governance and management of sustainability practices.

IFRS S1 outlines the essential requirements for a comprehensive set of sustainability-related financial disclosures that an entity must provide regarding sustainability-related risks and opportunities. It emphasizes the importance of governance, strategy, risk management, metrics and targets related to these risks and opportunities. Such information is deemed essential to enable existing and potential investors, lenders, and other creditors to understand and assess not only the impacts of the reporting entity, but to estimate the enterprise value of the organization as well.

Additionally, IFRS S1 is intended to be used in conjunction with IFRS S2, which focuses specifically on climate-related disclosures. According to IFRS S2, companies must disclose information about climate-related risks and opportunities that could reasonably impact their future, including effects on cash flows, access to financing, and the cost of capital in the short,

medium, and long term.

Given that the standard is a first-of-its-kind initiative, the Bank has aimed to implement the IFRS S1 and S2 as much as possible in its fundamental structure for the financial year ending 2024 and to integrate them in the best way possible in its strategy and approach towards the management of sustainability-related risks and opportunities, to inform its future strategy and reporting.

The IFRS disclosure report for the year ended December 31, 2024, comprises the ESG-related financial disclosures for Allied Bank.

Fair Presentation

The information disclosed within this report corresponds to the Financial Year 2024. While preparing this report, the Bank aimed for:

- A complete depiction of a sustainability-related risk or opportunity is provided, which includes all material information necessary for primary users to understand that risk or opportunity
- A level of clarity appropriate to the nature of the information, with a focus on presenting as clearly as possible, rather than excluding any complex assumptions, if any
- Presented information is free from material error and precise corresponding descriptions
- Reasonable assertions and inputs used in developing estimates, based on information of sufficient quality and quantity
- Information on judgements about the future transparently reflecting both those judgements and the information on which they are based
- Information is presented to explain the context and the connections between the related items of information
- In case of commercially sensitive information, which may be related to sustainability-related opportunities, ABL has assessed whether the disclosure of such information may potentially impact its advantage in pursuing the said opportunity.

Connected Information

To ensure consistency across different reports published by Allied Bank, the Bank has relied on the same data and assumptions in preparing the

sustainability-related financial disclosures as per the reporting boundaries of its financial report for the Financial Year 2024. This includes referencing the same accounting policies, methods, and estimates used in the preparation of the financial statements, as well as the same presentation currency, i.e., Pakistani Rupees (PKR).

Comparative Information

The sustainability-related financial disclosures presented in this report correspond to the same reporting entities and boundaries as those in the corresponding financial statements. Allied Bank is in the process of further enhancing its internal policies and controls in alignment with IFRS S1 and S2 requirements to ensure comparable information across all identified sustainability-related risks and opportunities in the coming years, as well as to cover relevant performance metrics.

Timing and location of Disclosure

The IFRS S1 and S2 disclosures are intended to be read alongside the general-purpose financial statements.

This report is the first voluntary disclosure of the requirements of IFRS S1 and S2. The information presented in this report corresponds to the Year 2024. The disclosures have been integrated alongside annual financial statements for the Financial Year 2024 in alignment with guidance provided by the IFRS Sustainability Disclosure Standards.

Sources of Reporting Guidance

This report follows the IFRS S1 and S2 requirements for disclosing sustainability-related financial information. As a complementary reference guide, the ISSB has published several industry-specific sections or chapters within the IFRS S2 reporting framework on Climate-Related Disclosures. Accordingly, Allied Bank has identified the following IFRS S2 volumes that apply to its operations. These are:

- Volume 16 – Commercial Banking
- Volume 18 – Investment Banking and Brokerage

Further, the report aligns with the Global Reporting Initiative (GRI) 2021 Universal

Standards and the Sustainability Accounting Standards Board (SASB) standards, as well as the SECP ESG Reporting Guidelines and applicable guidelines from the State Bank of Pakistan (SBP).

Statement of Compliance

The Bank is aligning its sustainability report with the IFRS Sustainability Disclosure Standards (S1 and S2) as they evolve. The accounting policies have been consistently applied throughout the financial year and in comparative figures. The data is presented in accordance with the same principles used for the Bank's financial statements.

ABL aims to continuously improve its approach to financial materiality and the implementation of IFRS S1 and S2, as well as enhance related disclosures in the years to come.

Materiality Assessment

In 2024, the Bank conducted a comprehensive update of its double materiality assessment to reflect evolving stakeholder expectations, regulatory developments, and sustainability priorities. The process was designed to identify ESG issues that are material from both impact and financial perspectives, specifically those aligned with the principles of double materiality.

In doing so, the Bank conducted the following activities:

- Assessing the Bank's ESG-related impacts on the environment and society, taking into account both internal operations and external influences.
- Evaluating how ESG factors affect the Bank's business model and value chain, covering financial and non-financial implications.
- Identifying ESG risks and opportunities that could influence the Bank's ability to create enterprise value over the short, medium, and long term, especially those aligned with double materiality.

The process was conducted in accordance with GRI 2: General Requirements, as well as the IFRS S1, and S2 standards, ensuring that the outcomes reflect both stakeholder interests and the Bank's strategic priorities.

ESG Stakeholder Engagement

The Bank's process for engaging with its identified stakeholders involved several key steps; primarily leveraging guidance issued by the GRI, as well as through an evaluation of internationally-benchmarked and sectoral best practices, the Bank's relevant stakeholder groups were identified, and then further prioritized on the basis of influence via an internal assessment of each group's perceived economic, social, and environmental impact.

This engagement process has been central and pivotal to the ABL's overall assessment of the materiality mechanism, and has been informed by:

- Evolving regulatory landscapes and disclosure requirements, including those from the ISSB (IFRS S1 and S2), GRI, and other global frameworks.
- Any sector-specific and regional best practices, along with peer benchmarking across the financial services industry.
- The need to integrate emerging ESG themes, including climate-related disclosures, in line with ISSB guidance.

The assessment was conducted through a survey, which enabled stakeholders to provide valuable input and highlight the significant ESG issues according to their priorities. The Bank's stakeholders were divided into internal and external categories, and outreach was maximized to capture representative feedback, and optimize the engagement activity.

Internal Stakeholders	External Stakeholders
Allied Bank's Board Members	Customers and Consumers (Depositors)
Allied Bank's Shariah Board Members	Customers and Consumers (Borrowers)
Allied Bank's Employees	Government and Regulators

This allowed for a diverse and representative range of perspectives, both internal and external, on ESG risks, opportunities, and strategic relevance.

Material Topics

Based on the stakeholder survey and internal evaluations, the Bank identified the most critical ESG topics for 2024. These reflect both financial materiality (influencing enterprise value) and impact materiality (influencing society and the environment), in line with the principles of double materiality.

Based on this stakeholder engagement, the Bank’s internal assessment, as well as in alignment with regulatory expectations and international best practices, these topics have been defined as follows:

ABL’s Material Topics	GRI 2021 Material Topics	SECP ESG Disclosure Metrics
ENVIRONMENTAL		
Climate Change	GRI 302: Energy GRI 305: Emissions	<ul style="list-style-type: none">GHG EmissionsEmissions IntensityEnergy UsageEnergy IntensityEnergy MixClimate Risk Mitigation and Adaptation
Nature and Biodiversity	GRI 304: Biodiversity	
Water and Effluents	GRI 303: Water and Effluents	<ul style="list-style-type: none">Water Usage
Waste	GRI 306: Waste	<ul style="list-style-type: none">Environmental Operations
GOVERNANCE & ECONOMICS		
Sustainable Procurement	GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 204: Procurement Practices	<ul style="list-style-type: none">Sustainable Sourcing and ProcurementSupplier Code of Conduct
Governance and Oversight	GRI 2: General Requirements	<ul style="list-style-type: none">Environmental OversightEnvironmental OperationsBoard DiversityBoard IndependenceBoard CompetenceIncentivized PayExternal AssuranceSustainability ReportingDisclosure Practices
Financial Health and Inclusion	GRI 201: Economic Performance GRI 203: Indirect Economic Impacts GRI 202: Market Presence	
Economic Impacts	GRI 201: Economic Performance	
Prevention of Corruption and Financial Crime	GRI 205: Anti-Corruption	<ul style="list-style-type: none">Ethics and Anti - Corruption
Anti-Competitive Behavior	GRI 206: Anti-Competitive Behavior	
Tax	GRI 207: Tax	

ABL’s Material Topics	GRI 2021 Material Topics	SECP ESG Disclosure Metrics
SOCIAL		
Human Rights		<ul style="list-style-type: none">Human RightsNon - Discrimination
Customer Privacy and Data Security	GRI 418: Customer Privacy	<ul style="list-style-type: none">Data Privacy
Marketing and Labelling	GRI 417: Marketing and Labelling	<ul style="list-style-type: none">Marketing
Local Communities/Rights of Indigenous Peoples	GRI 413: Local Communities GRI 411: Rights of Indigenous Peoples	<ul style="list-style-type: none">Corporate Social Responsibility
Conflict-Affected and High-Risk Areas		
Non-Discrimination and Equal Opportunity	GRI 405: Diversity and Equal Opportunity GRI 406: Non-Discrimination	<ul style="list-style-type: none">Gender DiversityGender Pay RatioNon - Discrimination
Forced or Compulsory Labor	GRI 409: Forced or Compulsory Labor	<ul style="list-style-type: none">Child & Forced Labor
Child Labor	GRI 408: Child Labor	<ul style="list-style-type: none">Child & Forced Labor
Freedom of Association and Collective Bargaining	GRI 407: Freedom of Association and Collective Bargaining	<ul style="list-style-type: none">Collective Bargaining
Occupational Health and Safety	GRI 403: Occupational Health and Safety	<ul style="list-style-type: none">Global Health & SafetyInjury Rate
Employment	GRI 401: Employment GRI 402: Labor/Management Relations GRI 404: Training and Education	<ul style="list-style-type: none">Working ConditionsEmployee TurnoverTemporary Worker RatioEmployee Training and Succession Planning
Remuneration and Working Time		
Significant Changes for Workers		
Public Policy	GRI 415: Public Policy	

GOVERNANCE



Corporate Governance

At the core of Allied Bank’s governance framework is its diverse and inclusive board composition. The Board of Directors (BoD), comprising eight members, including the Chief Executive Officer, brings together a balanced mix of expertise and perspectives, with female representation ensuring diversity and balance. The inclusion of independent directors highlights the Board’s commitment to objectivity and ethical decision-making, while the combination of non-executive and executive directors enhances collaboration and strategic oversight.

The Board is dedicated to achieving the Bank’s vision and goals through a holistic, integrated, consultative, and coordinated approach. To enhance governance and oversight, the Board has established five specialized committees, each with well-defined objectives, responsibilities, and tenure. These committees support the Board in key areas, including strategic planning, risk and compliance management, technology, human resources, audit, and internal control.

Transparency and accountability are cornerstones of Allied Bank’s governance philosophy. The ABL Board strictly adheres to regulatory requirements, ensuring directors comply with limits on directorships and upholding a comprehensive code of conduct across the organization. Additionally, the Board proactively communicates its vision, mission, and corporate strategy to ensure alignment and clarity throughout the Bank.

The Board facilitates a robust decision-making process, ensuring that significant policies and strategic initiatives are thoroughly deliberated and aligned with the interests of stakeholders. The Board’s commitment to transparency is evident in its remuneration policy, which is based on principles of fairness, equity, and

regulatory compliance. The Board not only approves policies but also ensures their implementation in accordance with laws and regulations. Additionally, the Board and its Committees approve and monitor the Bank’s long-term and annual objectives, strategies, and business plans, overseeing that operations are conducted prudently within the framework of laws, regulations, and business ethics.

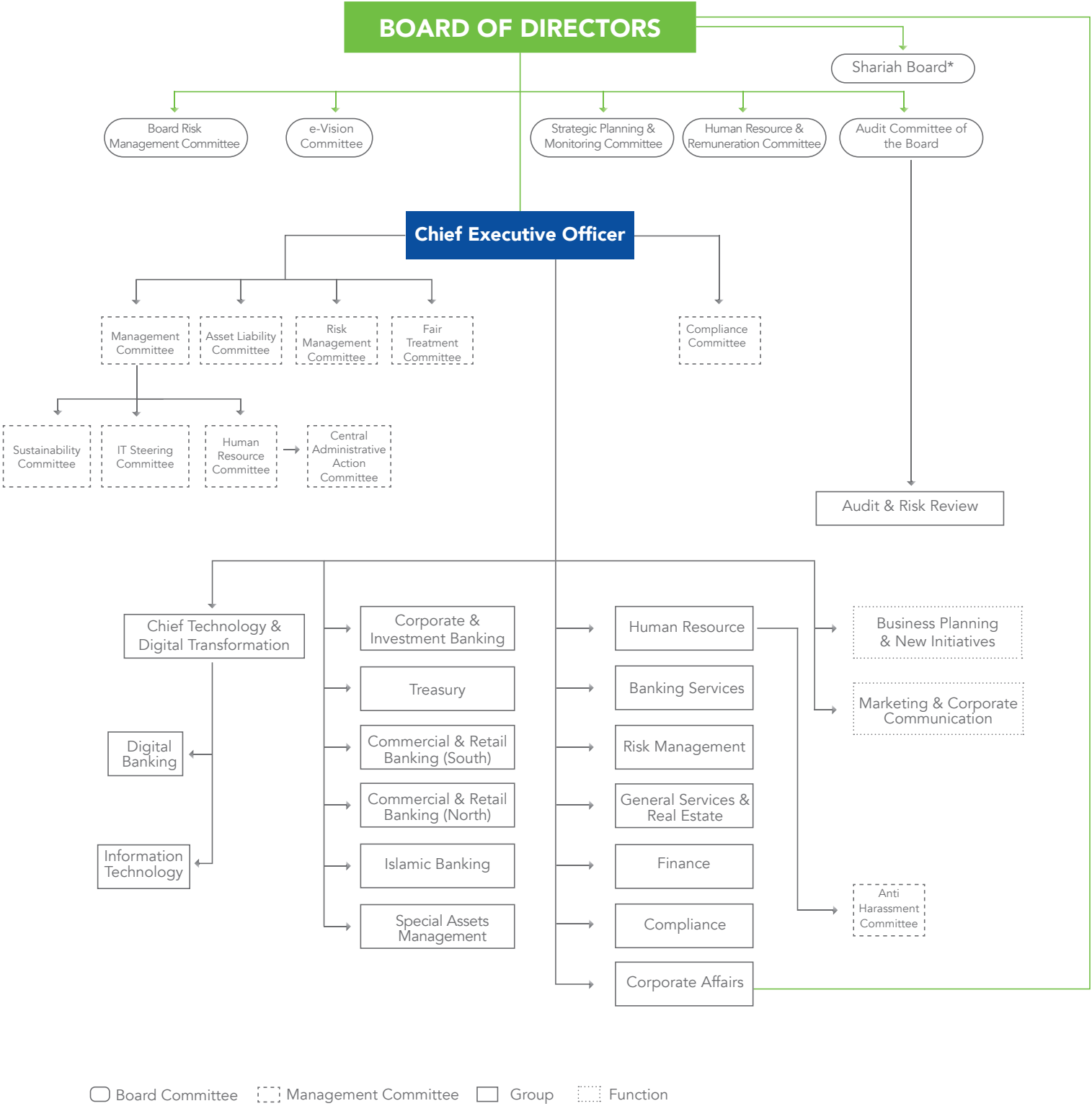
As part of their overarching stewardship responsibility, the Board and its Committees refrain from involvement in the Bank’s day-to-day operations, which are the responsibility of management.

The Chief Executive Officer (CEO) plays a crucial role in managing the Bank’s day-to-day operations, ensuring that the Board-approved policies are effectively implemented and monitored. The CEO is responsible for all operational, performance, and strategic matters not expressly reserved for the Board. Additionally, the CEO provides leadership to the business and manages overall affairs within the scope of responsibilities delegated by the Board.

The Bank has established a robust internal audit function staffed by qualified and experienced professionals. These individuals possess a deep understanding of the Bank’s policies and procedures, ensuring adherence to best governance practices.

The Corporate Governance Section of ABL Annual Report 2024, along with this Sustainability Report 2024, collectively demonstrates the entirety of the Bank’s governance structure.

Corporate Structure



* Independent Shariah Board oversees Islamic Banking operations

Board Independence, Diversity and Tenure

- The Board is comprised of 08 members (07 Male, 01 Female).
- The Board members are elected for 03 years’ tenure.
- 03 out of the total 08 Board seats are occupied by independents.
- Out of 05 committees, 02 committees (Audit Committee of the Board and Human Resource & Remuneration Committee) are headed by independent directors.
- Each Board committee has representation from Independent Directors.
- All members of the Audit Committee of the Board (ACOB) are Independent Directors.
- The Board has no intervention in management decisions.
- The Chairman of the Board is from among the non-executive members and does not have any role in the day-to-day operations/ business of the Bank.

The Role of the Board of Directors

The Board of Directors plays a pivotal role in guiding Allied Bank’s strategic direction and ensuring adherence to sound governance principles. Through diligent oversight and careful decision-making, the Board is committed to enhance the Bank’s financial performance and fostering its long- term sustainability. By prioritizing ethical conduct and efficiency, the Board safeguards the trust of stakeholders and maintains the Bank’s reputation in the financial industry.

All members of the board have a reasonable understanding of local, regional, and global economic and market forces, as well as

the legal and regulatory environment. To make informed decisions, board members are aware of all relevant laws, rules, and regulations regarding their powers, duties, and responsibilities.

The Board exercises its powers and carries out its fiduciary duties in compliance with the regulatory requirements and the Articles of Association of the Bank, exercising objective judgment and independence in the best interests of the Bank and its stakeholders, without becoming involved in the day-to-day management affairs of the Bank. The Board is responsible for implementing and monitoring the effectiveness of corporate governance practices within the Bank. The members of the Board ensure that they maintain high ethical standards in the performance of their responsibilities.

While complying with Corporate Governance practices, it is also the responsibility of the Board to use the “Comply or Explain” approach, except for the requirements explicitly stated as “mandatory”, enabling investors to assess differing Banks’ approaches thoughtfully. In particular, it ensures that:

1. A vision and/or mission statement, governance practices and overall corporate strategy for the Bank are developed and adopted. The Vision and/or Mission Statement, as well as the overall strategy for the Bank, would also be reviewed as deemed appropriate by the Board.
2. Significant policies are approved, implemented, reviewed and updated periodically or on a need basis.
3. A formal code of conduct/ethics is in place that promotes ethical culture in the Bank and prevents conflict of interest in their capacity as members of the Board, senior

management and other employees.

4. Appropriate steps are taken to disseminate the code of conduct/ethics throughout the Bank, along with supporting policies and procedures.
5. Adequate systems and controls are in place for identification and redressal of grievances arising from unethical practices.
6. A system of sound internal control is established, which is effectively implemented and maintained at all levels within the Bank.
7. A mechanism is put in place for an annual evaluation of the Board, Board Committees and Board Members, including the CEO.
8. To ensure that strategic plans are implemented and business processes are run in accordance with the policies approved by them.
9. Responsibilities of senior management (President/CEO and Key Executives) are clearly defined. They shall ensure that the management is in the hands of qualified and eligible personnel.
10. A culture of integrity is created throughout the Bank by satisfying itself as to the integrity of the CEO and other senior management position holders.
11. An adequate, reliable, and periodic management information system for ensuring effective oversight, monitoring, and accountability related to adequate AML/CFT/CPF controls is in place.

The Board has a proper monitoring mechanism in place to oversee the implementation of the overall governance framework, with an enhanced emphasis on effective risk oversight. For this purpose, risk management policies are established to ensure effective management of risks. Also, the Board undertakes overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related

systemic and internal controls to safeguard assets, resources, reputation and interest of the Bank and shareholders, along with transparent disclosure of information to relevant stakeholders.

In addition to the above, the salient features of Board responsibilities are as follows:

Governance

- Observing corporate governance principles and guidelines.
- Establishing appropriate structures and procedures to ensure that the Board functions are independent of the management.
- Ensuring that all new directors receive orientation to understand the role of the Board and its committees.
- Establishing Board Committees and defining their mandates to assist the Board in carrying out its roles and responsibilities.
- Defining the respective roles and responsibilities of the Chairman and the CEO.
- Ensuring the presence of an independent internal audit function.
- Ensuring compliance with reporting and disclosure requirements as well as maintenance of records / statutory registers.
- Ensuring that corporate social responsibility, Green Banking / environmental sustainability initiatives, and other philanthropic activities, including donations, and charities are established and monitored.

Strategic Planning

The Board approves and periodically monitors the objectives, strategies and overall business plans of the Bank on a long-term and yearly basis and observes that the affairs of the Bank are carried out prudently within the framework of existing laws, regulations and business ethics.

Approval of Financial Statements and Related Party Transactions

- Reviewing and approving the financial statements of the Bank and directors' review/report thereon, on a quarterly, half-yearly, and annual basis. The financial statements shall be laid before the Board after the review and recommendation of ACOB.
- Ensuring that the financial statements of the Bank are prepared in accordance with the applicable accounting standards and regulatory requirements.
- Approving all related party transactions in accordance with the Bank's Accounting, Disclosure & Related Party Transactions Policy, duly approved by the Board of Directors. Interested director(s) not to participate or vote in proceedings of the board for such agenda item(s), and / their presence shall not be counted for the purpose of forming a quorum at the time of any such discussion or vote.

Policy Framework

- Approving policies and ensuring their implementation as required under the law & regulations. These policies include but not limited to the areas of Governance, Risk Management, Compliance, Credit, Treasury & Investment, Internal Control System and Audit, IT Security, Human Resource/ remuneration, Communication (within & outside the Bank), Expenditure, Accounting & Disclosure, Succession Planning and any other operational / emerging areas which the Board and/or the senior management may deem appropriate from time to time.

Internal Controls

- Ensuring that a system of sound internal control exists, which is effectively implemented and maintained at all levels within the Bank.
- Ensuring independence of internal and

external auditors such that the internal audit directly reports to the Audit Committee of the Board, which reports to the Board, and that the external auditor interacts with the Audit committee.

Appointment, Evaluation of Management Performance & Succession Planning

- Appointing / removing the CEO in accordance with applicable laws and regulations and deciding his remuneration and other terms of employment.
- Approving the appointment, compensation package (including retirement benefits), promotion/demotion, and renewal of key executives or delegating the same to HR&RC / ACOB, while remaining under the relevant regulations.

ESG and Sustainability Oversight

- Observing governance and oversight of sustainability risks & opportunities and integration of environmental, social & governance (ESG) principles and diversity, equity & inclusion (DE&I) practices into corporate strategies.
- Ensuring that sustainability and DE&I-related strategies, priorities and targets, as well as performance against these targets, are periodically reviewed and monitored.

Management Information System

- Ensuring the existence of an effective Management Information System to remain fully informed of all key areas/functions and the associated risks.

Others

- Appointing and coordinating with the Shariah Board on Shariah- related matters and strengthen the Shariah compliance framework for Islamic Banking Operations.
- Reviewing the status and implications of

any lawsuits, proceedings or any notices received from revenue or regulatory authorities of a material nature.

The Role of Board Committees

To discharge its oversight responsibilities and other roles, the Board has established committees to perform specific tasks as determined by the Board. The Board remains collectively responsible for the decisions and actions taken by any committee. Furthermore, a committee shall not exceed the responsibilities delegated to it by the Board. The Board shall not delegate responsibility to the Committees, which are to be discharged by the Board itself in accordance with the law.

These committees, comprising at least one non-executive director or independent director, shall oversee various areas as determined by the Board.

Each committee has well-defined objectives, responsibilities and tenure. The summarized Terms of Reference (TORs) of each committee are defined as below:

Board Risk Management Committee (BRMC)

The Board Risk Management Committee (BRMC) is responsible for monitoring management's adherence to risk policies, frameworks, and asset product programs, as well as evaluating the Bank's changing risk profile. It defines the Bank's Risk Acceptance Criteria (RAC) and oversees the development of risk management principles that enhance stakeholder confidence.

The Committee reviews the quality of the asset portfolio, recommends strategies to reduce infected assets, and approves risk limits for credit, market, and operational risks. It also approves the credit approval matrix, write-offs, and the acquisition and resale of properties in settlement of Non-Performing Loans (NPLs).

It reviews and approves the acquisition, development, and upgrading of Risk Management Systems, excluding Information Security (InfoSec) Systems. The Committee oversees various risk-related functions, including the Asset Liability Committee, Compliance Committee, Risk Management, and Special Asset Management.

BRMC reviews multiple risk reports such as loss events, interest rate risk reports, stress testing results, and updates on NPLs and provisions. It also monitors compliance with Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), and Countering Proliferation Financing (CPF) requirements, including risks identified through the National Risk Assessment.

BRMC also reviews and recommends the Internal Capital Adequacy Assessment Report (ICAAP), Financial Stability Recovery Plan (FSRP), and the Business Continuity Planning (BCP) Activity Report to the Board on an annual basis.

As Board's Sustainability Committee, it oversees sustainability-related risks, strategies, and initiatives.

Human Resource & Remuneration Committee (HR&RC)

The Human Resource & Remuneration Committee (HR&RC) defines the organizational structure and functional responsibilities across the Bank. It approves staff strength, key appointments, salary adjustments, bonuses, and special allowances.

It recommends to the Board of Directors matters relating to the appointment, compensation, and performance evaluation of the Chief Financial Officer and Company Secretary. The Committee oversees training and development budget utilization and policy implementation.

It nominates executives to the boards of subsidiaries and affiliated companies and recommends remuneration and HR policies for

both employees and directors. It monitors the Human Resource function and HR Committee performance and ensures a fair and transparent remuneration system that supports a pay-for-performance culture.

It is also responsible for recommending the appointment and contract renewal of Shariah Board Members to the Board.

Audit Committee of the Board (ACOB)

The Audit Committee of the Board (ACOB) is responsible for assessing the adequacy of measures taken by management to safeguard the Bank's assets. It reviews financial statements, focusing on key judgmental areas, significant adjustments, the going concern assumption, changes in accounting policies, and compliance with statutory and regulatory requirements, including related party transactions.

The Committee recommends the appointment of external auditors and coordinates with them to fulfill statutory obligations and the requirements of the Code of Corporate Governance. It is responsible for evaluating the effectiveness of the internal control system, including financial and operational controls, and ensuring an adequate reporting structure.

The Committee supports the Board of Directors in establishing a clear 'tone at the top' by promoting strong ethical practices, a robust control environment, and effective policies, procedures, and technological systems. It regularly reviews the status of Internal Controls over Financial Reporting (ICFR), the State Bank of Pakistan (SBP) Inspection Report, external auditors' management letters, and weaknesses identified through internal audit.

Additionally, it ensures that an independent and effective internal audit function is in place.

Strategic Planning & Monitoring Committee (SPMC)

The Strategic Planning & Monitoring Committee (SPMC) reviews the Bank's medium-to long-term strategic plans, operational plans, and budgets prior to submission to the Board of Directors.

It monitors progress against approved plans and authorizes capital expenditures exceeding Rs. 30 million and donations between Rs. 1 million and Rs. 5 million. It approves the disposal and write-off of fixed assets as per the Expenditure Policy, and write-offs for other non-loan assets between Rs. 1.5 million and Rs. 5 million.

The Committee assists the Board in corporate development activities and strategic initiatives, including mergers, acquisitions, alliances, joint ventures, and divestitures. It also reviews Customer Service Standards and Service Quality, and oversees the Management Committee, the Fair Treatment of Customers Committee, and all business groups of the Bank.

Additionally, the Committee reviews and recommends policies, product programs, and frameworks that do not fall under the Terms of Reference of any other Board Committee.

e-Vision Committee

The e-Vision Committee reviews and recommends Information Technology (IT), Information Security, and Digital Banking policies, frameworks, and product programs to the Board of Directors. It provides strategic direction for digital transformation to improve customer experience and strengthen internal controls.

The Committee evaluates and recommends strategic plans related to IT, Information Security, and Digital Banking, including the automation of processes and alternate digital channels. It offers insights on international digital Banking trends relevant to the Bank's

goals.

It oversees the IT Steering Committee, the IT Group, and the Digital Banking Group. The Committee monitors cybersecurity risk assessments, resilience strategies, and recovery planning against disruptions such as cyberattacks.

It also approves the acquisition, replacement, or upgrading of core technologies and outsourcing arrangements related to IT, Digital Banking, and cloud-based services. Furthermore, the Committee reviews Service Level Agreements (SLAs), information security awareness programs, and the Cybersecurity Action Plan, in accordance with the Bank's Information Security Policy.

Appointment of Board Members

ABL's Board members have an appropriate mix of core competencies, diversity, requisite skills, knowledge, experience, maturity and gender diversification relevant to the Bank's operations. It is cognizant of all relevant laws, rules and regulations regarding their powers, duties and responsibilities.

Directors are elected by the shareholders in the general meeting of the Bank, for a period of three years, as per the applicable laws and regulations. Any casual vacancies arising on the Board are filled by the Board of Directors in line with the Bank's Articles of Association and in compliance with applicable laws and regulations. New directors have to clear the Fit and Proper Test (FPT) of SBP before taking charge of office.

An internal prior-assessment of existing as well as potential candidates is conducted by the Bank. Further, candidates who have declared themselves as independent directors, comply with the regulatory requirements and are also part of the database for independent directors established by any institution body or association authorized by the Securities and

Exchange Commission of Pakistan (SECP) for this purpose.

Board Remuneration

The Bank's Board Remuneration Policy, formulated in accordance with SBP's guidelines, was approved by Bank's Shareholders. The scale of remuneration to be paid to Chairman of the Board of Directors and Non-Executive Directors including Independent Directors (excluding CEO) for attending the Board and its Committees meetings is determined keeping in view the responsibilities, governance structure and expertise, in accordance with the approved policy. The salient features of the Board's Remuneration Policy are, as under:

- No Director is involved in deciding his/her own remuneration.
- No fee is paid if any of the Directors does not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.
- Directors may be provided with certain facilities incidental to the performance of their role as Members of the Board of Directors depending on the need and as approved by the Board of Directors

Performance Evaluation of the Board

Performance evaluation of Board of Directors, Committees, Individual Members and CEO is imperative to determine their strengths and weaknesses in order to increase their overall effectiveness and to ensure the compliance with the responsibilities under The Companies Act 2017, Banking Companies Ordinance 1962, SBP's Prudential Regulations, Corporate Governance Regulatory Framework, Listed Companies (Code of Corporate Governance) Regulations, 2019 and other laws and regulations.

In order to comply with the requirement of the Code of Corporate Governance Regulations,



the Board of Directors, in the year 2014, put in place an effective mechanism for the evaluation of the Board of Directors. Subsequently, SBP, issued detailed Guidelines on Performance Evaluation of the Board of Directors. According to these Guidelines, Board decided to adopt an in-house approach with quantitative techniques and evaluation by an external independent evaluator every three years.

The Bank uses the SBP criteria for in-house annual performance evaluations of the Overall

Board of Directors, the Chairman, Board Members, Board Committees and the CEO. The following are the main attributes of the performance evaluation criteria: According to the SBP Corporate Governance Regulatory Framework (G-13) and guidelines on performance evaluation of the Board of Directors, the Bank carries out an external independent evaluation once in every three years. In 2024, M/s. Yousaf Adil, Chartered Accountant was engaged as an independent evaluator to issue a formal report covering the

Category	Particular
Overall Board of Directors	<ul style="list-style-type: none">ResponsibilitiesCompositionStructure and CommitteesWorking ProceduresDuties and Liabilities
Chairman	<ul style="list-style-type: none">Relationship with other Members, Management, and shareholdersConflict ResolutionPromoting constructive debate and effective participation in decision makingShareholders’ confidence in the Board
Members of the Board	<ul style="list-style-type: none">Attendance at the MeetingsContribution at Board / Committee MeetingsCommitment to the BankRelationship with other Members and ManagementIntegrity and Confidentiality
Board Committees	<ul style="list-style-type: none">Size, Structure and Skillset of CommitteesPerformance against Terms of ReferenceFrequency of Committee MeetingsOpen communication and meaningful participation of Members
CEO	<ul style="list-style-type: none">Performance against Financial / Business Targets set by the BoardLeadership QualitiesCommunication with Stakeholders

- following areas:
- Board’s structure and composition
 - Board’s roles and responsibilities
 - Board’s processes
 - Board committees’ organization and processes
 - CEO Oversight
 - Boards’ compensation
 - Potential Board Development needs
 - Independent & Non-Executive Directors
 - Sponsor Directors
 - Chairman

The independent evaluation report was presented to the Board of Directors for review and consideration at its 273rd meeting, held on February 4, 2025. The Board of Directors noted the contents of the Board of Directors’ Annual Evaluation for the year 2024, along with the external evaluator’s suggestions, and expressed satisfaction with the results.

Board Skills and Training

The Bank arranges training for its directors to ensure ongoing professional growth and development.

Directors’ Orientation Program

The Bank has put in place a formal procedure to make appropriate arrangements to carry out orientation of the Directors to acquaint them with the Code of Corporate Governance Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the Bank. Members of the Board of Directors were regularly updated on changes in law and regulations and important news relating to the economic environment of the country.

Orientation Pack covering policies, product programs, frameworks etc. is shared with BOD Members at the time of election of directors including the key policies and procedures.

Directors’ Training Program of SECP

All the Members of the Board of Directors are required to attend the Directors Training Program as provided in the Securities and Exchange Commission of Pakistan’s Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Corporate Governance Regulatory Framework 2021 issued by the State Bank of Pakistan. The Board of Directors has fully complied with the Directors’ training arrangements as outlined in the regulations.

Other Trainings

In 2024, Mr. Muhammad Waseem Mukhtar and Ms. Nazrat Bashir attended a training program on the ‘High Performance Boards Program’ at the International Institute for Management Development in Switzerland. In 2023, the Bank organized a seminar on “Global Megatrends and Decision-Making Calculus” for its Board of Directors.

Specific training sessions on sustainability for Board members have been planned for 2025, in collaboration with KPMG Taseer Hadi & Company.

Managing Conflict of Interest

A Director owes certain fiduciary duties, including the duties of loyalty, diligence, and confidentiality to the Bank, which require that a director must act in good faith and exercise his or her powers for shareholders’ interests and not for his / her own or others’ interest. The Board of Directors and the Management of the Bank are committed towards transparent disclosure, management and constant monitoring of potential conflicts of interest to ensure that no undue benefit is passed on. The Board of Directors recognizes the responsibility to adhere to the defined policies and procedures and avoid perceived conflicts of interest that may arise during the course of

business. Directors of the Board shall immediately report to the Chairman of the Board about any conflict of interest or potential conflict of interest that may arise and shall provide all relevant information in this regard. Following key areas are catered to avoid conflict of interest:

- Disclosure of Interest by Director
- Abidance of Laws and Rules
- Integrity
- Confidentiality
- Professionalism
- Business/Work Ethics
- Conflict of Interest
- Insider Trading
- Role towards Shareholders and Other Stakeholders

Communication of Critical Concerns

The critical concerns are reported to the highest governing body (BoD) through its committees. Following, critical concerns and the corrective actions taken, were reported to the BoD in 2024:

Critical Concerns	Corrective Actions
<ul style="list-style-type: none">• Collecting 3rd parties' instruments/cheques in an unauthorized account• Misappropriation of assets / Funds, Pocketing, Parallel Banking• Impersonation/collection of Banking Instruments in Fraudulent Accounts.	<ul style="list-style-type: none">• Referred to the concerned investigation agencies.• Effectively follow up to affect the recovery of the embezzled amount from the concerned staff.• Took appropriate actions against the identified responsible officials in accordance with the Bank's rules and regulations.• Issued Letter of Appreciation to the staff who were instrumental in unearthing the scam, recognizing their vigilance.• Created provisions to mitigate potential eventualities.

Sustainability Governance

The Bank upholds the highest standards of governance while championing sustainability and ESG principles. By cultivating a culture of transparency, accountability, and stakeholder engagement, the Bank not only complies with regulatory requirements but also drives long-term value creation for shareholders and society.

Sustainability is embedded in the Bank's business ethos. Its approach to sustainability is reflected in how capital is raised, internal operations are managed, financial products are deployed, and how the Bank engages with the economies and societies in which it operates. The Bank adapts to evolving market conditions within sustainability, while remaining true to its core principles.

As the custodian of corporate stewardship, the Board sets a notable example for the financial industry and beyond, demonstrating that governance and sustainability are inherently linked with pillars of organizational success. The commitment to sustainability is made possible through a governance model that creates a positive impact while generating value for shareholders.

The overall sustainability governance structure highlights the roles of the Board and Management and their contribution to the Bank's sustainability-related decision-making and control process.

The Bank's governance structure ensures adequate oversight across a diverse range of sustainability considerations across the value chain and manages accountability for implementing strategies to manage emerging sustainability-related risks and opportunities.

Integration of Three Lines of Defense for Sustainability

A vital element of the governance framework for sustainability and climate-related risks is the Three Lines of Defense risk management model, which oversees the sustainability and climate risk lifecycle, reinforcing governance and critical assessment of sustainability and climate-related risks and opportunities.

First Line of Defense

The business groups serve as the first line of defense in managing sustainability and climate-related risks and opportunities. The business groups consist of the primary client contacts who lead transactions and manage client relationships. They are responsible for ensuring compliance with relevant policies and guidelines, which include obtaining necessary approvals, conducting appropriate analysis, maintaining documentation and following all applicable processes for transactions and clients covered by the ESRM and climate risk frameworks.

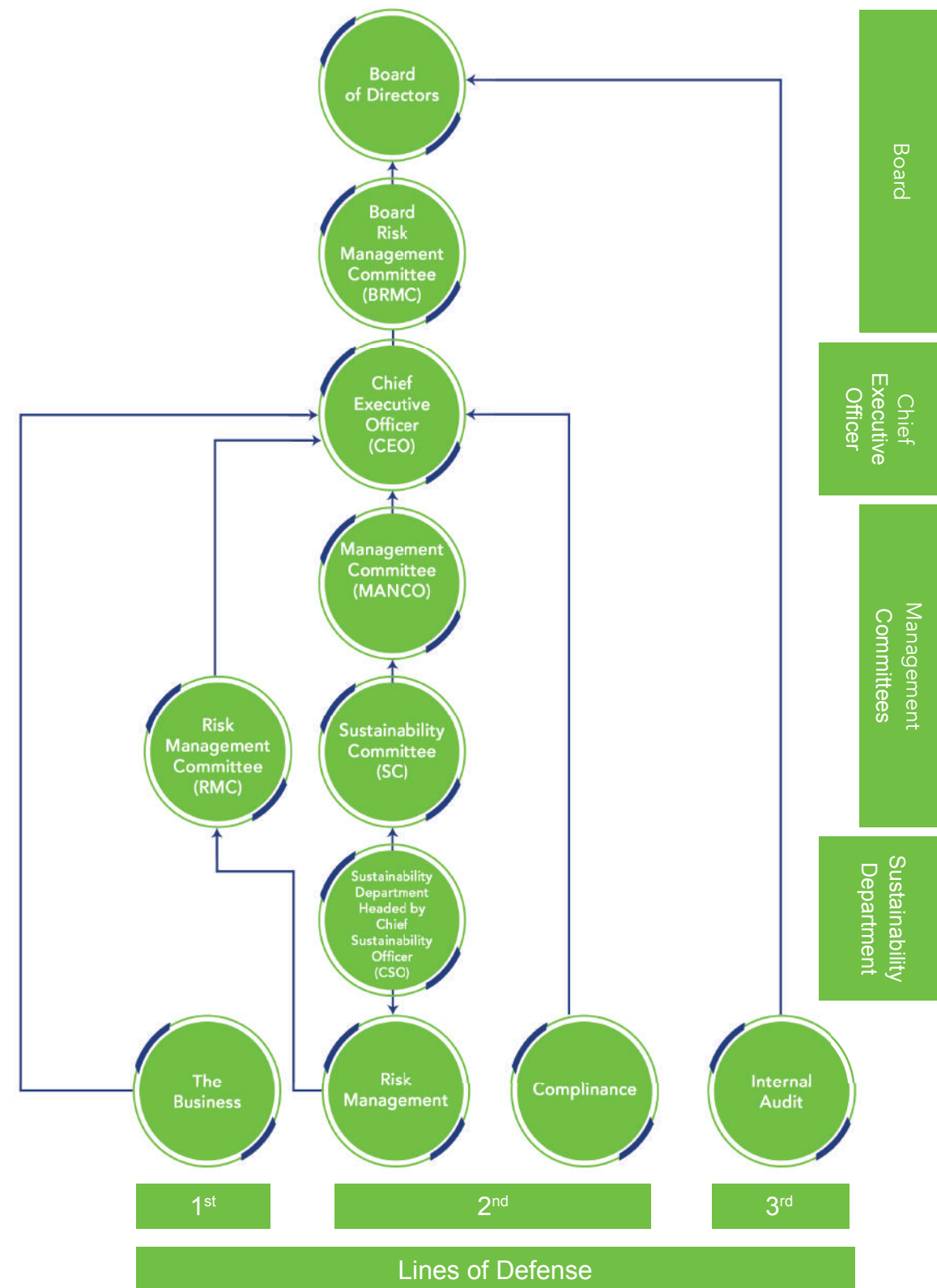
Second Line of Defense

The Bank's Risk Management function adheres to various aspects of risk across the Bank's diverse fields of Banking. The Risk Management team collaborates with the Sustainability Department to ensure the timely monitoring and evaluation of climate-related risks and opportunities across the Bank's credit activities. The Sustainability Department provides inputs to the Chief Risk Officer. The risk team conducts climate-related stress testing and calculates financed emissions while also supporting the Bank's ESG agenda.

PLANTATION DRIVES



Sustainability Governance



The Compliance function of the Bank ensures that the Bank's practices, policies, and disclosures meet ethical standards and adhere to the sustainability requirements. The Compliance Policy of the Bank provides clear and consistent compliance directives to all the stakeholders. The Compliance Policy promotes the safety and soundness of the Bank, through management of compliance risk and to integrate sustainability principles into the Bank's operations and business activities. The Bank ensures compliance with all applicable laws, rules, regulations and standards pertaining to prevention of Money Laundering, Financing of Terrorism & Proliferation Financing including adherence of Customer Due Diligence (CDD) procedures, SBP AML/CFT/CPF Regulations, relevant SECP regulations, Code of Corporate Governance, Sanctions imposed by United Nations Security Council (UNSC), other applicable local and international regulatory directives, and ethical standards for code of conduct.

Third Line of Defense

The Audit & Risk Review group (A&RRG) is responsible for providing independent assurance on the quality, effectiveness and adequacy of the Bank's governance, risk management and control environment including the working of 1st & 2nd lines of defense to achieve risk management and control objectives. The A&RRG is responsible for conducting independent reviews of the implementation of all the policies, procedures, strategies and guidelines of the Bank including related to sustainability matters.

The Role of Board of Directors (BoD) in Sustainability

The Board of Directors (BoD) is at the forefront of ESG governance, serving as the highest forum overseeing all matters related to environmental, social, and governance (ESG) sustainability. The following sustainability related matters are part of the overall

responsibilities of the BoD:

- Observing governance and oversight of sustainability risks & opportunities and integration of environmental, social & governance (ESG) principles and diversity, equity & inclusion (DE&I) practices into corporate strategies.
- Ensuring compliance with relevant laws about sustainability, ESG, DE&I and its appropriate disclosures.
- Defining and implementing long-term sustainability strategies and targets to increase corporate value.
- Ensuring execution of policies that encourage gender equality, diversity and active female participation across the Board, Management and workforce.
- Addressing sustainability-related risks and opportunities, including climate change, in business decisions.
- Establishing a dedicated Committee or assigning responsibilities to an existing Committee having at least one female director to focus on sustainability risks & opportunities and encourage diversity.
- Ensuring that sustainability and DE&I-related strategies, priorities and targets, as well as performance against these targets, are periodically reviewed and monitored.
- Reviewing the report, at least once a year, on embedding sustainability principles into the Bank's strategy and operations to increase corporate value.

The Role of Board Risk Management Committee (BRMC)

The BoD has assigned the Board Risk Management Committee (BRMC) with the responsibility to oversee as the Sustainability Committee of the Board for governance and oversight of sustainability related risks/ initiatives/ strategy and opportunities of the

Bank. Moreover, BRMC also reviews and recommends to the Board of Directors annual report on embedding sustainability principles into the Bank’s strategy and operations to increase corporate value.

BRMC apprises the Board of its activities and achievements by submitting the minutes of their meetings regularly; as well as its performance reports annually.

The Role of Bank’s Management Committees

Management Committee (MANCO)

Management Committee (MANCO) oversees the implementation of the sustainability activities of the Bank.

MANCO is a committee consisting of ABL’s Chiefs of all the functions and headed by the CEO. MANCO is mandated to provide strategic direction, prioritize and monitor key initiatives and major projects and declare any project as a Major Project within policy. In addition, MANCO makes recommendations to the Board of Directors and/or Board Committees on infrastructure and resource requirements for key initiatives, major projects and on Bank-wide cyber security strategy. The Committee reviews the Bank’s Corporate Social Responsibility (CSR) Policy and its Budgeted Plan and activities periodically and submit its annual report to the Board of Directors. MANCO is also tasked with creating gender perspective in the Bank through inclusion of same in relevant documentation & overseeing its implementation on a Bank-wide basis, and reviewing and monitoring the Sustainability (Environmental, Social, and Governance- ESG) related initiatives of the Bank through the Sustainability Committee.

Sustainability Committee

A Sustainability Committee has been established by the Management Committee (MANCO) of the ABL. The Sustainability Committee, a cross functional team, is

comprised of ABL’s Chiefs of Risk Management, Human Resources, Corporate and Investment Banking, General Services & Real Estate, Finance, Banking Services, and Corporate Affairs groups. The Chief Sustainability Officer (CSO) of the Bank is also member of the committee. Sustainability Committee is tasked to:

1. Oversee and ensure that all the activities related to sustainability as per the Bank’s Environment, Social and Governance (ESG) framework are being implemented.
2. Monitor and guide the Sustainability Department of the Bank for implementing the Bank’s Sustainability Framework and Strategic Plan (SF&SP) and make recommendations to MANCO and BRMC on improving the SF&SP to achieve overall sustainability of the Bank.
3. Monitor and ensure compliance of sustainability related regulations, standards and applicable laws.
4. Ensure coordination of various functions/ departments of the Bank for collection of information and data and form need-based cross functional working groups to implement ESG-related initiatives in the Bank and monitor progress of the same.
5. Ensure training for updating the skills of the Bank’s personnel and awareness of its stakeholders in understanding the latest trends in sustainability.
6. Oversee and recommend the sustainability reports and disclosures, ensuring accuracy, materiality, and alignment with regulatory frameworks.

Risk Management Committee (RMC)

The RMC, a management committee chaired by the Chief Risk Officer (CRO), provides comprehensive oversight of risk across the Bank’s activities, ensuring that risk exposures for all types of risks remain within the overall

risk acceptance criteria. The committee also oversees and monitors the performance of the Bank’s credit portfolio, offering guidance through modified credit strategies. The RMC reviews and recommends the approval of risk-related policy documents to the Board Risk Management Committee, including the Risk Scorecard and methodology. It acts on any escalations related to breaches or exceptions to the risks, ensuring that risk management remains a priority in the Bank’s operations. RMC also reviews and monitors the Environmental and Social Risk of the Bank’s credit portfolio.

The RMC keeps the CEO and Board informed with regular updates on all risk-related issues, including both financial and non-financial risks. Additionally, the RMC ensures that risks are transparently and accurately reported to stakeholders through continuous monitoring and reporting.

Role of the Sustainability Department

ABL’s Green Banking Office (GBO) was established in 2018 to oversee the implementation of the Green Banking Policy. A dedicated Green Banking Team has been appointed in the GBO. This dedicated team is part of the Technical Appraisal Group at the Bank, which holds a unique position in Pakistan’s Banking industry. The Technical Appraisal Group is a team of industry experts and engineers from various fields, including environmental specialists. The team regularly conducts site visits to the facilities of borrowers in the Bank’s portfolio to evaluate their environmental and social risks.

Recently, the Bank has established a Sustainability Department, a dedicated team, headed by the Chief Sustainability Officer (CSO), for managing various aspects of sustainability. The sustainability department plays a crucial role in institutionalizing the sustainability agenda and integrating sustainability across the Bank. The

Sustainability Department is responsible for outlining the ESG strategies and policies, ensuring effective governance through monitoring of the regulations and providing periodic updates to the management and the Board. Updates and developments to the sustainability related strategies and policies are proposed by the Sustainability Department, in collaboration with other departments, and are submitted by the CSO to management and ultimately approved by the Board.

The sustainability department is responsible to implement the ESG strategy, monitoring sustainability and climate-related risks and opportunities that affect the Bank, including regulatory changes. The department is also responsible for the day-to-day collation, monitoring and tracking of the Bank’s sustainability-related targets and metrics, including Scope 1, Scope 2 and Scope 3 emissions. The department ensures that reporting requirements are met in line with global frameworks, while adhering to local reporting guidelines, and relevant updates are shared with rating agencies.



Beyond Corporate Governance

Compliance

ABL is committed to following regulatory requirements, codes of conduct, and best practices to promote sustainability. The Bank ensures compliance with all laws, rules, regulations, and standards pertaining to the prevention of Money Laundering, Financing of Terrorism & Proliferation Financing, including adherence to Customer Due Diligence (CDD) procedures, Prudential Regulations of the State Bank of Pakistan, relevant SECP regulations, the Code of Corporate Governance, sanctions imposed by the United Nations Security Council (UNSC), and other applicable local and international regulatory directives, as well as ethical standards for the code of conduct.

The Compliance policy of the Bank provides broad guidelines regarding the Bank's overall approach to Compliance Risk (including Shariah non-compliance), Customer Due Diligence/Anti-Money Laundering/ Countering the Financing of Terrorism/ Countering Proliferation Financing/Trade-Based Money Laundering (CDD/AML/CFT/CPF/TBML), Internal Controls, and international compliance. The policy defines the roles and responsibilities of the Board of Directors (BoD) and management pertaining to compliance risk management.

The Bank's compliance risk strategy is to identify, assess, monitor, and mitigate compliance risks. The risk appetite for non-compliance with legal and regulatory requirements is zero.

Policy Commitments

The Bank has established well-defined procedures for the development, review, and approval of its policies and procedures related

to responsible business conduct.

These documents are formally reviewed and approved by relevant management committees and, where required, by the Board of Directors. Once approved, the dissemination and implementation responsibilities are clearly assigned across the organization.

The Bank integrates its responsible business conduct commitments into its strategic planning processes and operational frameworks. This includes embedding ethical conduct, compliance with applicable laws, human rights, anti-corruption, environmental sustainability, and social responsibility into key policy documents. The Bank's policies/ documents regarding sustainable conduct, approved by BoD include; Corporate Governance Framework, Green Banking Policy, Whistle Blowing Policy, Compliance Policy, Human Resource Policy, Anti-Harassment Policy, Gender Mainstreaming, Policy, Policy for Persons with different abilities (PWDs), Corporate Social Responsibility (CSR) Policy, Information Security Policy, Procurement Policy, Service Quality Policy, Policy on Sale/ Distribution of Third- Party Products, Financial Consumer Protection Framework, etc.

Operational procedures and day-to-day business processes are aligned to reflect these commitments. Responsibility for implementing policy commitments is allocated according to the structure and nature of the respective departments. Senior management ensures strategic alignment, while middle management is responsible for operationalizing these commitments within their functions. Specific roles and responsibilities are defined in internal documents to ensure accountability at each

level. Relevant groups have well defined responsibilities for monitoring and enforcing these commitments.

To promote responsible business conduct throughout its value chain, the Bank includes relevant clauses in agreements with external parties. Service providers, vendors, and third-party partners are informed of the Bank's policy commitments through contractual obligations, including in Service Level Agreements (SLAs). These clauses require adherence to ethical standards, regulatory compliance, and respect for human rights, ensuring that third parties align with the Bank's expectations and values.

The Bank provides regular training to its employees to promote awareness and understanding of its commitments to responsible business conduct. These training programs are tailored to various roles and responsibilities and include onboarding sessions, refresher courses, and targeted training on specific topics such as (CDD/ AML/CFT/CPF/TBML), data privacy, ESG (Environmental, Social, and Governance) principles, and ethical conduct. Additional guidance is also provided to relevant stakeholders, including vendors and service providers, where necessary.

International Compliance

The Bank strongly believes in playing its role in international commitments for transparent financial transactions through implementation of Financial Action Task Force (FATF), Correspondent banking guidelines, the Foreign Account Tax Compliance Act (FATCA), Combating Financing of Terrorist (CFT), the Common Reporting Standards (CRS) Rules and Trade Based Money Laundering (TBML).

The AML/CFT/CPF policy has been prepared in line with the requirements of the AML Act, as well as SBP's AML/CFT/CPF Regulations and AML/CFT Risk-Based Approach Guidelines. The Bank is required to adopt a risk-based approach to prevent the possible use of the Bank as a conduit for money laundering or terrorist financing activities. The policy

includes, among other things, CDD measures, record retention, correspondent Banking, handling wire transfers/fund transfers, detection of unusual/suspicious transactions, and regulatory reporting.

While establishing a relationship with a customer, the Bank has implemented an appropriate identification and verification method for the customer, the existence of an entity, and its beneficial owner(s).

The Bank does not provide any Banking services to any proscribed/designated individual/entity or its associates, such as their beneficial owners, directors, members, trustees, and authorized signatories, or entities owned/controlled directly or indirectly by them.

The Bank has developed and implemented effective systems and controls to prevent the use of its products and services for Money Laundering and Financing of Terrorism/ Proliferation Financing. Monitoring procedures have also been established to mitigate the risk of being exploited as a channel for illegal transactions arising from money laundering, terrorist/proliferation financing, and any other predicate crime activity. The Bank has also implemented automated solutions for name screening against global as well as local sanctions lists including but not limited to the Office of Foreign Assets Control (OFAC) sanction list, United Nations Security Council (UNSC) & National Counter Terrorism Authority (NACTA) lists, European Union (EU) lists, and the US Commerce Department Bureau of Industry & Security (BIS) list, and to comply with Targeted Financial Sanctions under UNSC/ ATA Act's requirements updated from time to time. The Bank has deployed an automated transactional monitoring system (Financial Crime and Compliance Management-FCCM) to detect and mitigate the risk of money laundering and terrorist financing.

The Bank applies Enhanced Due Diligence (EDD) in circumstances where risks are higher, such as business relationships and transactions

involving natural and legal persons from countries listed in the Counter Measures for High-Risk Jurisdictions Rules, 2020 (updated as per the Bank's list), Politically Exposed Persons (PEPs), and their close associates and family members. EDD measures, including necessary approvals from senior management as prescribed by regulatory guidelines, are implemented for these types of transactions. For High- Risk transactions, the same EDD approach is adopted, and such transactions require approval from senior management.

The Bank conducts thorough due diligence to verify the legitimate purpose of Clubs, Societies, NGOs/NPOs, Charities, and Trust accounts. This includes identifying and verifying their constitutional documents. The Bank also takes reasonable precautions to verify the identity of trustees, sponsors, beneficial owners (including those settling assets into the trust), guarantors, protectors, and signatories.

To identify beneficial owners, the Bank conducts due diligence to unwrap both natural and unnatural persons.

Internal Control Policy

The Bank has a well-defined "Internal Controls Policy", a part of an overall Compliance Policy and it is derived from the Internal Controls Framework adopted by the Bank. This policy covers all requirements of the regulators with respect to establishment of an effective & efficient control environment within the Bank.

Process to remediate negative impacts (Grievance/Complaint Handling)

The Bank is committed to addressing any negative impacts it may have caused or contributed to by providing or cooperating in appropriate remediation processes. The

Bank takes responsibility seriously and ensures timely action to remediate adverse impacts, whether they arise internally or through its business relationships. These commitments are

clearly documented in the Banks responsible conduct related policies.

The Bank has established multiple grievance mechanisms to identify and address concerns effectively. These include:

- Employee Grievance Mechanism: A formal process allowing employees to raise workplace-related issues confidentially and without fear of retaliation.
- Whistle Blowing Mechanism: A secure and anonymous channel for employees and stakeholders to report unethical behavior, fraud, or misconduct.
<https://www.abl.com/the-Bank/corporate-whistle-blowing-policy/>
- Customer Complaint and Grievance Handling Mechanism: Dedicated channels for customers to raise concerns related to products or services, ensuring prompt investigation and resolution.
<https://www.abl.com/help-and-support/complaint-feedback-lodgement-process/>

These mechanisms are designed to be accessible, transparent, and fair, ensuring that grievances are managed efficiently and constructively.

In addition to formal grievance mechanisms, the Bank engages in proactive monitoring and assessment processes to identify potential negative impacts early. When such impacts are identified, the Bank collaborates with affected stakeholders to implement corrective actions. This may include revising internal controls, providing compensation or support to affected parties, and enhancing operational practices to prevent recurrence.

The Bank actively involves relevant stakeholders in the design, periodic review, and improvement of grievance mechanisms. Feedback is gathered through surveys, stakeholder consultations to ensure these mechanisms remain effective, accessible, and responsive to users' needs. This participatory approach strengthens trust and continuous improvement.

The Bank monitors the performance of its grievance and remediation processes through key indicators such as the number of grievances received, resolution times, and recurrence of issues to assess effectiveness and drive improvements.

Compliance with Laws and Regulations

The Bank is committed to full compliance with all applicable laws and regulations and maintains robust internal controls and governance frameworks to prevent and address any instances of non-compliance. However, detailed information regarding specific instances of non-compliance, including the number of occurrences, fines, sanctions, and related monetary values, is treated as confidential and sensitive. The Bank regularly reports compliance matters to relevant regulatory authorities as required and ensures appropriate corrective actions are taken internally. The Bank remain committed to transparency with stakeholders within the bounds of confidentiality and applicable regulations, and continuously strive to uphold the highest standards of legal and ethical conduct. General Penalties related to amount disclosure is part of the Bank's Annual Report (www.abl.com/investor-relations/financials/financial-reports/).

Whistle Blowing Policy

Whistle Blowing is a powerful modern management tool for preventing and detecting potential fraud and other unethical practices by employees, customers, or third parties. It encourages employees to report their suspicions and reasonable concerns about malicious activities to management without fear of retaliation or prejudice.

ABL has developed a Corporate Whistle Blowing Policy of the Bank which is available on ABL's Corporate Website. The main objectives of the policy are to strengthen the culture of transparency and trust in the Bank by encouraging all the employees, vendors,

service providers and concerned to blow whistle where they may genuinely know or suspect any immoral, unethical, fraudulent act of any current or former employees, vendors, contractors, service providers and customers which may have potential to cause financial or reputational risk or loss to the Bank.

The Corporate Whistle Blowing Policy of ABL is designed to provide a secure platform for whistleblowers to voice their concerns to a designated authority about any suspicious or undesirable activities that violate ABL's policies or could negatively impact the Bank's business, reputation, or the broader society. The policy ensures that whistleblowers can report such cases without fear of retribution, including concerns about job loss, discrimination, victimization, or harassment.

Multiple channels are established for Whistle Blowing that can be opted for:

1. A dedicated e-mail address for Whistle Blowing (whistle.blowing@abl.com) accessible by the Chairman-Audit Committee of the Board (ACOB).
2. Whistle blowing form available on the Bank's corporate website at <https://www.abl.com/the-Bank/corporate-whistle-blowing-policy/blow-the-whistle>
3. Complaints/concerns through Post / Courier, addressed to Chairman ACOB, Allied Bank Limited, Head Office, 3-4 Tipu Block, New Garden Town, Lahore, Pakistan.

Code of Ethics

ABL's Code of Ethics outlines the behavioral standards expected of all employees in fulfilling their professional obligations and duties. The Code is designed to promote conduct aligned with the Bank's Core Values: Integrity, Excellence in Service, High Performance, and Innovation and Growth. It covers various aspects of employee conduct, including adherence to the law and compliance, addressing fraud, theft, or illegal activities, whistleblowing, fair dealing, fiduciary

duty, acceptance of gifts and other benefits, insider trading, anti-money laundering (AML) and combating the financing of terrorism (CFT), as well as prohibitions on gambling and betting among market participants.

Digital Transformation

Digital technologies of the modern era have revolutionized business operations across all sectors, including Banking. Digital transformation is crucial for expanding access to Banking services for underserved populations while strengthening business resilience during disruptions and supporting sustainability goals. By leveraging these technologies, bank operations have become more sustainable than traditional methods, offering enhanced availability, accessibility, reach, speed, and agility. This shift significantly reduces paper consumption and minimizes travel, thereby lowering the environmental impact in terms of carbon footprint. Allied Bank is dedicated to transforming Banking by providing tailored solutions that address contemporary needs and challenges.

This commitment underscores the Bank's focus on technology and customer-centricity, ensuring seamless, accessible, and secure Banking experiences.

The Bank has strategically integrated technological advancements including Artificial Intelligence (AI), Generative AI, and Blockchain, to enhance operational efficiency, improve customer experience, strengthen information security, optimize decision-making, and promote financial inclusion.

FY 2024 has been a significant milestone in Allied Bank's digital transformation journey, with a continued emphasis on delivering a seamless, secure, and user-friendly digital Banking experience for its customers.

Recognizing AI's transformative potential, Allied Bank has developed a Large Language Model (LLM) using the OpenAI

ChatGPT platform. By integrating Retrieval Augmented Generation (RAG), the Bank enabled Generative AI solutions for various applications. The Bank has introduced an AI-powered chatbot, ABL Assistant which provides precise, up-to-date information by referencing the Bank's instruction circulars, HR policies, procedure manuals, and related documents generating responses automatically without human intervention.

Understanding compliance's critical role, the Bank has developed an AI-driven Compliance Model. This tool enables employees to access compliance related information by leveraging training on regulatory documents, circulars, policies, procedures, and guidelines from the SBP and other regulatory bodies, strengthening Bank's overall compliance framework.

As part of "Data Strategy," the Bank has initiated customer data collection and analysis from its data lake using Big Data technologies. The Bank prioritized "Customer Segmentation" to classify customers into distinct personas based on demographics, behaviors, and psychographics, enhancing personalization and delivering more tailored banking experiences.

myABL

This year, myABL platform reached a significant milestone, with over 2 million registrations, marking a 28% year-on-year growth. The introduction of features like Virtual Debit Cards and RAAST Person to Merchant (P2M) QR payments has enriched the digital Banking experience for users. The redesigned myABL User Interface has improved accessibility and security with enhancements like biometric

verification, device binding, and auto-fetch OTP. These innovations led to improved app ratings, 4.6 on Android and 4.5 on Apple Store, reflecting the Bank's commitment to customer-centric solutions.

Allied Bank also launched the myABL Coins Enterprise Loyalty Program, enabling debit and credit card customers to earn and

redeem points, further enhancing customer engagement and loyalty.

WhatsApp Banking

The Bank's WhatsApp Banking service continued its remarkable growth, registering 1.6 million users, a 67% increase over the previous year. Enhanced features such as utility bill payments, cheque status inquiry, and account maintenance certificates made everyday Banking more accessible. The introduction of a new interface with improved navigation, buttons, and emoji-based interactions further elevated the user experience. Allied Bank also strengthened its presence on social media, achieving a 63% growth in followers, with the total count surpassing 3.6 million.

Point-of-Sale (POS) Acquiring Business

In its inaugural year, Allied Bank's Merchant Acquiring Business deployed over 3,000 POS machines, facilitating over 2 million transactions with a total volume of Rs. 14 billion.

RAAST Payment System

Allied Bank's strategic growth has been significantly fueled by its active participation in expanding the RAAST payment system. With 23 million transactions worth Rs. 1.2 trillion, highlights Allied Bank's pivotal role in transforming the digital payments ecosystem in Pakistan.

Enterprise CRM (Customer 360)

Allied Bank has completed its transition from Unison to Oracle Siebel CRM, enhancing the management of complaints, sales leads, and service requests at contact centers and branches.

Over 1,000 customer segments have been implemented based on digital footprints, demographics, and behavioral data, allowing the Bank to deliver highly personalized and targeted engagement with customers. With the

introduction of Customer 360 views for both retail and business customers, the Bank now leverages analytical insights based on customer digital behavior. This data-driven approach empowers frontline staff to provide customer-centric, tailored services and supports informed decision-making.

Automated features, such as the locking of financial claims, fraud prevention mechanisms, and the one-click blocking of digital and non-digital channels, have enhanced customer security and streamlined operational efficiency. The integration of the complaint management process with key applications and touchpoints has improved TAT and customer service by enabling predefined workflows and a more efficient complaint resolution process.

The Bank's efforts in transforming customer relationship management were recognized with the Pakistan Digital Award 2024 for Best CRM, acknowledging the significant improvements in operational efficiency and customer service.

Cash Recycler

ABL has implemented cash recycling machines as part of its sustainability framework, revolutionizing banking operations and reducing the environmental impact. These innovative machines streamline cash transactions by minimizing the need for physical currency transportation. By optimizing cash handling processes, the Bank enhances operational efficiency and reduce operational costs, contributing to a more sustainable banking environment.

The Bank also introduced third party cash deposit functionality via Cash Recycler and Deposit Machines, enabling non-Allied Bank customers to deposit cash into Allied Bank accounts.

Allied Contact Center

Allied Contact Center has evolved to offer improved customer service capabilities. The Bank now registers complaints through chat and social media channels, ensuring efficient resolution and a better customer experience.

ABL's Interactive Voice Recording (IVR) system has been enhanced with features like Temporary Debit and Credit Card Blocking and Account Debit Block, empowering customers with self-service options. Additionally, the newly introduced callback and Web callback features provide flexibility for customers who prefer immediate or scheduled callbacks, enhancing service accessibility.

Allied Contact Center also made a significant contribution in the revenue of the Bank through sales campaigns of Allied Visa Premium Debit Card and Allied Visa Platinum Debit Card.

Allied Contact Center also launched callback facility through multiple channels for customers.

These advancements have contributed to a service level exceeding 92%, demonstrating Bank's commitment to efficient call center operations and higher service standards, resulting in enhanced customer satisfaction

Digital Branches

ABL has successfully established 18 digital branches by 2024 and has ambitious plans to launch Digital Lounges in major shopping malls across Lahore, Karachi, and Islamabad. These innovative branches and lounges are equipped with state-of-the-art digital facilities, including Cash Recycling Machines, Cash and Cheque Deposit Machines, Self-Service Kiosks, Metaverse experiences, and Instant Debit Card Printers. By offering customers efficient, queue-free transactions and 24/7 access to technology, these digital touchpoints demonstrate ABL's commitment to modernizing Banking services and providing a seamless customer experience.

Digital Freelancer Account

ABL introduced the "Digital Freelancer Account" and "Foreign Currency Debit Card" for Export Retention Accounts at a session organized by the Ministry of Information Technology (MoIT), Pakistan Software Houses Association (P@SHA), the State Bank of Pakistan (SBP), and the Pakistan Software Export Board (PSEB).

Payday Advance Salary

ABL extended its "Payday Advance Salary" loan program to over 132 companies, during the year ended December 2024. This demonstrates ABL's commitment to helping individuals manage their financial needs effectively.

ABL Foreign Currency Visa Debit Card

Allied Bank has launched the ABL Foreign Currency Visa Debit Card for Roshan Digital Account (RDA) and Foreign Currency (GBP & Euro) Account holders, empowering them to make global transactions, including fund withdrawals, bill payments, and online shopping.

The Bank has also introduced a dedicated Foreign Currency Debit Card specifically designed for IT Exporters and Freelancers, demonstrating its commitment to supporting policies and initiatives that drive the growth and success of Pakistan's IT industry. These innovative products provide Bank's customers with convenient and flexible options for managing their foreign currency transactions.

Image-Based Clearing

ABL has successfully implemented the State Bank of Pakistan's Image-Based Clearing System (IBCS), which streamlines payment processing by using images provided by the National Institutional Facilitation Technologies (NIFT) instead of physical articles. This innovative approach enables more efficient and timely transaction handling while maintaining accurate records.

To optimize operations, the Bank has centralized the Inward Clearing of all NIFT-dealing branches, replacing the second hard copy of NIFT scrolls with a digital copy. Additionally, the Bank has implemented SMS and email notifications to inform customers about returned cheques.

By adopting IBCS services, ABL is contributing to a more sustainable Banking environment by minimizing paper usage, reducing the need for physical documents, and helping to conserve trees.

Electronic Queue

ABL has integrated electronic queue management systems into its sustainability framework to optimize branch operations and minimize environmental impact. By streamlining the queuing process, the Bank reduces customer wait times and enhance service efficiency.

The digitization of queuing processes has significantly reduced paper usage, contributing to Bank's efforts to conserve resources. This sustainable approach aligns with ABL's commitment to environmental stewardship, promoting eco-friendly practices while improving the overall customer experience in its branches.

UV Cured Graphic Printing Technology

ABL has invested in state-of-the-art Card Production Machines equipped with UV Cured Graphic Printing Technology, further modernizing its existing equipment. This advanced technology offers numerous benefits, including a longer print life of 5-7 years, a wider range of personalization colors, flexible card design options, expanded branding space, and a 30% faster printing speed compared to traditional embossing methods.

In 2024, the Bank achieved a significant milestone by producing and dispatching over 805,000 Debit Cards, demonstrating its commitment to efficient card production and meeting the growing demand for its products.

Advanced ATM Monitoring Solution

The Bank has implemented the advanced Dynamic View ATM Monitoring Solution for its Diebold Nixdorf (DN) ATMs. This solution offers customizable dashboards, detailed component-level monitoring, comprehensive inventory management, real-time Electronic Journal (EJ) access, enhanced command and log tracking, efficient incident management, and robust alert management capabilities.

The Bank took another step towards paperless banking by replacing the use of paper-based journal rolls in the selected ATMs with Electronic Journals which has eliminated the usage of these rolls. This reflects the Bank's unwavering commitment and continuous efforts towards inculcating a green culture

Talking ATM

The Bank has achieved a significant milestone in fostering inclusivity by successfully implementing the Talking ATM feature in selected ATMs, specifically designed to assist visually impaired customers.

ATM Biometric Facility

ABL has introduced a Biometric ATM service, enabling customers to perform ATM transactions without the need for a debit card. By using biometric authentication, customers can conveniently access the full range of services offered through Bank's ATM network.

ATM Uptime

ABL places a high priority on ensuring the uptime of its ATM network. To enhance ATM service availability and increase customer footfall, the Bank implemented 24/7 ATM Monitoring Unit shift operations.

Through these efforts, Allied Bank has consistently maintained an average ATM uptime exceeding 96% over the past five years, solidifying its position as a leading acquirer in the ATM industry.



By providing reliable ATM services, the Bank encourages customers to adopt digital transactions, reducing their reliance on physical branches and minimizing paper-based transactions. This contributes to Bank’s sustainability goals and reduces its environmental impact.

Biometric verification through myABL

The Bank has introduced a convenient and secure touchless biometric verification service through the myABL app. This streamlined registration process eliminates the need for physical touch and enhances security, providing customers with a seamless banking experience.

Sprinklr

Allied Bank has pioneered the use of Sprinklr in Pakistan, becoming the first bank to adopt this comprehensive social media management platform. By unifying its digital communication channels, including Facebook, Instagram, Twitter, YouTube, and LinkedIn, the Bank has enhanced its ability to interact with customers, engage in meaningful conversations, and gather valuable feedback.

Sprinklr’s sophisticated AI-driven software empowers Bank to transform its social media and digital customer interactions, providing valuable insights into customer behaviors and

preferences. This technology enables the Bank to deliver more personalized and effective experiences, strengthening Bank’s relationship with customers in the digital age.

dEngage

To execute a cohesive campaign management strategy, ABL has integrated dEngage, a powerful customer- driven solution. This tool enables the Bank to effectively manage diverse communication channels, including email, SMS, web push, and app push.

By leveraging data-driven insights into customer behavior, dEngage empowers the Bank to create personalized and targeted campaigns, enhancing customer engagement and identifying opportunities for cross-selling and up-selling. This technology plays a crucial role in optimizing Bank’s marketing efforts and driving customer satisfaction

Robo Call

ABL’s Automated Robocall Facility is a convenient and efficient communication tool that allows it to promptly disseminate important information to its customers. By streamlining communication, the Bank enhances banking efficiency while prioritizing customer privacy and regulatory compliance

Digital Transaction Attributes

ATM Up Time	96%
Digital to Counter Transaction Ratio	85:15
Number of ATM acquired transactions	91 million
myABL Business Registered Users	4100
myABL number of Transactions	83 million+
Accounts Opened through Self Service Channels	92,061
Number of Debit Cards Issued during the year	805,000+
Total Cards in Circulation	3.5 million +
myABL Personal Registered Users	2.1 Million+
Customer Complaint Resolution	97%
Website Visits	9.3 Million+
Social Media Fan/ Followers	3.6 Million+

IT Governance, Data Privacy & Protection and Cyber Security

The purpose of IT Governance is to ensure the safety of the Bank’s information assets and technological infrastructure from internal and external threats, including cyber security risks. Information Security (InfoSec) is the practice of preventing unauthorized access, use, disclosure, disruption, modification, inspection, recording, or destruction of information.

The technology framework of the Bank is governed by the SBP guidelines contained in the Enterprise Technology Governance & Risk Management Framework for Financial Institutions.

Information Security programs are built around three objectives - Confidentiality, Integrity, and Availability of Information (known as CIA). The Bank undertook Information Security Risk Management Program to revamp its Information Security Governance structure with international standards and industry best practices.

The Bank’s Information Security Policy provides detailed guidelines on the use of various technology mediums and covers:

- Cyber security awareness and training
- Audit and accountability
- System configuration management
- Identification, authentication, and access management
- Information security incident management & incident response
- System maintenance
- Information and data protection
- Risk Management
- Security Assessment
- Information Systems and Communications

- Cryptographic controls
- Information integrity
- IT asset management
- System acquisition development & maintenance
- Information security policy for outsourcing
- Business Continuity and Disaster Recovery

Consumer Data Protection

Consumer Data Protection serves as a vital pillar of the Bank’s commitment to ethical business practices.

Practices and long-term sustainability. The Bank recognizes the profound responsibility of safeguarding consumer data, not only as a legal obligation but also as a fundamental aspect of maintaining trust and integrity.

Through strong data protection measures, including encryption, access controls, and regular audits, the Bank ensures the confidentiality, integrity, and availability of consumer information.

In this digital era, customer information is more vulnerable than ever before. Cognizant of this fact, the Bank has continued its efforts to safeguard data and information technology assets, including compliance with the Payment Card Industry Data Security Standard (PCI DSS) and the Customer Security Program (CSP) by SWIFT.

The Bank conducts assessment exercises, including Vulnerability Assessment (VA) and Penetration Testing (PT), to ensure a controlled environment for customers’ related information.

In 2024, no complaints were reported concerning breaches of customer privacy and losses of customer data.

Information Security Awareness Campaign

Cyber security risks are continuously evolving due to the financial sector’s constant focus on

digitalization. The ever-evolving cyber risks require continuous education and training of relevant stakeholders, especially employees and customers, to address these risks.

Initiatives of the Bank include:

- Monthly “Security News Bulletin” for employees
- Training programs for employees
- SMS alerts to customers on the security of confidential information
- Social media campaigns for the general public on security awareness

Independent Comprehensive Security Assessment

The Bank undertakes independent third-party cyber security risk assessments to protect its information and information systems from cyber threats. The purpose of these assessments is to identify, assess, and prioritize risks by engaging external consultants with substantial experience in Information Security Assessment and Penetration Testing. The Bank’s policy on independent security assessments is as follows:

- For the cardholder data environment, quarterly external network vulnerability scans are performed by an Approved Scanning Vendor (ASV) qualified by the Payment Card Industry (PCI) Data Security Standard (DSS)
- The Bank arranges third-party penetration testing once a year or upon any significant change in infrastructure

Shariah Governance

Acknowledging the significance of Shariah Governance, the Bank has established a Shariah Board (SB) composed of three esteemed Shariah scholars. The SB is entrusted with the authority to deliberate on, decide, and oversee all Shariah-related matters within the Bank. The decisions and rulings of the SB are binding on ABL.

The appointment of members of the Shariah Board is approved by the Board of Directors, of the Bank, upon recommendation of the Human Resource and Remuneration Committee. The appointment is subject to prior clearance by the State Bank of Pakistan and pursuant to Fit and Proper Criteria (FAPC) and regulation of State Bank of Pakistan.

The primary function of the Shariah Board (SB) is to supervise and advise the Bank’s management on all Shariah-related matters and to develop a comprehensive Shariah compliance framework. The SB is responsible for approving all Islamic Banking policies, procedures, products, services, and related agreements and contracts, ensuring they align with Shariah rules and principles.

The Shariah Board (SB) is responsible for reviewing internal Shariah audit reports, external Shariah audits, State Bank of Pakistan Shariah inspections, and Shariah compliance reviews, and for prescribing appropriate remedial measures. The SB meets at least quarterly and also convenes with the Board of Directors at least semi-annually. To ensure an independent and objective assessment of ABL’s Shariah governance and compliance with Shariah rules and principles, an external review/audit is also conducted.

Based on the findings from internal and external Shariah audits and compliance reviews, the SB prepares a comprehensive report on ABL’s Shariah compliance environment. This report is presented at the BoD meeting for discussion and is subsequently published in the Bank’s annual report.

Pool Management

Allied Bank Limited – Islamic Banking manages general and specific pools for depositors on a Mudarabah basis, while maintaining Financial Institution pools for inter Bank funds on a Musharakah or Mudarabah basis.

- General Pool for Local Currency Depositors (Mudarabah)

- General Pool for Foreign Currency Depositors (USD, GBP, EUR) (Mudarabah)
- Specific Pools (Mudarabah)
- Treasury-Related FI Pools (Mudarabah, Musharakah)
- Islamic Export Reliance Pool (Musharakah)
- Equity Pool (Mudarabah)
- Charity Pool (Mudarabah)

Parameters associated with Risk and Rewards

The risk and reward characteristics of each pool primarily depend on the asset and liability profile of that specific pool.

Risks

- Period, rate of return, security and liquidity of investment
- Risk annexed to investments and financings tagged to pools
- Market volatility risk relates to the current and future volatility of market values of specific assets and of Foreign exchange rates
- Change in deposit base due to early withdrawals of deposits Maturity mismatch of assets and deposits
- Limited avenues for Liquidity deployment, may decline profit earning rates
- SBP rules, guidelines
- Sharia Non-compliance risk

Rewards

- Halal profit earnings that are fully Shariah-compliant
- Profit distribution based on predetermined weightages or Profit Sharing Ratios (PSR)
- Gross profit is shared after deducting direct pool- related expenses, with the Bank covering administrative costs

- Investment risk is mitigated through effective portfolio management
- Transparency is ensured through regulatory oversight and regular audits
- Profit Equalization Reserve (PER) and Investment Risk Reserve (IRR) are utilized to stabilize profits
- Shariah non-compliance risk is mitigated through regular Shariah reviews and audits.

Disclosure of Conflicts of Interest

Employees are required to promptly identify and declare any conflicts of interest, whether actual or potential. This includes any situation that may interfere with an employee’s duty to the Bank or affect their ability to make unbiased and objective recommendations, especially when personal interests could be placed above those of the Bank.

Tax Governance

The Bank’s tax approach is embedded across operations through clear policies, timely regulatory updates, and integration of tax considerations into decision-making. Coordinated efforts with regulators, industry bodies, and advisors ensure responsible tax practices remain central to governance, strategy, and sustainable growth.

The Bank is fully committed to implementing all possible measures to prevent tax evasion within its operations. To support this commitment, the Bank has developed a “Taxation Procedure Manual” aimed at fostering a sustainable tax system. The Bank’s Tax Management Strategy is designed to achieve the following core objectives, achieved through timely communication of legal changes and diligent monitoring of daily activities:

- Strict adherence to tax laws and reporting requirements
- Effectively manage a wide range of tax-

- related risks
- Enhance value by optimizing the Bank’s tax liabilities

The Bank’s tax planning activities are focused on complying with tax laws, managing associated risks, and optimizing tax outcomes, both in day-to-day operations and strategic transactions. For international operations, taxation matters are managed in accordance with the applicable local and international laws, ensuring that all general procedures are consistently applied on a global scale

The Bank’s tax strategy is presented to, and approved by, the Management Committee (MANCO) and it is reviewed after every Three Years.

The Bank is committed to cultivating positive and professional relationships with tax authorities and departments, external tax advisors, and relevant counterparts from other Banks. The Bank also actively engages with the Pakistan Banks Association (PBA) to secure industry-wide support for its position, enabling the amicable resolution of issues and the timely settlement of pending matters with tax authorities.

These engagements are driven by the overarching objective of ensuring complete adherence to applicable tax laws while prudently optimizing the Bank’s tax liabilities.

The Bank’s approach to regulatory compliance in taxation is closely integrated with its business and sustainable development strategies, ensuring that transparent and responsible tax practices align with Environmental, Social, and Governance (ESG) standards. By fostering trust among stakeholders and reducing reputational risk, the Bank enhances its corporate governance framework while enabling strategic tax planning to inform investment decisions, strengthen market presence, and drive long-term value creation. This integrated approach ensures compliance with applicable laws while supporting sustainable growth and the Bank’s

broader strategic objectives.

Tax Risks

The Bank identifies, manages, and monitors tax risks through a structured approach that emphasizes timely and accurate tax filings, adherence to ethical tax planning practices, and the implementation of robust internal controls and documentation. Regular collaboration with experienced tax professionals further strengthens the Bank’s ability to proactively address potential issues, ensuring compliance and safeguarding its reputation.

Compliance with the Tax Governance and Control Framework

Compliance with the Bank’s tax governance and control framework is assessed through structured processes that ensure tax risks are effectively managed and aligned with corporate governance standards. Robust internal audit procedures and rigorous control checks reinforce adherence to the framework.

Mechanisms to Raise Concerns About the Organization’s Business Conduct and Integrity in Relation to Tax

The Bank has established clear mechanisms for raising concerns regarding its business conduct and integrity in relation to taxation. Employees and stakeholders can report suspected breaches of tax laws, policies, or ethical standards through confidential and secure channels, in line with the Bank’s whistleblowing and compliance procedures. All reports are promptly reviewed, investigated, and addressed in accordance with the Bank’s governance framework, ensuring transparency, accountability, and adherence to applicable laws and ethical practices.

Assurance Process for Tax Disclosures

The assurance process for tax disclosures

combines multiple layers of oversight. Internal audits assess the accuracy and completeness of information, while external reviews by independent auditors provide objective validation. Regulatory programs further strengthen assurance through real-time compliance checks, and leadership oversight ensures transparency, accountability, and alignment with the Bank’s governance standards.

The Bank’s published financial statements include all external audit reports and assurance statements, providing stakeholders with independently verified information in accordance with applicable regulatory and reporting standards.

Approach to engagement with Tax authorities

The Bank’s approach to dealing with tax authorities is founded on full compliance with applicable laws, timely return submissions, prompt responses to notices, and open, constructive engagement with the authorities. Tax risks are proactively managed by a dedicated team through strong internal controls and strict adherence to ethical practices, fostering transparency, accountability, and a cooperative relationship with tax authorities.

Country-by-Country Tax Reporting

Component	Response
Tax Jurisdictions	Pakistan
Entity Names	Allied Bank Limited
Main Activities	Banking Services
Number of Employees	13,275
Revenue (Third-Party)	N/A
Revenue (Intra-group).	N/A
Profit or Loss Before Tax	Rs. 87,928,162,000
Tangible Assets	Rs. 127,260,862,000
Corporate Income Tax Paid	Rs. 55,508,732,000
Corporate Income Tax Accrued	Rs. 45,450,610,000
Reconciliation Explanation	N/A
Time Period	31-Dec-24
Reconciliation Confirmation	N/A
Accrued Tax Note	Note 33 (page 264) of Annual Report 2024
Stateless Entity Disclosure	N/A

Approach to Public Policy Advocacy on Tax

The Bank approaches public policy advocacy on tax with transparency, integrity, and strict adherence to laws. It engages constructively with policymakers, regulators, and industry bodies such as the Pakistan Banks’ Association (PBA) to promote fair, sustainable tax policies that balance revenue generation with business growth, ensuring all advocacy efforts are ethical and aligned with its governance framework.

Processes for Collecting and Considering the Views and Concerns of Stakeholders including External Stakeholders

The Bank gathers and considers stakeholder views through regular meetings, industry forums, consultations, and feedback channels. Engagement with external stakeholders, including regulators, industry bodies, and tax advisors, ensures that diverse perspectives are incorporated into decision-making, supporting informed policies and strengthening trust and transparency.



AlliedBank

آپ کے دل میں بھارا اکاؤنٹ

LET'S CLEAN
K2 for
FUTURE GENERATIONS!



www.abl.com

Ethical Sourcing and Procurement

The objective of the Procurement Policy is to ensure that all goods, general services, IT-related hardware, software, and professional services are procured effectively, efficiently, and transparently, with a focus on cost-effectiveness. This approach considers regulatory requirements and aligns with the Bank’s strategic objectives to optimize the use of resources.

The procurement process is designed to be open, fair, and non-discriminatory, providing equal opportunities and treatment for all bidders, consultants, vendors, and suppliers. It establishes clear rights and obligations between the Bank and its suppliers, contractors, and consultants.

Procurement activities are conducted with the utmost transparency and merit, ensuring that all relevant information is made available to interested parties for appropriate scrutiny. Transparency is a key element in achieving successful procurement outcomes.

De-Listing and Blacklisting

Suppliers, consultants, contractors, or vendors may be de-listed or blacklisted for various reasons, including:

- Being blacklisted by any relevant business area registration authority
- Involvement in immoral or unethical practices.
- Engagement in fraudulent activities or corrupt practices during the execution of orders.
- Being identified as a proscribed entity during the regular screening process

The Bank avoids engaging with suppliers, consultants, contractors, or vendors who are found to be non-compliant with legal, tax, employment, environmental, health and safety, or human rights obligations. The Bank’s

suppliers are not at risk for Child Labor and forced/compulsory labor as Child labor and forced/compulsory labor is not allowed by the Bank in any capacity.

The Bank encourages diversification of business among local, national, and international consultants, contractors, vendors, and suppliers. This supports balanced wealth generation and equal opportunities while safeguarding the Bank’s interests. New suppliers are regularly added after fulfilling all required formalities, including compliance with AML/CFT/CPF regulations, policies on proscribed entities, and outsourcing policies where applicable. In 2024, the 99% of procurement budget, used for significant locations of operation, is spent on local suppliers.

Allied Bank Limited (ABL) is in the process of developing a comprehensive Sustainable Procurement Policy and a Supplier Code of Conduct. These initiatives aim to promote ethical business practices, ensure fair labor standards—including the strict prohibition of child and forced labor. This policy will also ensure that health and safety measures for all workers are upheld. Additionally, ABL is committed to advancing environmental stewardship and social responsibility across its supply chain, ensuring that all vendor relationships align with the Bank’s values of integrity, transparency, and sustainability.

Sustainable Construction Initiatives

ABL is committed to sustainable construction practices in developing its infrastructure. By integrating green building standards and eco-friendly materials, The Bank aims to minimize its environmental impact, enhance energy efficiency, and create healthier spaces for its employees and customers. The Bank’s commitment to sustainable design reflects its dedication to corporate social responsibility and long-term sustainability.

ABL is proud to announce the construction

of a new state-of-the-art high-rise building in Upper Mall, Lahore. This landmark project exemplifies Bank’s commitment to sustainable development and features cutting-edge green technologies and eco-friendly materials. Designed to achieve Leadership in Energy and Environmental Design (LEED) certification, the building will set a new standard for energy efficiency and environmental performance in Pakistan. Upon completion, this structure will serve as a testament to ABL’s dedication to innovation, sustainability, and providing a world-class Banking environment for its clients and employees.

The Bank achieved the EDGE Certification, an innovation of International Finance Corporation (a member of the World Bank Group), for its newly built Management Development Center Lahore Building, which exemplifies the achievements in reducing energy use, water use and embodied carbon in materials in the building. These sustainability strategies that are integrated into the building design were verified by an EDGE Auditor and certified by Green Business Certification Inc.

Sustainable Marketing Practices

All media and public communication activities uphold Allied Bank’s commitment to the ESG principles, including sustainability, inclusion, and transparency. The Bank has developed a robust Media Policy with an objective to establish best practices within the Bank for media and investor relations while minimizing reputational risk associated with the Bank’s interactions with the media and other stakeholders. This policy outlines the protocols for communication through print, electronic, and social media channels.

Allied Bank’s marketing and corporate communication is guided by a responsible policy that complies with all applicable regulations and the State Bank of Pakistan (SBP) standards. The policy clearly defines the roles and responsibilities of each position

involved in managing marketing and corporate communication. A robust approval process ensures that marketing and corporate communication reflects the Bank’s values, maintains content quality, and protects data privacy.

The Bank has implemented a comprehensive crisis management plan and maintains strict oversight of the following aspects of media content:

- Defamatory, malicious, obscene, intimidating, discriminatory, harassing or threatening comments or hate propaganda
- Calls to violence of any kind Activity that violates any law or regulation
- Attempts to target the Bank or the Bank’s services, policies and procedures Content deemed to constitute an unapproved use of any of the Bank’s products or is otherwise false or misleading
- Any potential infringement upon any intellectual property rights, including but not limited to brand names, trade names, logos, copyrights or trade secrets of any person, business or place
- Spreading content posted by fake or anonymous users

Product and Service Information and Labelling

Allied Bank maintains comprehensive policies and procedures for product and service information and labeling to ensure transparency, accuracy, and compliance with applicable regulations and voluntary codes. The Bank acts responsibly during development, preparation, review, and dissemination of marketing communications.

Marketing, product, and service communication materials are developed by the Marketing & Corporate Communications department of the Bank and subsequently approved by the relevant stakeholders, as outlined in the Media Procedural Manual, prior

to release to ensure alignment with approved information and applicable guidelines.

In the reporting period (2024):

- There were no incidents of non-compliance in relation to product or service information and labeling.
- There were no incidents of non-compliance with regulations and/or voluntary codes concerning products.
- There were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.

Anti-Corruption Risk Assessment

The Bank continuously conducts operational risks analysis across the various activities of the Bank. During 2024, the number of operations assessed for risks related to corruption (Internal Fraud) were 220 out of 1077 total operations. A total of 313 significant risks related to corruption were identified and were categorized as follows:

- Cash pocketing by the Teller in the process of receipt and payment of cash.
- Issuance of unauthorized Bank statement / account maintenance certificate/balance confirmation certificate by the Bank staff.
- Removal of Incorrect/ inaccurate lien on Deposit account.
- Misappropriation of cash during replenishment of ATM by the staff.
- Cash withdrawal from Deposit account under lien.
- Pocketing of excess cash by the staff instead of crediting to Sundry Account.
- Cash withdrawal from a blocked/ inactive account.
- Issuance of Term Deposit Certificates to

unauthorized persons

- Introducing fake notes by the staff while pocketing original notes.
- Misappropriation/theft of cash during transit from branch to Cash Feeding Branch.
- Misappropriation of cash received from sale of prize bonds
- Over/ under Payment of Profit on term deposits.
- Deletion of the CCTV footage to remove evidence by the culprit Bank staff.
- Opening of fake Accounts by Bank staff for misuse.
- Issuance or delivery of cheque book to unauthorized person for fraudulent use.
- Misuse of Specimen Signature card by the Bank staff.
- Misappropriation of articles of break opened Locker.
- Misuse of undelivered Debit Cards of account holders by the Bank staff.
- Misuse of customer information by Allied Contact Center Agent.
- Disposal of Motor vehicles to lower bidder by the Bank for personal gain.

Anti-Competitive Behavior

The Bank discourages any type of Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices. In 2024, no legal actions pending or completed regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the Bank has been identified as a participant.

Business Continuity Plan (BCP)

The Business Continuity Plan (BCP) is designed to ensure minimal or no interruption of operations before, during, and after

unexpected events such as natural disasters (floods, storms, cyclones), fires, power outages, IT failures, supply chain disruptions, staff shortages, pandemics, and more.

ABL's BCP Policy provides comprehensive guidelines for developing and implementing the Bank's Business Continuity Plans. The policy outlines specific scenarios and conditions that may trigger the activation of the BCP, along with detailed mitigation strategies, processes, and steps to be followed during disruptions. It also addresses unforeseen or uncontrollable circumstances that could lead to operational disruptions.

The Bank conducts regular Business Continuity Plan (BCP) mock testing to ensure the resilience of critical functions. This involves physically relocating Functional Recovery Teams (FRTs) or shifting workloads to designated alternate locations.

Bad Debt Recovery and Fraud Prevention Policies

The Bank has implemented robust "Bad Debt Recovery" and "Fraud Prevention" policies, which provide strategic direction and standards for the effective management and resolution of classified loans and investments, as well as the early detection and prevention of fraud. The Bank has established an efficient and transparent approval process for recovering from defaulters through legal foreclosure and Alternative Dispute Resolution (ADR) mechanisms, including negotiated settlements, restructuring/rescheduling, equity acquisition, and debt-to-property swaps.

These measures enable the Bank to maximize the recovery and regularization of Non-Performing Loans (NPLs), while also mitigating the impact of distressed assets and preventing undesirable activities.

By adhering to applicable laws, regulations, and best industry practices, the Bank successfully recovered Rs. 1,251 million in

Non-Performing Loans (NPLs) in 2024. Allied Bank's recovery ratio is among the highest in the industry, while also maintaining one of the lowest NPL rates.



STRATEGY

Overview

Sustainability is about ensuring long-term business success while contributing towards economic and social development, a healthy environment, and a stable society. The Banking industry holds a crucial position in achieving a sustainable and prosperous future by adopting the Environmental, Social, and Governance (ESG) practices. Sustainable Banking can play a vital role in transitioning economy towards a sustainable, low-carbon, climate-resilient, socially responsible, and well-governed future.

Allied Bank Limited (ABL) recognizes that a sustainable and prosperous future requires collective action across all the segments of the country. ABL has integrated sustainability into its core strategic objectives. This strategic approach has allowed the Bank to effectively manage its impact on the environment, economy, and society. These initiatives are essential to the Bank’s success and have the potential to facilitate growth, enhance stakeholder satisfaction and increase profitability.

Allied Bank’s ESG initiatives focus on introducing Banking products, services, and operations that positively impact the environment and society while fostering a sustainable governance framework. These efforts have significant implications for strategic direction, financing and investment, portfolio evaluation, the development of financial instruments and products, and the adoption of environmentally friendly practices within the Bank’s internal operations.

Sustainability is embedded in the Bank’s culture, operations, and strategic planning. The Bank ensures strategic decision-making and drives long-term value creation for stakeholders.

The Bank’s sustainability strategy incorporates ESG priorities to support sustainable growth, manage risks, and deliver measurable outcomes.

A key objective of the strategy is to deliver responsible, inclusive, and innovative financial services that foster sustainable economic growth. ABL focuses on enhancing customer experience, creating value, and promoting financial inclusion, ensuring that all Banking services are conducted responsibly and sustainably.

Alignment with National and International Frameworks

ABL is committed to adhering to the Guidelines on ESG Disclosures for Listed Companies issued by the Securities and Exchange Commission of Pakistan (SECP), the Green Banking Guidelines and Environmental and Social Risk Management (ESRM) Implementation Manual issued by the State Bank of Pakistan (SBP), and the Performance Standards of the International Finance Corporation (IFC) incorporated in ESRM. The strategy aligns with key global and national frameworks, including Global Reporting Initiative (GRI), IFRS S1 & S2 of International Sustainability Standards Board (ISSB), Sustainability Accounting Standards Board (SASB), UN Sustainable Development Goals (UN SDGs), etc. The Bank is also committed to adopt the Pakistan Green Taxonomy to classify and prioritize green financing, ensuring transparency in reporting.

Enabling Actions for Sustainable Business Growth

The Bank is committed to take various steps to achieve sustainable business growth, including:

- Expand capacity building with annual training on ESG topics for employees and clients.

- Innovate green financial products, including Green, Social, and Sustainability (GSS) Bonds, climate bonds, green sukus, and impact funds.
- Strengthen partnerships with government bodies and international climate finance institutions.
- Leverage digital transformation, including AI and automation, to reduce carbon footprint and improve ESG data management.
- Institutionalize stakeholder engagement to integrate feedback from customers, employees, regulators, and communities into ESG strategy updates.

Areas for Pragmatic Expansion in ABL Context

- Development of climate scenario analysis and portfolio stress testing tailored to Pakistan’s climate vulnerability.
- Enhanced client advisory services to manage environmental and social risks in lending portfolios.
- Innovation in digital green Banking services (virtual branches, mobile green loans).
- Deployment of IoT and innovative energy management technologies across branches to optimize resource usage.

Sustainability Goals

The sustainability strategies and activities of the Bank are in line with the following broader sustainability goals:

Area	Broader Goals
Environmental	To become an environmentally responsible organization having a positive impact on the natural world including ecosystem, climate, and natural resources.
Social	To become socially responsible organization, having a positive impact on its employees, customers, communities, and society as a whole.
Governance	To become a responsible organization, believing in corporate governance and a sustainable economy.
Capacity Building	Updating the skills of the Bank’s personnel and its stakeholders in understanding the latest trends in sustainability.

Monitoring, Reporting, and Continuous Improvement

The Bank is committed to achieving its sustainability goals by continuously improving its monitoring and reporting system through:

- Issuing Annual Sustainability Report; publicly disclosing progress on targets, governance, financial impact, and societal contributions.
- ESG performance review at the Board level; incorporating strategic refinements.
- Development and Implementation of internal audit and assurance mechanisms for ESG data quality and compliance.
- Use stakeholder feedback and the evolving regulatory landscape to update the sustainability strategy regularly.

Time Horizons

- Short-Term (Up to 2030): Focused on immediate sustainability actions and the integration of ESG criteria into Bank’s near- term operations and decision-making processes.
- Medium-Term (2030 to 2040): Dedicated to deepening Bank’s initiatives, with an emphasis on transformative projects that will shape its progress in the next decade.
- Long-Term (2040 to 2050): Envisioning a fully realized sustainability agenda, with long-lasting impacts that align with global sustainability targets.

Sustainability Focus Areas

The sustainability strategies and activities of the Bank are focused on following key areas:

Focus Area	Broad Strategy	Time Horizon
Long Term Stability and Growth	Support the Bank’s long-term stability and growth	Continuous
Responsible Employer	Provide a safe, healthy and sustainable work environment to enable Bank’s employees to develop their potential	Continuous
Creating Lasting Impact	Creating a long-lasting positive impact on local economy, communities and future generations	Continuous
Contribution to Community	Playing a proactive role in contributing to society through Corporate Social Responsibility (CSR) initiatives	Continuous
Sustainable Banking	Develop responsible products and services that create value for the clients/obligors whilst supporting the global ecological and social transition	Short Term
Capacity Building	Bank wide Capacity Building related to sustainability matters	Short Term
Disclosure Management	Adopting a sustainability reporting and disclosure framework in line with the international standards e.g.; Global Reporting Initiative (GRI), IFRS S1&S2 of International Sustainability Standards Board (ISSB), Sustainability Accounting Standards Board (SASB), etc.	Short Term
Validation and Rating	Validation and Rating of Bank’s Sustainability Standards, Reporting and Disclosure Framework from international/ national rating agency	Short Term
Partnerships and Alliances	Membership, partnership, alliance and association with international and national sustainability forums	Medium Term
Carbon Neutrality	Gradual reduction of Greenhouse Gas (GHG) emissions to achieve Net Zero status of the Bank	Long Term

Sustainability Targets

Environmental

1. To become carbon-neutral organization by 2050 (as required by the Paris Agreement) through gradual reduction of GHG emissions i.e.,

- Direct emissions – Equipment owned by ABL (Scope-1).
 - Indirect emissions - Purchased electricity, steam, heating or cooling (Scope-2).
 - Other indirect emissions- Arise across the value chain, both upstream and downstream (Scope-3).
2. Interim targets for Year 2025 have been developed whereas targets for 2030, 2040 and 2050 will be developed for:

- Reduction in energy usage (Electricity, Fuel, Paper, Refrigerant)
 - Use of Renewable Energy Sources
 - Energy Conservation Measures
 - Financed Emissions
 - Green Buildings/Construction
 - Sustainable Sourcing
 - Tree Plantation
 - Environmental and Climate Change awareness

- Internal Health, Safety, Environment (HSE) and Housekeeping
- Diversity, Equity and Inclusion (DEI)
- Training & Development
- Customer Facilitation

Governance

Targets for the year 2025 have been developed. Based on the results of year 2025, targets for 2030, 2040 and 2050 will be developed in following areas:

- Corporate Governance
- Compliance
- Risk Management
- Ethics and Anti-Corruption
- Data Privacy and Protection
- Procurement
- Sustainable Financing Targets (Responsible financing other than environment aspects)

Social

Targets for the year 2025 have been developed. Based on the results of year 2025, targets for 2030, 2040 and 2050 will be developed in following areas:

- Corporate Social Responsibility (CSR)
- Sustainable Product Development

Sustainability Targets for 2025

Task	Target
Policy & Procedures	Development of Sustainability Policy
	Development of Internal Health, Safety, Environment (HSE) and Housekeeping Policy/Guidelines
	Alignment of other ABL policies with Sustainability: <ul style="list-style-type: none">Compliance PolicyMarketing and Media PolicyProcurement Policy/GuidelinesBuilding/ Construction Policy and GuidelinesSupplier Code of Conduct
Solar Power Locations of the Bank	150 New Locations
Budget for Net Zero Initiatives	PKR 250 million
Recycle Paper Usage	80% of the total paper utilization
Reduction of Paper and Electricity use from Banking Operations	<ul style="list-style-type: none">Develop a paperless account opening processImplement biometric verification for walk-in customersScanning ID documents at the transaction levelDiscontinue the practice of obtaining copies of ID documents from existing customers.
Female Employee Ratio	24%
Apprenticeship program for ‘People with Different Abilities (PWDs)’	02 Sessions
Special Training Session on Sustainability for BoD	01 Session
Training Courses on Sustainability for Senior Management	02 Sessions
Training Courses on Sustainability for Sustainability Department staff	At least 01 course for all staff of the Sustainability Department
Specially designed online Training Course on Sustainability	01 Program (for all employees of the Bank)
Public Awareness Sessions on Sustainability	02 Sessions
Assessment of Credit Portfolio on Environmental and Social Risk Management System (ESRM)	80%
Countrywide Tree Plantation	150,000 Trees/Saplings
Reporting & Disclosures	Selection of Reporting and Disclosures Framework
	Reporting based on the selected Disclosures Framework
Sustainability Targets (Environmental)	Development of Targets for Environmental Sustainability for the years 2030, 2040, 2050
	Rolling yearly targets
Sustainability Targets (Social and Governance)	Development of Targets for Social and Governance Sustainability along for 2030, 2040, 2050
	Rolling yearly targets

Strategic Management of Sustainability Related Risks and Opportunities Across the Value Chain

The Bank’s sustainability strategy is integrated throughout its value chain. ESG considerations are central to the Bank’s approach whether its managing internal operations or engaging with customers or the community. The Bank strives to mitigate sustainability-related risks while delivering outcomes that create a positive impact for customers, suppliers, and employees.

This section outlines the analysis of sustainability-related risks and opportunities across the value chain, with a focus on their potential impact on access to finance and the cost of capital over the short, medium and long term.

Assessment and Management of Upstream Risk & Opportunities

Upstream risks refer to potential disruptions in the Bank’s ability to access capital (Deposits). Allied Bank employs robust strategies to diversify access to capital, complemented by internal processes that foster investor confidence and ensure continued access to finance.

Upstream activities refer to the Bank’s engagements with depositors and other stakeholders to raise capital. There is a relatively low concentration of sustainability-related risks upstream in the Bank’s value chain, particularly with the policies and best practices followed, with increasing opportunities.

The Bank has developed robust mechanisms that help in mitigating the emerging corporate governance risks that could undermine stakeholder trust, minimizing vulnerabilities in

the upstream segment of the value chain. By embedding these mechanisms, ABL continues to build trust and credibility with upstream stakeholders.

Assessment and Management of Risks & Opportunities in Internal Operations

Operational risks in the internal part of the value chain refer to risks that can impact the smooth functioning of everyday business. The Bank’s internal operations include the activities and processes essential for delivering products and services to clients. This core part of the value chain involves key stakeholders such as employees, suppliers, and service providers. Managing risks and opportunities in this area requires adaptive strategies to ensure efficiency and effectiveness.

Sustainability-related operational risk can significantly impact ABL’s ability to function effectively. The approach towards managing these risks involves following:

- Ensuring all-round employee satisfaction, leading to enhanced workplace environment, productivity gains and lowering of attrition
- Robust Corporate Governance and Ethics
- Clear framework for scrutiny and approvals across departments, ensuring that decisions are made in a timely, accurate and ethical manner.
- Comprehensive strategy to mitigate data security and privacy risks
- Responsible Sourcing and Procurement Policies

Assessing and Managing Downstream Risk & Opportunities

Downstream risks in the Bank’s value chain refer to the potential risks of the Bank’s products and services and the impact they have on the Bank’s balance sheet and society at large.

The mobilization of capital in the economy through its products and services is the core business of a Bank. The Bank recognizes that the most significant sustainability-related risks and opportunities are inherently linked to its core business activities.

The Bank’s products and services across all key business activities are aligned with its overarching sustainability strategy, aiming to have a positive impact on the markets and economies in which ABL operates, as well as on society at large.

By integrating sustainability into the funding strategies, the Bank can play a role in advancing sustainable development. This creates an opportunity for the Bank to leverage its influence to engage borrowers in discussions about their sustainability performance.

ABL is committed to promoting sustainable finance and environmental best practices in Pakistan, through several key contributions. These contributions facilitate funding for projects with positive ecological and social impacts, underlining ABL’s commitment to sustainable development and responsible investment practices.

Effects of Sustainability Related Risk and Opportunities on Strategic Decision Making and Financial Performance

ABL integrates environmental, social and governance considerations into strategic decision-making across its organizational structure. In a rapidly evolving global

landscape marked by greater scrutiny of ESG practices and changing stakeholder expectations.

ABL is proactively refining its sustainability strategy to align with regional and international standards and is enhancing the impact of various ESG related material risks that potentially have an impact on its cash flows, access to finance or cost of capital over the short, medium or long term.

ABL’s sustainability strategy demonstrates a strong recognition of the role sustainability plays in effective risk management and long-term value creation. By embedding sustainability into its core operations, ABL strengthens cash flows, reduces risk, and builds customer trust, positioning itself as a responsible and future-focused financial institution.

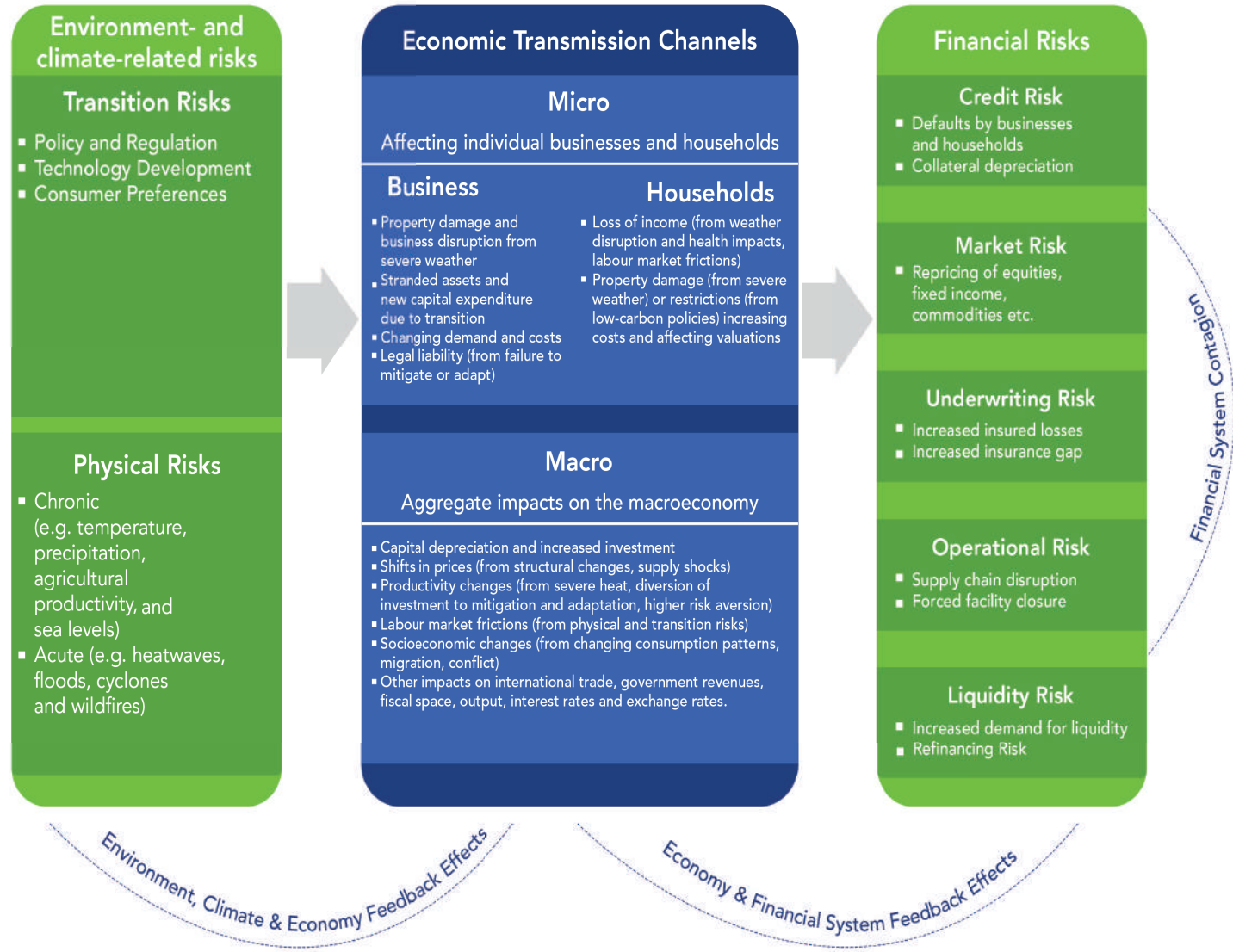
ABL is committed to prioritize sustainable financing into its lending strategy to support financial inclusion and responsible banking. Focusing on SMEs, women entrepreneurs, and underserved communities, the Bank promotes economic participation, financial stability, and long-term profitability. The credit approval procedure assesses sustainability-related risks and opportunities by evaluating the potential environmental and social impacts of financing decisions in addition to the financial returns to ensure that the Bank does not contribute in harming the environment, society or economy.

The Bank will continue to strengthen its policies, systems and controls to embed sustainability into its culture and operations, inculcating responsible banking practices that balances financial performance with prospering environment, society and economy.

During the year, ESG factors did not materially impact financial performance or cash flows; however, ABL will continue to monitor potential future impacts closely.

ABL Approach Towards Climate Change

Climate-induced changes that are pervasive in nature are expected to aggravate financial impacts. The below illustration describes the transmission channel of climate risks identified by Network For Greening the Financial System (NGFS).





LAHORE CYCLATHON

Physical Risks

Physical risks result from climate change and environmental factors that are either event-driven (acute) or longer-term shifts (chronic), and may increase further due to the trajectory of the current policies, including stranded assets, decreased valuations, lack of insurance coverage and damage to production facilities, and supply chain disruptions.

This region is particularly vulnerable to the physical risks associated with climate change. The primary hazards, to which the Bank’s assets in Pakistan are exposed, are:

- Rising temperatures and humidity in Pakistan are leading to more frequent and intense heatwaves and exacerbating heat stress, posing health risks for outdoor workers and vulnerable members of the population. The extreme heat also increases energy demand for cooling, straining power grids and leading to further increased greenhouse gas emissions.
- Rise in sea level threatens coastal cities and infrastructure in South Asia, leading to increased flooding, coastal erosion, and salinization of freshwater resources. This phenomenon is particularly concerning for low-lying areas in Asia, where valuable real estate and critical infrastructure are at risk.
- Severe rainfall and changing weather patterns are leading to more intense and unpredictable flooding events, causing significant damage to homes, infrastructure, and agricultural lands. These floods also disrupt daily life, displace communities, and pose serious public health risks due to waterborne diseases.
- The increasing frequency and intensity of forest fires in regions like South Asia are significantly damaging biodiversity, disrupting ecosystems, and posing a serious threat to human settlements. These fires not only destroy large areas of forest, leading to the loss of crucial carbon sinks, but also release massive amounts of

particulate matter and greenhouse gases into the atmosphere, exacerbating global warming. The smoke from these fires poses significant health risks, particularly for vulnerable populations, and the fires often result in displacement of communities, loss of livelihoods, and long-term environmental degradation.

- Rising temperatures combined with high levels of air pollution are creating severe smog conditions in many urban areas. The dense layers of smog trap heat, result in even higher temperatures and further deteriorating the air quality. This dangerous combination increases respiratory and cardiovascular health risks, particularly for children, the elderly, and people with pre-existing health conditions. Additionally, the prolonged exposure to heat and smog strains healthcare systems, reduces worker productivity, and forces cities to invest heavily in air quality management and cooling infrastructure.
- Heavy rainfall and altered river flow patterns are increasing the frequency and severity of riverine floods in many parts of South Asia. These floods lead to widespread damage to homes, infrastructure, and agricultural lands, displacing thousands of people and causing significant economic losses. River Banks, often weakened by deforestation and poor land management practices, are unable to contain the rising water levels, exacerbating the extent of the flooding. Beyond the immediate destruction, riverine floods also disrupt food and water supplies, increase the spread of waterborne diseases, and require substantial resources for recovery and rebuilding efforts.
- Prolonged droughts are becoming more common in Pakistan, severely impacting water availability for drinking, agriculture, and industry. Drought conditions are leading to reduced crop yields, increased food prices, and heightened competition for scarce water resources, which can exacerbate social and political tensions.

The interaction between hazard, vulnerability, and exposure produces the overall effect of physical climate risk. The Bank intends to measure the following physical risks in the coming years.

1. An assessment of climate data projections consistent with current and future data for different time horizons.
2. Operational site impacts to evaluate the physical risks posed by climate change to physical assets.
3. Safety, cost, and productivity impacts across the Bank to ensure physical climate change factors are added to business resilience planning.
4. Financial impacts modelling, to understand the physical asset value at risk and potential value at risk.

Transition Risks

Transition Risks refer to the financial and operational risks that arise as economies shift from fossil fuel-based systems to low-carbon and sustainable practices. This transition can be driven by regulatory changes, technological advancements, market shifts, and changing consumer preferences aimed at mitigating climate change. In Pakistan climate-induced transition risk could involve:

- Regulatory changes such as the introduction of Carbon Pricing: The Government of Pakistan is considering the adoption of carbon pricing strategies to encourage the reduction of emissions. For example, the introduction of a carbon tax on specific industries could lead to higher operational costs for businesses heavily dependent on fossil fuels, affecting their profit margins and market position.
- Diversification efforts in the energy sector and investment in Renewable Energy: Authorities in Pakistan are focusing on broadening their economic base beyond petroleum. Companies that fail to align with

this transition risk losing their competitive edge. Traditional energy firms, for instance, may experience a decline in revenue if they fail to adopt renewable energy technologies, as demand for cleaner energy solutions grows.

- Changing consumer preferences and growing demand for sustainable products: The growing consciousness about environmental issues is leading consumers to prefer eco-friendly products and services. If a significant portion of the Pakistan population starts favoring electric vehicles over conventional gasoline-powered cars, manufacturers who do not adapt their offerings accordingly could witness a decline in sales.
- Stranded assets and fossil fuel investments: In Pakistan, substantial investments in fossil fuel reserves might become obsolete if the global energy demand pivots to renewable sources. The potential devaluation of these assets, triggered by market shifts or new regulatory measures, could lead to significant economic losses.

ABL aims to develop and implement its Climate Risk Policy (CRP) across the Bank to address material climate risks and potential impacts from credit facility counterparties and vendors.

As part of the CRP’s requirements, a materiality assessment of climate risks will be established to evaluate the exposure and severity of transition risks. The assessment will ensure proactive monitoring and management of these identified risks within the Bank.

Impact Across Business and Value Chain

Transition Risks Stress Testing

ABL intends to assess its credit exposures in sensitive sectors that could be heavily impacted by climate actions. This assessment aimed to understand the Bank’s exposure to

transition risks. The analysis will encompass short, medium and long-term time horizons.

Following this analysis, ABL will establish its Risk Appetite Statement to reflect an approach to transition risks. The results from stress testing will also be considered when making financing decisions, ensuring that the company can maintain cash flow under climate-related regulations.

Emissions Tracking

The Bank intends to accelerate its efforts to track total GHG emissions in the coming years, building upon the GHG emissions tracking initiative launched in the current year reporting. This will lead to more accurate and comprehensive emissions data collection for all scopes. The Bank will begin including financed emissions in its emissions tracking, providing an estimate of the absolute emissions associated with investments in select sectors.

Impact of Climate Risks on Strategy and Decision-Making

ABL recognizes that the global effects of climate change are undeniable. Historical emissions will cause the majority of climate change over the next few decades, resulting in transition risks that will have a more direct and immediate financial impact.

Pakistan has understood the need to transition, and its 2021 updated Nationally Determined Contributions (NDCs) set the pace for ABL to mitigate GHG emissions as it contributes to the energy transition. The NDCs target a 30% reduction in GHG emissions by 2030 relative to the Business-As-Usual (BAU) scenario, paving the way for Pakistan's Net Zero ambition – a target with which ABL is planning to align.

Clear and consistent climate actions are imperative for the Banking sector to develop and frame its response to climate change, as well as demonstrating to stakeholders and the

broader economy that it fully understands and takes account of climate change in business decisions. The Bank's current climate change strategy focuses on:

- Effectively managing climate-related risks and opportunities
- Developing a culture of climate awareness and response
- Reducing operational GHG emissions
- Supporting emissions reduction in value chain
- Supporting key ecosystem partners with resources to combat critical threats and maximize opportunities jointly.

Through this strategic planning, ABL seeks to:

- Establish a program to conduct climate sector analysis to identify, measure and quantify material climate risk exposure in the portfolio
- Identify key climate risk drivers for the Bank and across different time horizons, and the rationale underpinning the selection of these
- Define detailed plans on mitigation and establish key targets and interim milestones for risk management and portfolio decarbonization efforts
- Enhance the Bank's governance structure and approach to Net Zero activities.

The Bank has adopted a strategic approach to embed climate risks within its core strategy and decision-making processes. Further updates on progress will be shared in subsequent disclosures. As the climate-related disclosure landscape continues to evolve, it is recognized that standard-setters have made significant efforts to achieve alignment. However, it is anticipated that the landscape will continue to consolidate and become more specific. The Bank continues to monitor developments in this space and use them as signals to enhance its strategy further.

During the year, climate-related factors did not have a material impact on credit losses or capital adequacy. However, exposure to sectors sensitive to transition risk (e.g., energy and manufacturing) is being closely monitored.

Financial Effects of Climate-Related Risks and Opportunities

The Bank acknowledges the potential financial impact of climate-related risks and opportunities. The Bank's planned assessments aim to identify risks affecting credit exposure, asset valuation, and operational stability.

The Bank aims to integrate climate risk into its broader risk management framework, with oversight from the Board. Climate-related financial impacts are intended to be incorporated into accounting judgments, provisioning, and loan pricing strategies to ensure a more comprehensive understanding of financial risks.

Resilience

ABL recognizes that its commitment to sustainability offers far-reaching benefits for both the communities and economies in which it operates, as well as for the organization itself.

The Bank's sustainability strategy aligns with its core values, driving commercial opportunities and positively contributing to the balance sheet, while enhancing resilience.

The Bank's governance framework promotes diversity, ethical business conduct and skills development, laying the foundation for strong growth.

Internal policies that embed inclusivity and diversity foster adaptability and broaden perspectives, ensuring effective management of change. The code of conduct upholds integrity and professionalism within the organization, while supplier engagement

policies ensure alignment with these values. These measures safeguard the Bank's reputation and long-term stakeholder interests.

The Bank's sustainability strategy remains central to its operations, enabling continued support for the Pakistan economy, the region, and society, establishing ABL as a financial institution integral to the economic and social fabric for years to come.

The Bank aims to provide quantitative reports on the financial impact of climate-related risks and opportunities in the coming years.

Subsequently, the resilience of Bank's business strategy, considering the climate-related risks and opportunities, will also be presented.



RISK MANAGEMENT

Overview

As a financial institution, ABL is susceptible to a broad range of financial and non-financial risks across its value chain including the ESG and climate-related risks. These risks vary in concentration, degree, and intensity, and can have differentiated impacts on ABL's business and operations.

ABL has implemented a Risk Management Framework to effectively identify and manage material risks. This framework encompasses key elements including Risk Governance, Risk Architecture, and Risk Organization. The Board of Directors oversees the overall effectiveness of risk management practices, ensuring that the Bank is well-positioned to navigate potential challenges and safeguard its operations. Additionally, the Board is responsible for appointing senior management personnel with the necessary expertise to manage the Bank's risk activities.

The Board Risk Management Committee plays a crucial role in overseeing ABL's Risk Management Framework. The BRMC ensures that the overall risk strategy and acceptance criteria are appropriately defined in the Strategic Plan and recommends these guidelines to the Board of Directors for approval.

To maintain a healthy asset portfolio, the BRMC monitors its quality and suggests measures to minimize problem loans. Additionally, the Committee is responsible for approving risk limits, ensuring that the Bank's exposure to risk remains within acceptable levels. The Chief Executive Officer and Group Chiefs play a pivotal role in managing risks through their membership on various Management Committees, including the the Management Committee (MANCO), the Asset and Liability Committee (ALCO), the Compliance Committee (CC), and the Risk Management Committee (RMC).

To ensure independent oversight of risk management activities, the Bank has established an Audit Committee of the Board and an Audit & Risk Review Group. This provides additional layers of scrutiny and help to maintain the Bank's Risk Management Framework.

The Banks has also established an independent, resourceful, and effective risk management group to oversee Bank's risk management activities. The Bank's risk management functions encompass Corporate & Financial Institution Risk, Commercial, Small & Medium Enterprises & Consumer Risk, Enterprise Risk, Credit Administration, Information Security & Governance, and Technical Appraisal.

The Bank's robust risk management practices have achieved one of the lowest Non-Performing Loan (NPL) ratios in the industry at 1.22%. This demonstrates Bank's commitment to responsible lending and ensures the sustainability of its loan portfolio.

Risk Management Process

- Risk Identification: Adequate and timely risk identification to ensure that risks are appropriately categorized.
- Risk Evaluation Measurement: Risks are evaluated in terms of their qualitative and quantitative impact.
- Risk Management & Response: Mitigation plans are deployed and tracked against predetermined timelines with the necessary escalation processes in place.
- Monitoring & Reporting: Streamlined risk

reporting requirements allow management and the BoD to make effective and timely decisions.

The Bank has implemented robust risk policies for all material risks faced by the Bank, including:

- Credit Policy
- Market & Liquidity Risk Policy
- Operational Risk Management Policy
- Strategic Risk Management Policy
- Information Security Policy
- Green Banking Policy
- Country Risk Management Framework
- Reputational Risk Management Framework

The Risk Acceptance Criteria Statement (RACS) is a fundamental component of Bank's Risk Management Strategy. It quantifies the aggregate risk that the Bank is willing to accept across key risk types, including Credit Risk, Market and Liquidity Risk, Operational Risk, Strategic Risk, Regulatory Risk, Legal Risk, and Reputational Risk.

Assessment of Principal Risks

The following are the principal risks being faced by the Bank:

- Credit Risk
- Market Risk
- Operational Risk
- Liquidity Risk
- Capital Adequacy Risk
- Strategic Risk
- Compliance Risk
- Technology Risk
- Reputational Risk

- Information Security Risk
- Shariah Non-Compliance Risk

Risk Acceptance Criteria

The Bank has established clear and quantified thresholds to optimize returns while minimizing potential losses. This proactive approach allows the Bank to make informed decisions and effectively manage its risk profile.

Risk Identification, Assessment and Monitoring

Identifying and assessing principal risks, considering their likelihood of occurrence and potential impact, to develop effective risk mitigation strategies.

Residual Risk

Understanding the nature and quantum of residual risk, which remains after efforts to identify and mitigate all key risk types, including ongoing monitoring and management of net residual risk to bring it within the Bank's risk tolerance threshold.

Stress Testing and its Integration into Business Planning

Continuous assessment of the Bank's resilience to severe but plausible stress scenarios. The results of stress-testing exercises are analyzed to make necessary changes in Risk Strategy and Business Planning. Integrated Risk Management, along with strategic planning decision- making processes, responds to existing as well as emerging risks

Initiatives for Risk Management

Risk Management Practices

Risk Management is a continuous process of improvement in all the risk assessment practices. The use of the latest technology, the in-house developed Risk Management System (RAMS), provides a holistic view of risk management at the Bank level and offers detailed tools for analysis, decision-making, and monitoring. RAMS includes the Loan Origination System (LOS), an automated online credit approval system that provides a one-click solution to all necessary information requirements. Credit proposal processing in LOS provides various benefits, including a paperless environment, cost-effectiveness, transparency, time stamping, remote accessibility, and enhanced efficiency. RAMS is continuously updated and upgraded by the in-house team based on stakeholder feedback.

As part of its social responsibility, the Bank has developed specific Corporate Governance benchmarks for its borrowers. The thresholds are driven by borrowers' size/sales levels, which trigger alerts when a business should graduate to an improved legal entity status, induct a minimum number of directors based on the defined sales threshold range, and improve board composition with diversity and independence. Accordingly, with this feedback, businesses are encouraged to enhance their corporate governance practices wherever deviations from the standards are identified.

Technical Appraisal Group

Allied Bank is the only Bank in the country that has established an in-house Technical Appraisal Group, consisting of industry experts and engineers from various sectors, including environment specialists.

The Bank conducts visits to borrowers' plants to perform technology assessments of plant and machinery and complements the loan assessment process by reviewing the technical performance of borrowers and project feasibility.

The Bank shares with borrowers the latest technology trends and best industry practices for governance, as well as the positive impact of adopting green environmental practices at plants.

The Bank has internally developed the Obligor Technical Risk Rating (TRR) model. The TRR model addresses various technical aspects of the obligor's plants, including machinery (technology era, manufacturer ranking, non-reliance on second-hand equipment), maintenance status, BMR activities, automation status, supply chain system, ERP status, use of digital technologies, power sources assessment, plant management, quality control system, firefighting system, health, safety & environment, sustainability, and employees' capacity building.

Warehouse Facility

Warehouse management for agricultural commodities is vital for promoting sustainability and ensuring robust governance. ABL pioneered the establishment of commodity warehouses in trading hubs, providing direct access to major commodity-producing areas and supporting SMEs in maximizing access to formal financing sources. Currently, the Bank operates eight warehouses located at Kamoke, Ghakhar Mandi, Jahangirabad Multan, Munirabad Multan, Athara Hazari Jhang, Toba Road Jhang, Sahiwal and Mandi Faizabad. The Bank's strategic initiative to establish and manage warehouses for agricultural produce not only mitigates credit risk but also contributes significantly to various aspects of environmental, economic, and social sustainability, including:

- Reduction in Agricultural Commodity Waste

- Efficient Resource Utilization and
- Robust Infrastructure
- Minimizing Carbon Footprint Enhancing Market Stability
- Improving Financial Security
- Technology Utilization
- Collaborative Efforts and Community Development
- Reduction of Rural-Urban Migration

Awareness Seminars

Under its Corporate Social Responsibility (CSR), the Bank organizes interactive seminars to engage with borrowers as stakeholders and create awareness about topics beneficial to business sustainability and growth. These seminars cover a wide range of topics, including the importance of Corporate Governance, Succession Planning, use of the latest technologies, and economic opportunities. In FY2024, the Bank arranged following seminars:

- An obligor awareness seminar on Pakistan Economy: Opportunities and Challenges for Businesses was conducted in Karachi. The event featured Dr. Ishrat Husain, an esteemed economist and former Governor of the State Bank of Pakistan, as the keynote speaker. The primary objective of this event was to share with the participants, the opportunities, and challenges for businesses under Pakistan's prevailing economic conditions. The participants of the seminar were also informed about the "Applications of Digital Technologies in the Industrial Sector". The participants were encouraged to use the Digital Technologies to increase their manufacturing efficiencies. Also, an obligor awareness seminar was conducted in Lahore on "Pakistan: The Way Forward", exploring the available mediums to Pakistan to navigate through prevailing economic challenges. This distinguished event was led by Dr. Ishrat Husain.

- Another seminar on "Beyond Survival: A Road Map for Business Success" was arranged in Sahiwal where Dr. Ishrat shared actionable insights and strategic guidance to help businesses move beyond mere survival and achieve long-term success, to the participants. The seminars were attended by entrepreneurs and personalities of different business segments including corporate and SME sectors.
- The Bank also organized Agri awareness sessions in different rural areas of Punjab, KPK, AJK and Gilgit Baltistan to create awareness among the farmers about Agri finance products offered.

Sustainability and Climate- related Risk Management

The Sustainability and climate risks (as discussed in the Strategy section of this report) are integrated into the existing risk processes across the Bank. This section of the report focuses on ESG and sustainability-related risks, along with the policies and procedures that form the basis of the sustainability risk management approach. Furthermore, within this context of sustainability risks, the Bank has specifically detailed its approach to climate-related risks. These climate-related risks are pervasive across every aspect of the value chain and can have a direct effect on multiple portfolios and business activities of the Bank. Given the specific interest in disclosures surrounding climate risk management for users of general-purpose financial statements, including investors, lenders and other creditors, a dedicated section on climate-related risk management has been developed, in line with the requirements of the IFRS S2 standards.

Green Banking Policy

Environmental Pollution and Climate Change are two of the most pressing global challenges of our time. Like organizations worldwide,

ABL is committed to leading the charge towards a more sustainable future. The Bank is actively transforming the practices to minimize its environmental footprint and contribute positively to society, which is demonstrated by its Green Banking Policy. The following are the primary areas covered in the Bank's Green Banking Policy:

Green Facilitations/Financing

- Gradual allocation of funding resources to green initiatives
- Development of Green Products
- Green Advisory services

Own Impact Reduction

- Reducing the Bank's environmental footprint by adopting cost-effective and sustainable renewable energy sources for its operations
- Ensuring that the branches, offices, and ATMs operate using low-carbon energy
- Promoting awareness and understanding of environmental and social issues through training, campaigns, and employee education initiatives

Environmental and Social Risk Management (ESRM)

ABL has long been committed to monitoring the environmental and social risks associated with its borrowers. To strengthen the risk management practices, the Bank, in 2008, developed an Environmental and Social Risk Assessment (ESRA) framework. In 2018, aligning with the State Bank of Pakistan's Green Banking Guidelines, the Bank further advanced its approach by implementing Environment Due Diligence (EnvDD), Environment Risk Rating (ERR), and Social Risk Rating (SRR)

models. Additionally, the Bank upgraded its Environmental and Social Risk Management (ESRM) system to ensure compliance with the SBP's "Environmental and Social Risk Management Implementation Manual."

The Environmental and Social Risk Management (ESRM) system is designed to identify, assess, mitigate, and monitor environmental and social risks associated with the borrowers' business operations. The ESRM Framework includes a comprehensive set of policies, procedures, tools, and internal capacities to effectively manage the Bank's exposure to Environmental and Social (E&S) risks associated with its borrowers and customers. This system is applicable across various segments, including retail, trade, microfinance, SME, corporate finance, and project finance.

The major procedures developed in ESRM include:

- Screening transaction
- Categorizing transaction
- Conducting Environmental and Social Due Diligence (ESDD)
- Assessing risk categories as High, Medium, or Low
- Monitoring Borrowers' or customers' environmental and social performance
- Managing non-compliance with the Bank's environmental and social standards
- Incorporating environmental and social requirements, such as corrective action plans

All national and provincial regulations related to Environmental and Social governance are strictly adhered to when performing Environmental and Social Due Diligence for a transaction. The ESDD process evaluates various E&S risks associated with financing, such as water, air, waste, and noise pollution, climate change impacts (floods, droughts, cyclones, etc.), greenhouse gas (GHG) emissions, ecological sensitivity, occupational health and safety, labor and working

conditions, and grievance mechanisms. It also examines the Environmental and Social Management Systems, community health, safety, and security, as well as corporate social responsibility practices.

All relevant permits, no-objection certificates, consents, licenses, and monitoring of E&S parameters in accordance with national and provincial regulations are mandatory compliance requirements for loan application evaluations. Key laws and regulations include Environmental and Social Impact Assessments (ESIAs), Environment Quality Standards, Occupational Safety and Health, Labor Laws, Protection against Harassment of Women at the Workplace, Protection against Child Labor, Factories Act, and other pertinent legislation issued by national and provincial governments.

Additionally, International Finance Corporation (IFC) Performance Standards are applicable for project finance and long-term corporate finance. These standards thoroughly assess various E&S aspects, including environmental and social risks and impacts, labor and working conditions, resource efficiency and pollution prevention, community health, safety, and security, land acquisition and involuntary resettlement, biodiversity conservation, sustainable management of living natural resources, indigenous peoples, and cultural heritage.

Green Advisory Service Desk

The Bank has established a Green Advisory Service Desk within the Green Banking Office (GBO) at its Head Office in Lahore. This service is designed to suggest green and resource-efficient alternatives to borrowers and clients. The Desk facilitates both prospective and existing borrowers with inquiries related to green investments and various options for efficient resource planning.

Sustainability/Green Banking Capacity Building

The Bank is continuously building the capacity

of its staff in Green Banking. A total of 8,953 staff members received training and awareness on Green Banking in FY 2024.

Climate Risk Management

The integration of climate-change-related risks into Allied Bank's existing risk management frameworks reflects a structured approach to addressing both transition and physical risks, which are evolving in nature.

These risks will be addressed in the Bank's existing risk frameworks in the following manner:

Governance and Processes

At the highest level, the Board receives regular updates on climate risk management and associated activities. These updates support informed decision-making and strategic adjustments, ensuring that climate risk management practices stay effective and adaptable to evolving conditions. By incorporating climate-related risks into its risk management framework, Allied Bank aims to effectively manage and mitigate the potential impacts of climate change on its operations and financial stability.

Climate Risk Policy (CRP)

ABL aims to develop and implement its Climate Risk Policy (CRP) across the Bank to address material climate risks and potential impacts from credit facility counterparties and vendors. As part of the CRP's requirements, a materiality assessment of climate risks will be established to evaluate the exposure and severity of transition risks. The assessment will ensure proactive monitoring and management of these identified risks within the Bank.

Scenario Analysis/Stress Testing

The Bank plans to perform a transition risk scenario analysis on its top credit exposures within high-emission sectors. This analysis will evaluate the potential impacts of transition-related climate risks of counterparties and will assess how these risks could affect the Bank's performance.



METRICS & TARGETS

Overview

In accordance with the IFRS S1 and S2 standards, the Bank provides disclosures on sustainability and climate-related factors, detailing its governance, strategy, and risk management frameworks. These disclosures are designed to offer stakeholders a transparent view of the Bank’s preparedness and commitment to addressing sustainability challenges and leveraging climate-related opportunities. To ensure these disclosures are both meaningful and compliant, the Bank selects metrics that are directly relevant to its operational impact on the environment and society. Based on these metrics, Bank then establishes ambitious but realistic targets, demonstrating a commitment to accountability, measurable progress, and positive outcomes.

Sustainability- related Metrics and Targets

Adherence to the IFRS S1 standard necessitates the disclosure of Metrics and Targets, which are fundamental for stakeholders to evaluate an entity’s sustainability performance. The standard mandates that these quantitative metrics be relevant, reliable, and comparable, providing a clear picture of outcomes across environmental, social, and governance domains. This includes both short-term and long-term targets, supported by contextual information on the methodologies and assumptions used in their calculation.

To ensure its disclosures are credible and consistent, the Bank aligns its reporting with globally recognized frameworks such

as the GRI standards and has incorporated SASB guidelines in this report to provide an industry-specific viewpoint. Consequently, the Bank publishes a suite of metrics that capture its most material impacts, supported by measurable targets and accounts of its performance, strategies, and actions for improvement. The Bank also explains its data collection processes and notes any changes in reporting practices.

Looking forward, the Bank is actively gathering data to better understand how sustainability and climate-related factors influence its business decisions and results across all operations. The Bank intends to disclose more quantitative information on these elements in future reports aligned with IFRS S1 and S2.

Metrics and Targets

The data presented in the following tables is current as of 31 December 2024

Metric	Metric Definition	2024 Value	Source	Source ABL	Mapping to Report Section
Board Independence	As required by law, no less than one-third of the Board members shall be deemed independent	37.5% (three of eight Directors on the Board are independent directors)	SECP ESG Disclosure Guidelines/ Regulation/ GRI 2021	Annual Report/ Sustainability Report	Governance
Data Security	Description of approach to identifying and addressing data security risks	<ul style="list-style-type: none">Consumer data protection is central to the Bank’s ethics and long-term sustainabilityThe technology framework of the Bank is governed by the SBP guidelines contained in the Enterprise Technology Governance & Risk Management Framework for Financial InstitutionsThe Bank’s Information Security Policy provides detailed guidelines on the use of various technology mediumsInformation Security programs are built around three objectives - Confidentiality, Integrity, and Availability of InformationEncryption, access controls, and regular audits safe- guard the confidentiality, integrity, and availability of consumer data	SECP ESG Disclosure Guidelines/ SASB	Sustainability Report	Governance
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	<ul style="list-style-type: none">In 2024, no complaints were reported concerning breaches of customer privacy and losses of customer data.	SASB/GRI 2021 /SECP ESG Disclosure Guidelines	Sustainability Report	Governance
Whistle Blower Policy	Description of whistle blower policies and procedures	The objectives of the Whistle Blowing Policy of the Bank are to strengthen the culture of transparency and trust in the Bank by encouraging all the employees, vendors, service providers and concerned to blow whistle where they may genuinely know or suspect any immoral, unethical, fraudulent act of any current or former employees, vendors, contractors, service providers and customers which may have potential to cause financial or reputational risk or loss to the Bank Multiple channels are established for Whistle Blowing that can be opted	SASB	Sustainability Report	Governance

Metric	Metric Definition	2024 Value	Source	Source ABL	Mapping to Report Section
Monetary Losses	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti- competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations, or associated with professional integrity, including duty of care	No monetary loss has been reported related to this	SASB	Sustainability Report	Metrics and Targets
Credit Analysis	Description of approach to incorporation of ESG factors in credit analysis	The credit proposals are reviewed through the internally designed automated Loan Origination System (LOS) in Risk Assessment and Management System (RAMS). The review process involves assessing multiple factors including global/ local economic outlook, the specific sector trends and projections and the obligors’ performance involving the financial, operational and non-financial parameters. The financial analysis also encompasses the projections based on prevailing and expected macroeconomic changes. Non-financial parameters’ assessment includes the experience and involvement of sponsors and availability of their successors, and competence of key management personnel. Simultaneously, for review of a manufacturing concern’s credit proposal; the Technical Appraisal Department of Risk Management reviews the technical aspects of the plant(s) of the company; and provide their feedback on the operational handling and improvements / needs. The obligor/proposal is also assessed on Environmental and Social Risk Management (ESRM) system. Based on the detailed analysis mentioned above, the credit proposals are approved by the competent authority	SASB/GRI 2021	Sustainability Report	Metrics and Targets

Metric	Metric Definition	2024 Value	Source	Source ABL	Mapping to Report Section														
Stress Tests	Description of approach to integrate results of mandatory and voluntary stress tests into long-term capital adequacy planning, corporate strategy, and other business activities	The Bank conducts Stress Testing to ascertain the impact of various scenarios on the capital adequacy and sustainability of the Bank. The exercise incorporates various advance stress tools including sensitivity and scenario analysis covering macro-economic scenarios and reverse stress tests to evaluate the resilience of the Bank. Results of stress testing exercises are analyzed to make necessary changes in long-term Capital Adequacy, Risk Strategy and Business Planning. Integrated Risk Management, along with strategic planning decision-making processes, responds to existing as well as emerging risks	SASB	Sustainability Report	Strategy/ Risk Management														
Financial inclusion and capacity building	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	855,341 new Asaan Accounts	SASB	Sustainability Report	General Requirement														
Financial inclusion and capacity building	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Under National Financial Literacy Program (NLFP) <ul style="list-style-type: none">• More than 3,996 sessions• 41 districts• Over 122,201 participants	SASB	Sustainability Report	Social														
Financial inclusion and capacity building	1) Number and (2) amount of loans outstanding that qualify for programs designed to promote small business and community development	<table><tr><th rowspan="2">Segment</th><th colspan="2">Outstanding Financing (As on 31.12.2024)</th></tr><tr><th>No. of Borrower</th><th>Rs. in Million</th></tr><tr><td>Agriculture Financing</td><td>2,673</td><td>2,074</td></tr><tr><td>Consumer Financing</td><td>1,990</td><td>4,243</td></tr><tr><td>Small Enterprises Financing</td><td>1,370</td><td>5,593</td></tr></table>	Segment	Outstanding Financing (As on 31.12.2024)		No. of Borrower	Rs. in Million	Agriculture Financing	2,673	2,074	Consumer Financing	1,990	4,243	Small Enterprises Financing	1,370	5,593	SASB	Sustainability Report	Metrics and Targets
Segment	Outstanding Financing (As on 31.12.2024)																		
	No. of Borrower	Rs. in Million																	
Agriculture Financing	2,673	2,074																	
Consumer Financing	1,990	4,243																	
Small Enterprises Financing	1,370	5,593																	
Total Training Hours Delivered	The cumulative number of hours of training provided to all employees within the Bank over a specific period	Average Training Hours Served per Employee: 47.5 hours	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Social														

Metric	Metric Definition	2024 Value	Source	Source ABL	Mapping to Report Section
Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment banking and brokerage activities	The Bank has developed an Environmental and Social Risk Management (ESRM) system, designed to identify, assess, mitigate, and monitor environmental and social risks stemming from the operations of borrowers' businesses. The ESRM framework includes a comprehensive set of policies, procedures, tools, and internal capacities to effectively manage the Bank's exposure to Environmental and Social (E&S) risks associated with its borrowers and customers. This system applies across various segments, including retail, trade, microfinance, SME, corporate finance, and project finance.	SASB	Sustainability Report	Risk Management
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	<ul style="list-style-type: none">Median male compensation to median female compensation ratio 1.1:1Gender Pay Gap for the year ended December 31, 2024. 1. Mean Gender Pay Gap: -3% 2. Median Gender Pay Gap: -2%	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Social
People of Determination hired (number of total employees)	This metric measures the number of employees with disabilities within the total workforce	55	SECP ESG Disclosure Guidelines	Sustainability Report	Social
Percentage of Spending on Local Suppliers	Percentage of spending on local suppliers	99%	GRI 2021	Sustainability Report	Governance
Diversity and Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals and (d) all other employees	Total enterprise headcount: Women: 24.59 % Men 75.41% Senior and executive level positions: Women 23.83 % Men 76.17 % Entry and mid-level positions: Women 24.66 % Men 75.34 %	SASB/ SECP ESG Disclosure Guidelines	Sustainability Report	Social

Metric	Metric Definition	2024 Value	Source	Source ABL	Mapping to Report Section
Gender Diversity at Board Level	As per regulation, the Board shall have at least one female Director	Male Directors: 7 (87.5%) Female Directors: 1 (12.5%)	Regulation/ SECP ESG Disclosure Guidelines /GRI 2021	Annual Report	Governance
Gender Diversity in Leadership Roles	In alignment with the Pakistan Gender Balance Pledge, the Bank pledges to ensure 25% of leader- ship roles are held by women by 2027	23.83%	SASB/ SECP ESG Disclosure Guidelines/ GRI 2021	Annual Report	Social
Share of Women in Total Workforce	Percentage of female employees relative to total workforce	24.59%	SASB/ SECP ESG Disclosure Guidelines/GRI 2021	Sustainability Report	Social
Injury Rate	Percentage: Frequency of injury events relative to total workforce time Number of lost production hours as a result of safety related incidents Disclose the percentage of employees/workers covered with Health and Safety Insurance?	Nil	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Social
Employee Turnover Rate	Employee turnover rate quantifies the proportion of employees who departed the Bank during a specified time frame	14%	SASB/ SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Social

Metric	Metric Definition	2024 Value	Source	Source ABL	Mapping to Report Section
Human Rights and Safe Employment Practices	Bank's policy commitments to prevent the risk child/forced/ bonded labor throughout the supply chain	Allied Bank strictly follows and respects all applicable laws on Child Labor and Forced Labor. Minors are not hired in Allied Bank Limited in any capacity whatsoever. The Bank ensures that Child/Forced labor is not employed through- out its supply chain.	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Social
Local Communities	A list of CSR activities undertaken along with total time spent on these and amounts (PKR) allocated	Education - Rs.72 million General Welfare - Rs.56 million Health - Rs.43 million Sports - Rs.15 million Total - Rs.186 million	SECP ESG Disclosure Guidelines/ GRI 2021	Annual Report/ Sustainability	Social
GHG Emissions	Total Amount of Carbon and Green house Gas Emissions in Metric Tons Total Amount, in CO2 equivalent, for Scope 1 Scope 2 and Scope 3 (if Applicable)	Scope 1: 13,944 (MT CO2e) Scope 2: 23,643 (MT CO2e) Scope 3: 10,044 (MT CO2e)	SECP ESG Disclosure Guidelines/GRI 2021	Sustainability Report	Environment
Emissions Intensity	Emissions per million rupees revenue	0.3326 (MT CO2e)	SECP ESG Disclosure Guidelines	Sustainability Report	Environment
Energy Usage	Total Amount of Energy directly consumed Total Amount of Energy indirectly consumed	Energy consumed: <ul style="list-style-type: none">• Grid: 138,001 GJ• Non-renewable sources: 65,027 GJ• Renewable sources:1,832 GJ• Business Vehicles: 51,895 GJ• Energy (Natural Gas) Consumed for Chiller Plants: 3,134 GJ	SECP ESG Disclosure Guidelines/GRI 2021	Sustainability Report	Environment
Energy Usage	Total Amount of Energy indirectly consumed	N/A	SECP ESG Disclosure Guidelines/GRI 2021	Sustainability Report	Environment
Energy Intensity	Energy consumption per million rupees revenue:	1.815 (GJ)	SECP ESG Disclosure Guidelines	Sustainability Report	Environment
Energy Mix	Percentage: Electrical Energy usage by generation type Disclose the energy consumption from renewable energy sources as a percent- age of total energy consumption	Import from Public Utilities: 67% Internal Generation on Fuel: 32% Internal Generation on Solar: 1%	SECP ESG Disclosure Guidelines	Sustainability Report	Environment

Metric	Metric Definition	2024 Value	Source	Source ABL	Mapping to Report Section
Minimum wage	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation	Ratio of entry level wage by gender to minimum wage at significant locations of operation is 122%.	GRI 2021	Sustainability Report	Social
Nature and Biodiversity	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high bio- diversity value outside protected areas and associated activities, products, and services on biodiversity. Habitats protected or restored as per IUCN Red List species and national conservation list species with habitats in areas affected by operations	ABL screens projects for bio-diversity related impacts through the Environmental and Social Risk Management (ESRM) system of SBP. The ESRM system includes the screening of obligors/projects for the excluded activities as per the exclusion list that may harm the biodiversity and natural habitat. As part of the Environmental and Social Due Diligence (ESDD), the Bank evaluates ecological sensitivity of the obligor/project location. This includes assessing potential impacts on natural habitats, endangered species, and ecosystem services that maybe caused due to the close proximity of the project with ecologically sensitive sites. For project finance and long- term corporate finance, ABL applies the International Finance Corporation (IFC) Performance Standards, which mandate thorough evaluation of biodiversity conservation and sustainable management of living natural resources through its Performance Standard 6, “Biodiversity Conservation and Sustainable Management of Living Natural Resources”. The Bank also ensures that all relevant permits, consents, and environmental assessments such as Environmental and Social Impact Assessments (ESIA) are obtained in compliance with national and provincial regulations. Through this multi-layered approach, ABL effectively identifies, categorizes, and mitigates biodiversity related risks, ensuring responsible financing aligned with environmental stewardship.	GRI 2021	Sustainability Report	Environment
Water and Waste Management	Water withdrawal, consumption, and usage across all operations of the Bank.	Drinking water consumption: 2.85778 Megaliters	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Environment

Metric	Metric Definition	2024 Value	Source	Source ABL	Mapping to Report Section
Water and Waste Management	Waste recycling initiatives. Water saving initiatives	<p>Waste Recycling initiatives ABL operations do not generate any hazardous wastewater whereas utility water and domestic liquid waste is discharged in municipal wastewater system of local governments where the same is recycled or disposed of responsibly. General domestic solid waste disposal is managed through third party contractors who dispose it of at dedicated places designated by local governments where the same is recycled or disposed of responsibly</p> <p>E-waste is responsibly donated to educational and welfare institutions through CSR initiatives, ensuring safe and beneficial reuse.</p> <p>Water Saving Initiatives ABL is establishing all its new building on sustainable principles which include the low water consumption. The Bank is obtaining EDGE and LEED certifications for this purpose. Also, efforts are being made to get such certifications for existing ABL buildings.</p> <p>Awareness and stakeholder engagement efforts are ongoing to improve water management.</p>	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Environment
Professional Integrity	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	No case has been reported related to this.	SASB	Sustainability Report	Metrics and Targets
Professional Integrity	Description of approach to ensuring professional integrity, including duty of care	<p>The Bank's Code of Ethics provides clear guidelines that employee shall act with the highest degree of integrity, honesty, proprietary and loyalty, towards the interest of the Bank, its customers and regulators.</p> <p>All employees must act with integrity and within the scope of his/her employment duties and delegated authorities.</p>	SASB	Sustainability Report	Metrics and Targets
Professional Integrity	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings 3	15 staff members are holding license to practice law	SASB	Sustainability Report	Metrics and Targets

Metric	Metric Definition	2024 Value				Source	Source ABL	Mapping to Report Section
Professional Integrity	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	No monetary loss has been reported related to this.				SASB	Sustainability Report	Metrics and Targets
Employee Incentives & Risk-taking	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or claw back provisions were applied	MRTs	High Risk	Medium Risk	Low Risk	SASB	Sustainability Report	Metrics and Targets
		CEO, Chiefs & Executive	25%	20%	15%			
		Senior Management	20%	15%	12%			
		Middle Management	15%	12.5%	10%			
Employee Incentives & Risk-taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	17%				SASB	Sustainability Report	Metrics and Targets
New Recruitments	Total number and rate of new employee hires during the reporting period	2,838				GRI 2021	Sustainability Report	Social
Senior management from local community	Proportion of senior management hired from the local community	100%				GRI 2021	Sustainability Report	Social



ENVIRONMENT

Resource Efficiency

Energy

Combustion of fossil fuels is a leading cause of human-driven climate change. Bank’s energy transformation journey aligns with its goal to significantly reduce emissions and transition to green energy. The Bank aims to be an industry leader in energy efficiency and a benchmark for sustainable operations powered by green energy, which supports its commitment to innovation and energy security.

The energy consumption data includes the Bank’s offices and branches across Pakistan. The data is as per availability and applicability for the respective branches and offices.

Energy Consumption

Electrical Energy consumed from the Grid (GJ)	138,001
Electrical Energy consumed from Non-renewable sources (GJ)	65,027
Electrical Energy generated from renewable sources (GJ)	1,832
Energy (Natural Gas) Consumed for Chiller Plants (GJ)	3,134
Energy consumed for Business Vehicles (GJ)	51,895
Total Energy (GJ)	259,889

Electrical Energy Mix

Import from Public Utilities	67%
Internal Generation on Fuel	32%
Internal Generation on Solar	1%

Energy Intensity

Energy consumption per million rupees revenue	1.815 (GJ)
---	------------

Water

Bank’s direct impact on water resources is very minimal due to the nature of its operations. The Bank requires water for drinking and for utility purposes such as washrooms and cleaning.

The drinking water is sourced from third party vendors whereas utility water is mainly extracted from underground water sources through boring, which is stored in overhead and underground tanks.

ABL currently does not collect information on water usage for utilities. However, the Bank is actively working on developing and implementing data gathering mechanisms to capture said data. In 2024, the drinking water consumption of the Bank was 2.85778 megaliters

For minimizing the water usage, the Bank is establishing all its new buildings on sustainable principles which include low water consumption. The Bank is obtaining EDGE and LEED certifications for this purpose.

Also, efforts are being made to get such certifications for existing ABL buildings. In addition, internal awareness is fostered regarding the importance of water conservation.

Paper

The paper manufacturing process often involves the use of virgin pulp, which contributes to environmental degradation. Recognizing the significant role of paper in its operations, particularly due to regulatory requirements, ABL has implemented various initiatives to reduce paper consumption. The Bank has automated numerous internal

processes, introduced low or no-paper alternatives, and developed shorter versions of essential forms. ABL makes every effort to minimize paper usage. When printing is unavoidable, Forest Stewardship Council (FSC) approved/ recycled paper is used. By December 2024, ABL has successfully completed 70% (by weight) conversion of normal paper to recyclable / carbon neutral paper of various stationery and printing paper items. These items include registers, forms, envelopes, cards, file binder, cartons, deposit slip bank copy, printing paper, etc. The Bank aims to increase this ratio to 80% by the end of FY2025, demonstrating its commitment to environmental stewardship and sustainable practices.

Reduced paper consumption through IT initiatives

ABL has implemented various strategies to reduce paper consumption across the organization. The Bank has automated processes, such as implementing Bit-by-Bit Electronic Journals on ATMs to eliminate the need for paper stationery. Additionally, initiatives such as Account e- statements, Issue Logging Systems (ILS), and Business Process Management (BPM) systems have further contributed to reducing Bank’s carbon footprint by minimizing paper usage.

Reduced Paper Consumption through Digital Banking Initiatives

Additionally, following digital/ automation solutions have been adopted in Banks to reduce paper consumption during 2024

Mobile and Internet Banking Enhancements

- Encouraged customers to use mobile and internet Banking services through Social Media Campaigns.
- Introduced paperless Complaints management service in my ABL app to discourage submission of traditional paper

complaints

- Introduced issuance of Withholding Tax Certificate & Account Maintenance Certificates service in my ABL app to discourage paper printing & carbon emission of commuting towards branch.

Digital Transactions & Digital Statements

- Transitioned above 02 M customers who successfully committed above 80 M successful transactions.
- Progression in WhatsApp Banking Service, grown portfolio above 1.6 M users, implicating lower paper turnaround through branches.
- Encouraged digital monthly account statement service along with Transaction History & Mini Statement service.
- Promoted e-statements through targeted customer awareness campaigns.

Online Account Opening and On-boarding

Revamped digital account opening and onboarding processes, eliminating physical forms and documentation.

ATM and Branch Receipts

Through rigorous marketing campaigns, discouraged the print of ATM transaction receipt.

Digital Lending Solutions

Through different Marketing Campaigns encouraged user to avail digital lending PayDay loans, enabling online applications and automated approval processes.

Climate Action

GHG Emissions

Climate change is a global threat to livelihoods and well-being with rising temperatures rapidly changing the future reality of every person on the planet. ABL is dedicated to lowering its carbon footprint in the fight against global warming.

ABL is committed to supporting Pakistan’s vision of decreasing the overall carbon footprint through actively implementing sustainable alternatives in its operations.

Scope 1

ABL’s Scope 1 emissions are from sources it controls directly, including on-site diesel and petrol power generators, as well as Bank’s fleet of vehicles and refrigeration gases used in refrigerators and air conditioning systems. Categories include Stationary Combustion, Mobile Combustion, and Refrigerants.

Scope 2

Bank’s Scope 2 emissions encompass the electricity it purchases from the national grid to power its operations, including lights, air-conditioning systems, computers and other electronic equipment.

Scope 3

It is widely acknowledged that Scope 3 emissions data is the most difficult to gather, since it relies on an extensive evaluation of, and engagement with, third parties, both upstream and downstream in the value chain. Nevertheless, the Bank is committed to reporting on these emissions as extensively and accurately as possible for all relevant Scope 3 categories. For the first year of reporting on its carbon emissions, the Bank has

included Scope 3 Category 6: Business Travel-Air and Category 7: Employee Commute in calculations. To achieve its ambitious commitment, the Bank will incorporate additional categories in future years of reporting. The emissions are calculated using the Greenhouse Gas Protocol.

Scope 1 (MT CO2e)	13,944
Scope 2 (MT CO2e)	23,643
Scope 3 (MT CO2e)	10,044
Total Emissions (MT CO2e)	47,631

Emission Intensity

Emissions per million rupees revenue	0.3326 (MT CO2e)
--------------------------------------	------------------

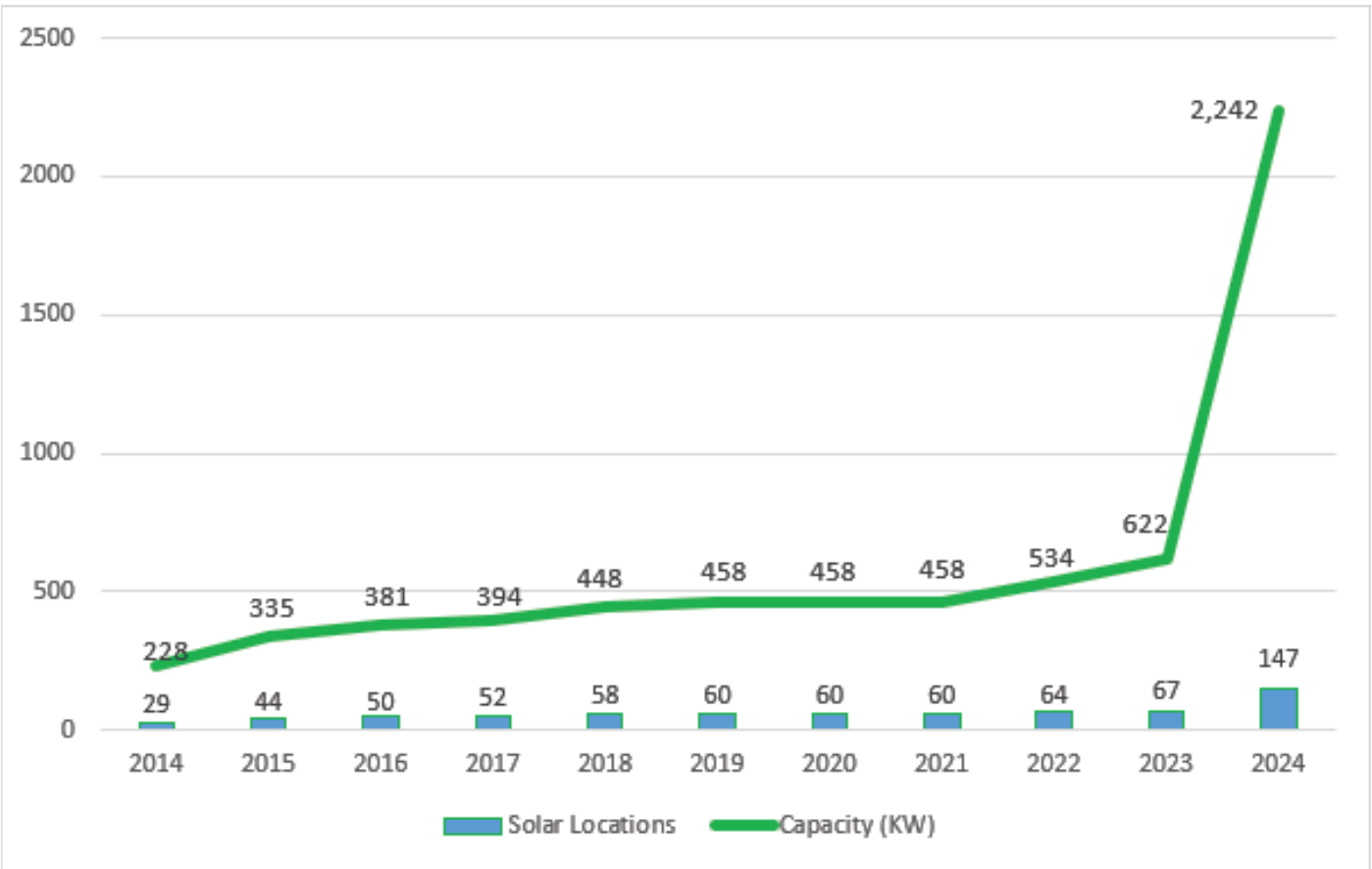
Reduction in Energy Consumption and Emissions

ABL is committed to promoting sustainable development by reducing its carbon footprint. As part of its commitment to environmental stewardship, the Bank recognizes the urgency of addressing climate change and is taking proactive measures to minimize its carbon footprint across all operations.

Switching to Alternative Energy

The Bank has successfully installed solar power systems at 147 locations across Pakistan, with a combined capacity of 2,242 KW as of FY2024.

The Bank will continue to expand its solar energy portfolio and plans to install solar systems at 150 more locations in FY2025. The Bank’s investment in solar energy not only contributes to a cleaner and healthier environment but also provides economic benefits through reduced energy costs and increased operational efficiency. Solar power installations have generated approximately 508,800 units of clean energy in FY2024, resulting in the avoidance of approximately 240.72 metric tons of carbon dioxide emissions.



Energy Conservation Measures

To identify and implement energy-saving measures, ABL conducts regular energy audits of its branches and offices. These audits have led to initiatives such as upgrading to energy-efficient lighting, optimizing heating and cooling systems, and promoting energy conservation practices among employees. These efforts contribute to reducing Bank’s overall energy consumption and minimizing its environmental impact.

The Bank has incorporated energy-efficient technology in all new buildings. All of Bank’s recently constructed branches and offices are equipped with LED lights and inverter air conditioning units. Additionally, the Bank is gradually upgrading older buildings to utilize more energy-efficient equipment. A total of 55 Converted Sites were reported in 2024, including the Head Office in Lahore, and approximately 1,802 inverters were installed during the same year.

To further enhance its energy management capabilities, the Bank is implementing an integrated Supervisory Control and Data Acquisition (SCADA) system at head office in Lahore and the Management Development Center (MDC). This system will enable effective monitoring and control of building energy needs, helping optimize energy consumption and reduce Bank’s environmental impact. The SCADA system will be extended to all major buildings of the Bank which will allow monitoring and control from a central location.

The Bank has implemented an innovative Internet of Things (IoT) enabled genset fuel monitoring system across Pakistan. This system allows the Bank to remotely monitor the operation and fuel consumption of gensets installed at various Bank locations. By leveraging an online dashboard at a central location, the Bank has achieved a better monitoring and control, leading to significant fuel savings. To date, the Bank has successfully

installed this system at 200 sites. Bank’s long-term goal is to equip all of its branches with this technology, ensuring efficient fuel management and reducing environmental impact. Lastly, to promote energy conservation, the Bank regularly issues guidelines to its employees at branches and controlling offices

Sustainable IT Operations

The Bank has implemented several measures to reduce emissions from its IT operations. These efforts resulted in substantial reductions in energy consumption, operational costs, and carbon footprint, thereby contributing to a more sustainable and environmentally friendly planet.

Greenfield Tier-III data center

The Bank is building Greenfield Tier-III data center after choosing a suitable location considering factors such as climate, natural disaster risks, accessibility, and proximity to energy sources. Designing this data center, the Bank cares about energy efficiency by incorporating renewable energy sources, efficient cooling systems, and energy-efficient hardware.

By implementing green building practices and aiming for certifications such as LEED (Leadership in Energy and Environmental Design) in the data center building, the Bank is contributing to minimizing its environmental impact.

Energy-efficient Infrastructure

To enhance energy efficiency in its data centers and IT infrastructure, Allied Bank has implemented several initiatives. The Bank has installed energy-efficient cooling systems, including hot/cold aisle containment and advanced air conditioning units.

Additionally, the Bank has utilized energy-efficient servers, storage devices, and networking equipment that meet or exceed industry standards such as Energy Star or EPEAT.

By consolidating servers and storage through virtualization and cloud computing, the Bank has reduced the number of physical servers and associated energy consumption. These measures contribute to Bank’s overall goal of minimizing its environmental impact and optimizing operational efficiency.

Improved Utilization and Virtualization

To optimize the efficiency and utilization of its IT systems, ABL has implemented a strategic approach. Data center consolidation, which involves virtualization and more efficient use of physical servers and storage resources, is a key component of this strategy. Virtualization enables multiple workloads to run concurrently on a single physical server, reducing the overall number of servers required and improving resource utilization.

By increasing the utilization rates of its servers and storage systems, the Bank can reduce the number of resources required to handle the same workload, leading to lower energy consumption and reduced carbon emissions.

Efficient Power Management

To further optimize energy efficiency, the Bank has implemented intelligent power management systems that dynamically adjust power consumption based on workload requirements. Additionally, the Bank has established server decommissioning processes to retire and replace outdated, inefficient equipment. By enabling power management features and sleep modes on PCs and workstations, the Bank has reduced energy consumption and minimized its carbon footprint.

Monitoring and Optimization

To ensure ongoing energy efficiency and identify opportunities for improvement, ABL conducts regular energy audits and assessments. These evaluations help the Bank identify areas where it can optimize energy

consumption and reduce its environmental impact.

Energy-efficient Hardware

To further reduce its energy consumption, the Bank has replaced older PCs and workstations with newer models that meet Energy Star standards. These modern devices incorporate lower-power components, more efficient power supplies, and advanced power management features, resulting in reduced energy consumption and carbon emissions. This upgrade has contributed to Bank’s overall efforts to minimize its environmental impact and optimize operational efficiency.

Employee Awareness

Educating employees about energy-efficient practices, such as turning off devices when not in use, has significantly reduced energy consumption and carbon emissions.

Reduced Physical Footprint

By consolidating multiple data centers into fewer facilities, the Bank has reduced its overall physical footprint, which resulted in lower energy consumption for lighting, HVAC (heating, ventilation, and air conditioning), and other facility-related systems.

Digital Products

Following digital/ automation solutions have been adopted in Bank to reduce the overall carbon footprint in the country by utilizing less fuel to access the Bank’s physical premises.

- Mobile and Internet Banking Enhancements
- Digital Transactions & Digital Statements
- Online Account Opening and Onboarding
- ATM and Branch Receipts
- Digital Lending Solutions

Green Financing

Aligned with the growing emphasis on environmental sustainability, ABL has been actively directing its’ financing towards green projects that address environmental hazards. The Bank’s green financing solutions have facilitated borrowers in their transition to sustainable energy sources.

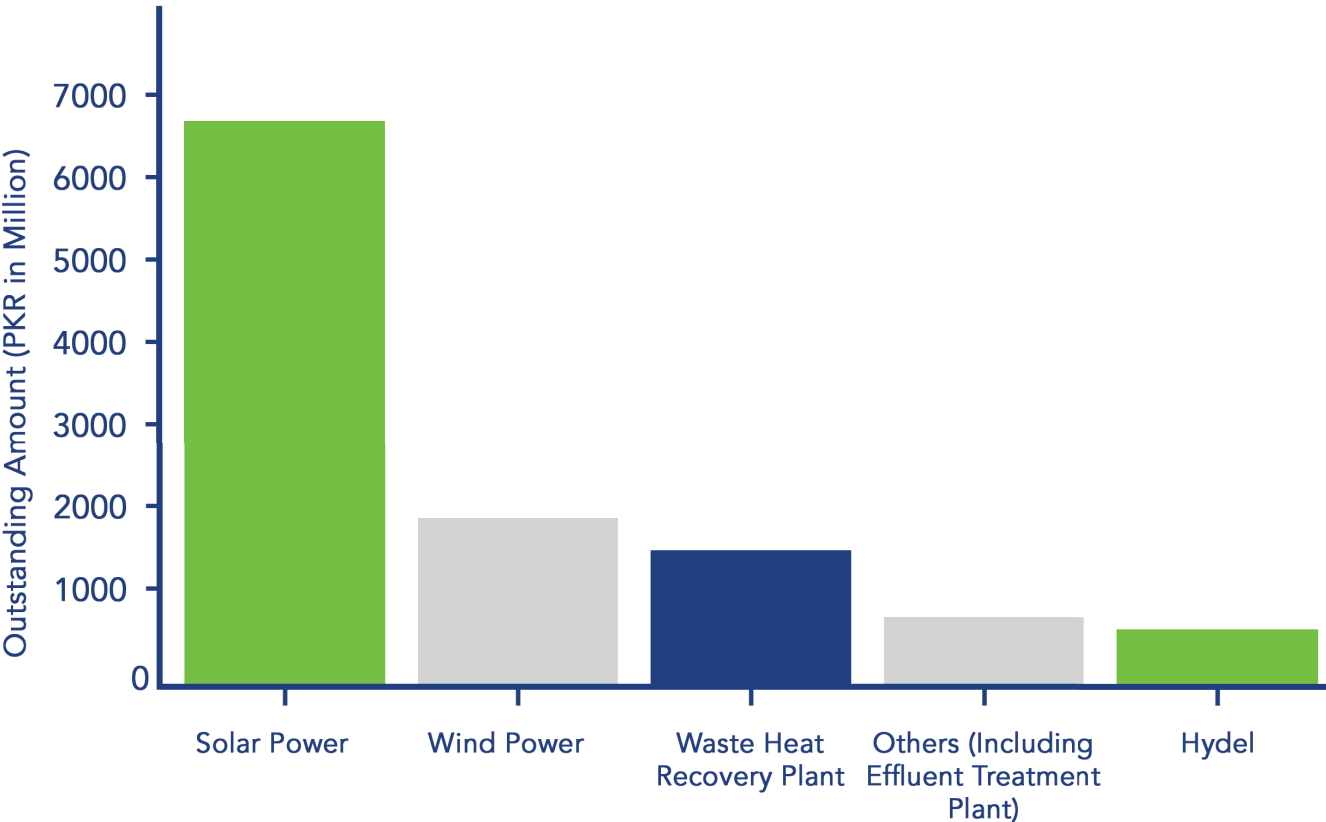
ABL’s green credit portfolio encompasses both SBP refinancing and ABL bilateral facilities for a variety of sustainable projects, including solar, wind, hydro, biomass, waste heat recovery, air improvement equipment, and effluent treatment plants. To further promote renewable energy adoption, the Bank has developed specialized financing products such as Allied Solar System Finance (Conventional

mode) and Allied Aitebar Solar System Finance (Islamic mode).

The Bank does not engage in activities that may result in adverse or negative impacts on local communities or stakeholders. All potential impacts associated with financed activities are vetted and assessed through ABL’s due diligence and screening processes, in full compliance with the Environmental and Social Risk Management (ESRM) framework mandated by the State Bank of Pakistan.

In support of the State Bank of Pakistan’s Green Banking initiative, the Bank has provided financing facilities worth over PKR 12.7 billion from year 2020 to year 2024.

In year 2024, the Bank has financed Rs. 1,553 Million to its obligors for installation of green projects. Total outstanding Green Financing stood at Rs. 11,606 Million at the end of year 2024.



Waste Management

ABL is committed to responsible waste management and promotes environmentally safe disposal practices.

- ABL operations do not generate any hazardous wastewater whereas utility water and domestic liquid waste is discharged in the municipal wastewater system of local governments where the same is recycled or disposed of responsibly.
- General domestic solid waste disposal is managed through third party contractors who dispose it of at dedicated places designated by local governments where the same is recycled or disposed of responsibly.
- E-waste is responsibly donated to educational and welfare institutions through CSR initiatives, ensuring safe and beneficial reuse.

Bio-diversity

Biodiversity is the fabric of life. Ecosystem services provided by healthy, biodiverse ecosystems are the foundation of human well-being, economic prosperity, and development. The global decline in biodiversity and the vital ecosystem services threaten livelihoods, water supply, food security, and thus can jeopardize hard-won development gains. Biodiversity and ecosystem services loss is also interconnected with climate change—the two crises reinforce each other and can push the planet toward dangerous tipping points.

ABL screens projects for biodiversity-related impacts through the Environmental and Social Risk Management (ESRM) system of SBP. ESRM system includes the screening of obligors/projects for the excluded activities as per exclusion list that may harm the biodiversity and natural habitat. As part of

the Environmental and Social Due Diligence (ESDD), the Bank evaluates ecological sensitivity of the obligor/project location. This includes assessing potential impacts on natural habitats, endangered species, and ecosystem services that maybe caused due to the close proximity of the project with ecologically sensitive sites.

For project finance and long-term corporate finance, ABL applies the International Finance Corporation (IFC) Performance Standards, which mandate thorough evaluation of biodiversity conservation and sustainable management of living natural resources through its Performance Standard 6, “Biodiversity Conservation and Sustainable Management of Living Natural Resources”.

The Bank also ensures that all relevant permits, consents, and environmental assessments—such as Environmental and Social Impact Assessments (ESIA)—are obtained in compliance with national and provincial regulations. Through this multi-layered approach, ABL effectively identifies, categorizes, and mitigates biodiversity-related risks, ensuring responsible financing aligned with environmental stewardship.

SOCIAL



Empowering the Workforce

Human Resource Governance

Human Rights Policy

Human Rights are the rights that are inherent to all the human beings, regardless of Gender, Race, Nationality, Ethnicity, Language, Religion or any other status. Allied Bank is equal opportunity employer and recognizes all Human Rights envisaged by local as well as international forums.

Allied Bank supports minorities, people with different abilities and has always positively contributed towards the well-being and supporting economic, social and cultural rights of all its employees. Being the equal opportunity employer, the Bank has a strong standing on the case of discrimination with proper checks & balances.

Human Resource Policy

ABL is an Equal Opportunity Employer and believes in equal treatment in a non-discriminatory manner. Human resource policies of the Bank are designed and implemented in line with the Bank’s mission to provide a challenging work environment and reward dedicated team members according to their abilities and performance.

Anti - Harassment Policy

- To promote a harmonized gender sensitive work environment
- To create a culture based on social, moral, and ethical values
- Making workplace a dignified environment for both men and women

- For prompt handling of inappropriate behavior, a dedicated Anti-Harassment Committee to entertain and investigate the complaints of harassment

Zero Tolerance for Workplace Violence

- Making threats, exhibiting threatening behavior, displaying arms or ammunition, using abusive language, or engaging in violent acts is strictly prohibited
- Ensuring that the work environment is free from violence
- Provide a safe and healthy workplace to employees
- Create an atmosphere of mutual respect and understanding
- Maintaining high standards of professionalism and corporate culture

Child Labor and Forced or Compulsory Labor Policy

Allied Bank strictly follows and respects all applicable laws on Child Labor and Forced Labor. Minors are not hired in Allied Bank Limited in any capacity whatsoever. The Bank respects professional and personal life of all its employees and therefore all employees are expected to perform their assigned duties for defined working hours with commensuration remunerations.

ABL maintains a stringent stance against all forms of exploitative labor, affirming that its direct, office-based operations and its supply chain are not considered at significant risk for incidents of child labor, forced labor, or compulsory labor.

Recruitment Strategy

- Transparency, meritocracy, fairness, diversity, inclusion, and equal opportunities
- Hiring of ethically thorough professionals
- Evaluation based on integrity, skills, qualifications, potential contribution, and due diligence

Batch Recruitment

- Management Trainee Officers (MTOs) – General Banking
- Management Trainee Auditors (MTAs)
- Management Trainee Information Technology Specialists (MTITs)
- Risk Management Trainee Associates (RMTAs)
- Management Trainee Officers – Compliance
- Female Tellers

Person with Different Abilities (PWDs)

Allied Bank is an equal opportunity employer and has always ensured that there is no room for discrimination against any Gender, Race or Person with Different abilities in line with its approved policy. A specially designed internship program, leading towards permanent employment, was initiated by the Bank to enhance employment experience for individuals with different abilities.

The 8-week long internship program for PWDs has the following features:

1. Work Experience and Skill Development.
2. Exposure to Banking operations customer service, legal affairs, and digital Banking
3. Mentorship from experienced Bank employees
4. Certificate and performance feedback upon completion
5. Opportunity of permanent employment for high-performing interns

Furthermore, the Bank has conducted comprehensive training for all employees to interact with Persons with Different Abilities (PWDs). The curriculum is designed to explain the meaning and reasons of PWDs, general guidelines to serve PWDs, priority services to PWDs, sign language communication with deaf persons and guidelines to deal with visually impaired/blind persons.

Internship Program

- 6-8 weeks of a structured internship program for students across Pakistan

Career Path Development

- Specialized career paths for Management Trainees, Tellers, CSOs and BDOs
- Structured framework for growth within the organization
- Long-term talent development through continuous training and development
- Enhanced employee satisfaction and retention
- Regular performance and career development review for the year 2024 was as below:

Employee Category	Number (%)	Gender
Permanent/Full-Time	8,387 (100% of eligible employees)	Male
	2,513 (100% of eligible employees)	Female
Contractual	85 (100% of eligible employees)	Male
	3 (100% of eligible employees)	Female

Remuneration policy

Compensation Governance

Employee compensation plays an integral role in the successful delivery of the Bank’s strategic objectives. Attracting and retaining the capable employees is key to the Bank’s compensation strategy. The cornerstone is the concept of paying for performance within a sound risk

management and governance framework and with due consideration of market factors and social values. The Bank regularly reviews and aligns human resource policies encompassing all aspects of the remuneration to the ever evolving internal and external dynamics.

The Human Resource and Remuneration Committee of the Board is entrusted with the overall governance of all areas of the Human Resource including remuneration

Total Remuneration Structure

As part of the compensation strategy, the Bank employs a total compensation philosophy, which comprises fixed pay, variable compensation and benefits.

Element	Purpose
Fixed Pay	<ul style="list-style-type: none">Attract and retain employees by paying market competitive pay for the role, skills and experience required.This includes base pay and allowances as part of the monthly salary as per terms of employment.
Variable Compensation	<ul style="list-style-type: none">Drive and reward performance based on annual financial and non-financial measures consistent with the medium to long-term strategy, stakeholder interests and adherence to the Bank’s values.Awards vary with performance achievement and the Bank has the discretion to assess the extent to which performance has been achieved.Awards are in monetary terms. A portion of the annual incentive award may be deferred and vests over a period of three years. All deferred awards are subject to malus.This includes an annual performance award, cash award on passing Institute of Bankers Pakistan.
Benefits	<ul style="list-style-type: none">Ensure market competitiveness and provide benefits in accordance with market practice.This includes but not limited to medical benefits, education assistance and post-employment benefits.

Bank employees are categorized into 12 salary grades, from MG1 to MG12, with MG1 being the senior most and MG 12, being the junior

most. The management of the Bank is further classified in the following four levels, according to salary grades:

Management level	Salary Grades
Executive Management	MG1 to MG3
Senior Management	MG4 to MG6
Middle Management	MG7 to MG9
Junior Management	MG10 to MG12

The above categories may include, from time to time, Material Risk Takers (MRTs) and Material Risk Controllers (MRCs). The remuneration of employees categorized as such is based on a risk-based pay structure which is referred to as ‘risk-based employee’s remuneration pool’. The remuneration of employees other than such categories have pay structure which is referred to as ‘general employee’s remuneration pool

Minimum Wage

Ratio of Bank’s entry level wage by gender to minimum wage at significant locations of operation is 122%.

Stakeholder Engagement Process

- A robust talent acquisition strategy.
- Collaboration with reputable educational institutions
- Participation in job fairs and campus recruitment drives
- Bridging the gap between academia and the Banking industry
- Providing platforms for graduates to be prepared for the work environment

Succession Planning

- Existence of the Bank’s Internal Center for Assessment, Research and Employee’s Evaluation (CARE) department
- Transparency, meritocracy, and objectivity in recruitment, succession planning, leadership planning, and recognition of

employees

- Cross functional exposures at all mid and senior level positions

Collective Bargaining

The majority of employees at ABL are part of the Management Grade (MG) structure, and under applicable labor laws, do not have representation by any Collective Bargaining Agent (CBA). The CBA is legally designated to represent only the workmen cadre within the Bank. As of the end of 2024, a total of 248 employees fell under CBA category and all are covered under collective bargaining agreements facilitated by the CBA.

For employees not covered by collective bargaining agreements, their working conditions and terms of employment are covered under Human Resource Policy of the Bank, approved by the relevant committee of the Board.

The Bank’s operations and suppliers are not at risk of violating the right to freedom of association and collective bargaining.

Proportion of Senior Management Hired from the Local Community

All the senior management of the Bank are hired from the local community.

Diversity, Equity and Inclusion (DEI)

Human Resource Diversity

- ABL recognizes role of diverse human resource in achieving its long-term goals The hiring of female employees is encouraged in fresh as well as lateral hirings
- ABL has created direct and indirect employment which is currently exceeding 19,000 employees, who represent diverse geographical areas of Pakistan; thereby positively impacting the broad-based economy and society at large.
- ABL being an equal opportunity employer, encourages employment of Persons with Different Abilities (PWDs) and currently 55 such persons are honorably earning their livelihood while serving ABL with pride.

Dedicated Female Recruitment

- Female Inclusion Program
- Dedicated ‘Khanum Tellers’ batches

Creating a Gender Balanced Organization

- Dedicated team of “Women Champions”
- Groomed to assist and support female customers
- Special training programs to improve customer awareness

Gender Equality

- ABL is an equal opportunity employer to help women achieve their goals
- ABL promotes the female employee inclusion
- Efforts to narrow down the gender gap
- Efforts to establish a conducive and harmonized gender sensitive work environment

Gender Pay Ratio

- Median male compensation to median female compensation ratio 1.1:1
- Gender Pay Gap as of December 31, 2024.
 1. Mean Gender Pay Gap: -3%
 2. Median Gender Pay Gap: -2%

Employee Diversity
Regular Employees

Gender/Age Group	Regular (Total)
Male	10,011
Female	3,264
Total	13,275
Female ratio	24.59%
Permanent/Full-Time	
Under 30	4,739
30-50	5,885
Over 50	1,434
Male	9,227
Female	2,831
Contractual	
Under 30	853
30-50	326
Over 50	38
Male	784
Female	433

Note: Employment at ABL is not offered on a Temporary or part-time basis.

Third Party Employees

The Bank engages third party vendors for its support services including Security Services, Janitorial Services, Building Maintenance Services, Administrative Support Services, Phone Banking Services, Technical Support Services, Firefighters, Messengers, Drivers, etc. The total number of third party employees engaged in 2024 were 8,681 (Males: 8,563, Females: 118) compared to 8,512 (Males: 8,358, Females: 154) in 2023.

Management Diversity

Management Diversity	Male	Female	Female Ratio
Entry and middle level positions held by men and women	9,164	2,999	24.66%
Senior and executive level positions held by men and women	847	265	23.83%
Women and men promoted during the year	1,014	292	22.36%

New Employee in 2024 (Hiring/Turnover)

New Employee Hiring	2024	
Region	Pakistan	
Age	Male	Female
<30 years	1,358	910
30 - 50 years	448	115
> 50 years	7	0
Total Hiring	1,813	1,025
Year on Year Change in Full Time Employees	Increase of 5.64%	
Employee Turnover	2024	
Region	Pakistan	
Age	Male	Female
<30 years	18.06%	19.1%
30 - 50 years	14.0%	10.6%
> 50 years	0.9%	1.2%
Total Attrition (Gender Wise)	13.7%	15.1%
Total Attrition	14.03%	

Gender Mainstreaming Policy

Women Centric Services

Liability products (Khanum Saving Account, Khanum Current Account, Khanum Asaan Current Account. Khanum Asaan Savings Account)

- SME Financing Digital Accounts
- Special Discounts on locker facility

- Exclusive Debit Cards with up to 50% shopping discounts on various merchants across the country
- Preferred and Discounted Consumer Financing Facilities
- 24/7 free internet Banking
- Total number of female accounts at the end of 2024 were 2,242,586 (24.65% of total accounts)

Simplified Loan Procedure for Women

- On-line system for processing of loan application: ABL has implemented automation for loan processing named RAMs – Loan Origination System (LOS). This facilitates efficient TAT for loan approvals without engaging hard copies of documents.
- Independent PPM (Refinancing Scheme

for Women Entrepreneurs) is in place for financing for women gender.

- Specialized products (PPMs) named: Allied Fast Finance (AFF), Allied Business Finance (ABF), PMYB&ALS, Allied SME Finance, Hari Bhari Agriculture Revolving Credit Scheme/ Tractor Financing/ Farm Mechanization Agriculture Financing for Dairy and Poultry Farming etc. are available for financing to Women gender with the dissemination of approval powers.

Financing to Females

Segment	No. of Customers	Outstanding Amount (PKR Million)
SE & ME	59	432
Consumer	749	601
Agriculture	40	31
AFF consumer	49	193
Total	897	1,257

Provision of Non-Financial Advisory Services (NFAS)

ABL provides NFAS services including Business Coaching & Mentoring, Accountancy and Financial Planning Advice, Economic Insights, and Business Intelligence to women through meetings and regular interactions. Multiple awareness and interactive sessions and meetings were conducted during the year.

- Allied Bank celebrated Women Entrepreneurship Day by conducting 21 sessions at various Regional Headquarters.
- An awareness session on Banking on Equality (BOE), with a special focus on women entrepreneurs and SME financing, was held at the ABL Regional Offices, Bank

Square, Muzaffarabad, with 22 female participants.

- An awareness session on BOE, with a special focus on women entrepreneurs and SME financing, was held at Fatima Jinnah Women University, Rawalpindi Cantt., with 150 female participants.
- Awareness sessions for women entrepreneurs were held in collaboration with the Women Chamber of Commerce, Peshawar, with 20 female participants.
- Awareness sessions on Micro and SME financing were held in Sargodha, with more than 53 female participants.

Financial Literacy and Mass Awareness

No. of Awareness Sessions	No. of Female Participants
411	9100+

Initiation of Digital Access:

ABL provides financing to Women Entrepreneurs having deficient or no collateral under Allied Easy Finance, ware house financing and PPM-Refinance and Credit Guarantee Scheme for Women Entrepreneurs.

Women Exclusive Branches

ABL has introduced women exclusive branches (07 Branches in operation), which are primarily aimed at:

- Fostering home-grown talents
- Empowering female entrepreneurs to take advantage of tailor-made proposition for their personal and business Banking needs.
- They are managed by female staff only

Appointing Women Champions

Under the gender mainstreaming policy ABL had deputed 1,141 women champions Bank-wide i.e., over 75% branches (touch points) were covered.

Training and Capacity Building of Female Employees

Number of Female Participants in Trainings	42,128
--	--------

Training and Development

The Bank firmly believes in the educational well- being of the staff empowering them to excel in their current roles and thrive in the future. The Bank has launched a mobile application “m-Learning” providing access to learning sources around the clock, further bolstering the Bank’s aim of educational wellbeing of staff. In addition, The Bank has established four dedicated state of the art Management Development Centers at Lahore, Karachi, Islamabad, and Multan to cater the professional development needs of staff. During the year 2024, a total of 295 Management Trainee Officers (MTOs) graduated successfully by completing rigorous training program. The Bank spent Rs. 255 Million on trainings to 12,000+ employees and Rs. 31 Million on employees’ education.

Key Facts and Figures 2024

Management Development Centers 04 centers in major cities (Lahore, Karachi, Islamabad, and Multan)	m-Learning App 24/7 access to learning resources (eBooks, video courses, and other educational materials) through the Bank’s Portal and Mobile App.	Overall Training coverage 92%	Trainings Conducted More than 12,000 employees
Islamic Banking Training Over 8,000 employees trained	Customer Service Training 2,900 participants	Training of Trainers (TOT) 6 resources trained 61 sessions	Coursera Courses Accessed Over 450 employees
Employee Well-being Programs Over 595 participants	DEI Trainings 9,500 participants	Employee Trainings to Interact with PWDs 9,000 Participants	National Financial Literacy Program (NFLP): More than 3,996 sessions Over 122,201 participants in 41 districts
Self Learning (Coursera, Blanchard, LUMS) Courses in AI, Machine Learning, and Data Science	Leadership Development In 2024, the Center for Assessment Research and Employees’ Evaluation (CARE) assessed 6,328 candidates under ALTP and RISE programs, advancing strategic goals in recruitment, leadership, and employee evaluation.	Training Sessions Skill Upgradation: 8,025 Soft Skills: 981 Health and Safety Measures: 20	Employees Trained Skill Upgradation: 12,132 Soft Skills: 4,148 Health and Safety Measures: 518

Training Hours 2024

Employee Category	Average Training Hours 2024	Gender
Permanent/Full-Time	46.78	Male
	54.01	Female
Contractual	27.13	Male
	29.51	Female
TOTAL	45.24	Male
	50.76	Female
	47.6	Male and Female

Training Programs

Reskilling and Upskilling the Artificial Intelligence (AI)

As new AI driven technologies are becoming more integrated into organizations’ processes and workflows, the need for professionals specially the decision makers, to adapt

and continue to learn and grow becomes increasingly imperative. To stay current with these changes, a customized training program titled ‘Leadership in the Age of AI’ was organized for the senior management of the Bank. This innovative program was designed to equip the participants with the skills needed to thrive in an AI driven world.

Moreover, an exclusive session on ‘Generative AI’ was arranged which aimed to provide participants with invaluable insights into the dynamic landscape of artificial intelligence and its profound implications for Banking operations. This program was delivered by distinguished professor from Cambridge University to Group Heads, and an exclusive session on Generative AI for senior executives, including the CEO and Chiefs. Through interactive discussions and real-world examples, participants gained practical understanding to navigate the evolving AI landscape and leverage emerging opportunities effectively.

Training Sessions on Legendary Service

The middle management benefited from the globally acclaimed Legendary Service Program by Blanchard. These sessions were held in Lahore and Islamabad engaging employees from diverse segments within the Bank. The Legendary Service Program equips participants with the mindset and skill set to consistently deliver exceptional service, thereby enhancing support for colleagues, fostering customer loyalty, and creating a competitive edge for The Bank.

Training and Development Collaborations

Through a strategic partnership with Coursera, over450 employees accessed courses in Data Science, Computer Science, Leadership and Management, offered by globally renowned institutions and organizations such as Yale, Meta, IBM and Google. These initiatives exemplify Bank’s dedication to empowering employees and driving innovation.

Transition Assistance Programs

Employees who successfully complete their regular employment tenure may be offered contractual employment. Bank values the diligent and experienced senior team resources, who have been an integral part of

Bank’s successful journey. The Bank may rehire certain employees based on specialized skill set, specific nature of assignment, job scope being handled and requirements in relation to emergent initiatives of the Bank.

Training on Human Rights Policies or Procedures

- During the year 2024, a total of 102,935 training hours were devoted to programs covering human rights–related policies, procedures, and practices relevant to the Bank’s operations, with 27,524 participant attendances recorded.
- 91% employee are trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.
- Key training programs conducted included, but not limited to:
 1. ABL Code of Ethics
 2. Banking Conduct and the Fair Treatment of Consumers
 3. Fair Treatment of Customers
 4. Gender Sensitivity and Gender Sensitivity Training
 5. DEI (Diversity, Equity & Inclusion)
 6. Ethical Working Environment
 7. Ethical Leadership Through Giving Voice to Values
 8. Anti-Fraud Awareness Training
 9. Digital Fraud Awareness
 - 10.ESG Governance for Financial Institutions
 - 11.Green Banking

These sessions collectively contributed to strengthening employee awareness of human rights principles and embedding them into daily operations and decision-making processes.”

Training on Anticorruption Related Policies and Procedures

More than 10,154 employees have been trained on anti-corruption and relevant topics i.e. Code of Conduct, AML, TBML, Anti-Fraud Training, Compliance Risk awareness session, etc.

Employee Recognition Program

To foster a culture of recognition and reward, ABL has implemented an Employee Recognition Program. This initiative aims to acknowledge and honor employees who contribute significantly to the organization’s growth and success. Through this program, employees from all departments are eligible to receive the prestigious titles of “Employee of the Year” and “Employee of the Quarter.”

Allied Bank being a caring and concerned employer has been focusing on team building and placing its staff at top priority. With the intention of team building and appreciating the Top Performing staff, ABL has been organizing Annual Award ceremony at the start of each year.

In recognition of outstanding achievements, Allied Bank hosted its Annual Performance Awards for the year 2024 in January 2025. This prestigious event acknowledged the tireless efforts and dedication of ABL staff members, who played a pivotal role in driving the Bank’s growth and contributing to the national economy. To honor the exceptional performance and commitment of the winner’s the Bank organized a three-day excursion to the historic destinations including Kartarpur and Shalimar Garden. ABL staff was treated to a guided tour of the places’ iconic landmarks, immersing themselves in the local culture and history.

On the first day guests and winners including management travelled to the Shalimar Garden where activities like Dastan Goi, Drum Circle

and Sufi dance was organized in coordination with WCLA. The event was followed by delectable dinner.

On the second day, a day trip to Kartarpur – Narowal was arranged through dedicated coasters. The convoy travelled to Kartarpur Corridor, which is a visa-free border crossing between Pakistan and India, specifically designed to allow Sikh pilgrims from India to visit the Gurdwara Darbar Sahib in Kartarpur.

Apart from zero-point crossing, ABL team also visited Gurdwara Darbar Sahib Kartarpur to promote mutual respect, unity and religious harmony. A delicious Lunch was served in the sunny day of January at open lawn.

On the third and the last day, award distributing ceremony was organized for the high achievers in dozens of different categories. The winners were overwhelmed with the appreciations received

Employees’ Facilities/ Benefits

Subsidized House Building and Vehicle Finance

- Increasing the buying power
- Bringing convenience in the life
- Catering basic needs of living and transportation

Electric Bike and Scooty Loan Facility

- Promote eco-friendly commuting for employees
- Sustainable, cost-effective commuting option
- Helping in the reduction of carbon footprint

Reduced Markup Rate on Employee Personal Loan

- Reduced employee personal loan markup rate from KIBOR + 1 (22.71%) to fixed 6%
- Made loans significantly more affordable for staff
- Promoted a more inclusive and financially secure workplace

Education Assistance

- Up skilling the knowledge
- Financial support through the Education Assistance Program
- Extensive learning and development opportunities
- Internal and external training courses

Insurance

Group Insurance (Life) Coverage is applicable only in case of, in-service death of an employee. The insurance arrangements made by the Bank for its employees, provide coverage against loss of their life, house building finance (if any) as well as double coverage for loss of life, in the eventuality of accidental death of the employee.

Hajj Facilitation

- The Bank honored employees’ religious sentiments by sponsoring Hajj for staff across all levels
- 35 employees selected through balloting: 15 from Management Grades, 20 from Clerical and Non-Clerical staff
- Rs. 45 million spent during the year to support this initiative
- This facility reflects the Bank’s commitment to employee welfare and spiritual fulfillment

Defined Benefit Plan Obligations and Other Retirement Plans

Allied Bank Limited maintains a fully-funded retirement benefits system, demonstrating its strong commitment to long-term employee security and welfare. As of December 31, 2024, the Bank’s pension fund assets of Rs. 8,821.9 million provide 100% coverage for liabilities. Other benefit obligations include Rs. 252.662 million for gratuity, Rs. 1,575.050 million for medical benefits, and Rs. 1,248.767 million for compensated absences. These valuations, determined in accordance with IAS-19 standards using the Projected Unit Credit Actuarial Cost Method, reflect the Bank’s prudent financial management. The retirement program encompasses multiple plans with

Parental leaves

The Bank facilitate the employees with parental leaves. The parental leave information for the year 2024 is as follows:

Gender	Number of employees entitled to parental leave	Number of employees who took parental leave	Number of employees who returned after parental leave	Return to Work Rate	Retention Rate
Male	10,011	266	266	100%	100%
Female	3,264	272	272	100%	100%

Medical Benefits

Promotion of Employees’ Health

The Bank strives to provide employees with access to comprehensive medical and healthcare services that extend beyond occupational needs. ABL believes in enhancing employees’ well-being with vital healthcare resources. ABL continued its endeavor, exhibiting commitment for occupational health and safety. During the year, 2,308 employees availed medical facility worth Rs. 290 Million under the approved medical expense policy. Adhering to responsibility towards eligible ex-employees, the Bank paid Rs. 160 Million during the year, towards the health of 495 ex-employees, from the platform of “Post-

significant employee participation: 12,145 in the Gratuity Fund, 1,981 in the Pension Fund, and 10,760 in the Staff Provident Fund, where the Bank contributes 8.33% of the basic salary while employees can contribute between 8.33-15%.

Additionally, all employees are fully covered under medical benefits and compensated absence programs.

Benevolent Grants

During the year, the Bank through its platform of “Staff Welfare Fund” spent Rs. 17.57 Million to assist 36 employees by financially enabling them in important social events like marriage ceremony of their daughters, special medical financial assistance and to meet the burial expenses of their departed loved ones.

retirement Medical Fund”. The Bank ensures that necessary security standards are met at all the premises. ABL is committed to supporting the overall well-being of employees, beyond workplace-related health and safety requirements. ABL offers a range of voluntary health promotion services and programs that address common non-work-related health risks, including:

- Lifestyle-related risks such as physical inactivity, poor nutrition, and stress management.
- Chronic disease prevention including awareness and early detection of breast cancer, diabetes, hypertension, and cardiovascular issues.
- Mental health and emotional well-being,

including access to stress management resources, counseling support, and wellness sessions.

- Preventive health care such as blood drives, annual health screenings, and awareness campaigns.
- Services are made available on-site through health camps, awareness sessions, and wellness workshops.
- Partnerships with external health providers give employees access to discounted consultations, diagnostic tests, and fitness programs.
- A dedicated internal communication channel (email, circulars and the newly launched HR Mobile App) provides information on upcoming health initiatives and resources.
- Participation is voluntary and confidential, ensuring employees can engage in these programs comfortably.
- Through these initiatives, the organization aims to promote healthier lifestyles, encourage preventive care, and provide easy access to resources that improve both physical and mental well-being."

ABL Panel Hospitals

To expand Bank's Hospital Panel to 113 facilities, for improved medical coverage and geographical accessibility for providing best medical facilities to employees in a convenient manner, twenty-four (24) reputable hospitals have been added to the existing county- wide panel of hospitals during the year 2024.

Collaboration with Laboratories

ABL is dedicated to providing its employees and their families with access to premier healthcare services. The Bank has partnered with renowned healthcare institutions including Chughtai Lab and Islamabad Diagnostic Center (IDC), to offer personalized care and the latest

diagnostic and treatment facilities. These collaborations provide Bank's employees with discounted rates for a wide range of diagnostic services, including blood tests, screenings, and other medical examinations. By making essential healthcare more accessible and affordable, the Bank aims to contribute to the overall health and well-being of its employees and their families.

Other Benefits

- Medical coverage facility
- Privilege leaves 30 days each year
- Casual leaves 10 days each year
- Maternity Leaves (for female staff) 90 days
- Paternity Leaves maximum 10 days
- Hajj Leave 45 days once in the entire length of service not deducted from his / her leave balance
- Iddat Leave (for female staff) 130 days on the death of husband.
- Bereavement Leave (for male staff) 15 days on the death of spouse.
- Mandatory Leaves once in each calendar year for minimum 15 consecutive days
- Car Maintenance
- Mobile Bills Reimbursements
- Club Memberships and Monthly Club Subscription fees
- Fuel
- Travelling Allowance
- Daily Allowance
- Overtime Allowance
- Severe Winter Allowance
- Special Duty Allowance
- Burial Expenses
- Marriage Grant
- Transfer Grants
- Staff Uniform (Jersey)

Occupational Health Safety and Environment (OHSE)

ABL has consistently placed the safety of its employees and customers at the forefront of its priorities. The Bank has not only provided the necessary safety equipment for fire detection and emergency response but have also invested in comprehensive staff training and deployed professional firefighters at its main buildings. This commitment to safety ensures a secure and protected environment for all.

A dedicated Health, Safety, and Environment (HSE) department has been established in the Bank. The HSE staff is competent enough to address the matters related to OHSE. The staff have relevant HSE experience.

ABL mitigates significant occupational health and safety impacts related to its operations by implementing basic safety measures such as drills, training, and safety equipment, while monitoring risks through the HSE department and business continuity plans.

All the regular employees are covered under the OHS system (audited internally and externally) whereas procedure for 3rd party workers and contractors is under development.

A Crisis Management Team (CMT) is in place, which reviews Bank-wide HSE matters for improvement. The Crisis Management Team is responsible for reviewing health, safety, and environmental (HSE) matters across the Bank, identifying areas for improvement, and guiding related initiatives. The team meets once annually.

Staff participation in OHSE occurs through feedback during training sessions, safety drills, and communication with the HSE department to facilitate ongoing improvements. ABL communicates occupational health and safety information to workers through training sessions, fire drills, circulars, and regular updates from the HSE department.

Occupational Health, Safety and Environment (OHSE) Standards

The comprehensive OHSE policy is under development however, the Bank has developed its own procedures with respect to OHS under the applicable legal standards of Environmental Protection Agency (EPA) and Fire Safety Provisions-2016 as well as the guidelines of NFPA (National Fire Protection Association).

Hazard Identification, Risk Assessment, and Incident Investigation

At ABL , the risk identification and assessment are integral components of its Business Continuity Plan (BCP). The processes are designed to proactively recognize potential threats and vulnerabilities that could impact operations, employee safety, or service delivery. Once risks are identified, the Health, Safety, and Environment (HSE) department takes the lead in implementing appropriate controls to mitigate them. These controls are communicated through formal circulars, guidelines, and safety instructions, ensuring that all employees are informed and equipped effectively to manage or eliminate hazards.

The outcomes of risk assessments and the effectiveness of safety measures are periodically reviewed under the BCP framework. This review process helps identify gaps or areas for improvement, which in turn informs updates to training programs, operational procedures, and safety protocols. Through this cyclical approach, ABL ensures ongoing enhancement of its risk management and safety systems, reinforcing a culture of resilience, preparedness, and continuous improvement.

Training Session on Healthcare and First Aid

The Bank staff receive basic occupational health and safety training, including:

- Fire and Evacuation Drills
- First Aid
- HSE awareness
- Incident reporting sessions

Evacuation and Firefighting Drills

In total, 33 safety drills were conducted at major buildings in Lahore, Karachi, Islamabad, Rawalpindi, Faisalabad, Gujranwala, Abbottabad, Peshawar, Quetta and Multan in 2024. The Bank ensured the availability of emergency lights, fire and smoke detection equipment, alarm systems, portable fire extinguishers, periodic evacuation, safety drills to enhance staff security at the workplace. Additionally, experienced firefighters have been deployed in ABL major buildings for continuous monitoring and eradicating fire hazards and to deal fires timely to safe guard employees and premises. During the fire drills, employees learned valuable safety techniques such as:

- Evacuating the building safely during an emergency, without panicking
- To make everyone familiar with the exit routes of buildings so that they are able to evacuate in the least possible time
- To inform employees of their responsibilities in times of emergency
- Check the status of emergency equipment so that they are ready to use in times of need
- To evaluate and determine the efficiency of emergency response teams (Wardens, firefighters, and first aiders) in ABL buildings
- To be able to identify and rectify grey areas that cause hindrance during an emergency
- Update and improve the defined procedures and equipment

Work related Injuries/Fatalities and Work related ill Health

Due to its proactive approach towards occupational health and safety, ABL has successfully achieved a zero work related injury, fatality and ill health record in 2024. This accomplishment is a result of ongoing efforts, including regular in-house safety training conducted by the Bank at major buildings and the issuance of safety guidelines and actions taken to eliminate work- related hazards and minimize risks by conducting risk assessments (RAs) as part of the Business Continuity Plan (BCP). Bank's commitment to employee safety has created a secure and healthy work environment.

Employees' Wellness

The Bank has introduced holistic wellness programs that include regular seminars and sessions conducted by renowned experts. These programs cover a wide range of health topics, empowering the workforce to perform at its best. These initiatives are designed to improve the overall well-being of the employees.

Training Session on Mindfulness

ABL arranged Mindfulness Hour Sessions to promote awareness among employees about mental health and wellness. These wellness sessions incorporate breathing techniques and Yoga to reduce stress, bring mental alertness, awareness and clarity. This initiative has been undertaken to equip the employees with tools to deal with everyday pressures of professional and personal lives. These sessions not only contribute to the physical and mental well-being of the employees but also enhance productivity and foster a positive work environment.

Health 360° Workshop

ABL conducted a tailored master class titled "Health 360° Workshop" for the senior management of the Bank. The workshop was meticulously designed to enhance understanding in critical areas including the psychology of habits and food, nutritional intelligence, wellness technology, and mindfulness in the workplace. This event reflects The Bank's commitment to fostering a holistic approach to wellbeing, ensuring the leadership is equipped with the knowledge and

tools to thrive both personally and professionally.

Wellbeing Master Class – Thrive at Work

ABL is committed to the continuous development and wellbeing of its employees. To underscore this commitment, the Bank organized an exclusive online Wellbeing Master Class titled 'Thrive at Work' for the employees of the Bank. This innovative workshop provided participants with tools to understand the psychological aspects of change, stress normalization and resilience enhancement.

Pinktober Campaign

'Breast Cancer Awareness Seminars' have been organized across major cities (Lahore, Karachi, Islamabad and Multan) as part of the Pinktober campaign. These sessions aimed to empower employees with knowledge on early detection and prevention of breast cancer

Daycare Center

The launch of 'Allied Rising Star Day-care Center (s)' at MDC Lahore and MDC Multan is a testament to ABL's commitment to support working parents within the Bank. Daycare helps employees to focus on their work by reducing stress and distractions when parents are confident that their children are in safe and nurturing environment.

Staffed by qualified and caring professionals, these daycare centers ensure that children receive attentive care in a secure and supporting environment.

Bank's daycare centers are dedicated to providing a safe, warm, and loving environment where children can thrive and develop physically, emotionally, creatively, intellectually, and socially. The Bank believes in treating each child as a unique individual, fostering their self-confidence and self-esteem by encouraging self-expression in various ways.

Fitness Center/Gymnasium

With an aim to provide healthy work environment and balanced work life to its employees, the Bank has established gymnasiums in Head Office and Management Development Center Lahore. The Gym is equipped with state-of-the-art infrastructure

for resistance training and endurance under the supervision of trained staff and personal trainers who provide expert guidance and support. Gymnasiums offer a variety of equipment and classes, making it convenient for members to try new things and stay engaged. These initiatives are a testament of the Bank's commitment towards fostering a thriving workplace environment as well as encouraging its employees to maintain a healthy work life balance

The benefits of this gymnasium facilities include:

- Improved Health and Wellness: Regular exercise has proven to enhance physical health, mental well-being, and overall productivity. By utilizing the gymnasium, employees can prioritize their health and effectively manage stress.
- Team Building Opportunities: The gymnasium serves as a platform for fostering relationships and teamwork among colleagues. Employees can participate in group workouts and motivate and support one another in achieving their fitness goals.
- Enhanced Employee Engagement and Retention: Investing in employee wellness initiatives demonstrates ABL's commitment to their holistic development, leading to increased job satisfaction, motivation, and retention.
- Positive Organizational Culture: By promoting a culture of wellness, the Bank reinforces its values of care and support for the employees, which in turn contributes to a positive work environment and organizational reputation.

Housekeeping

ABL is committed to maintaining a clean and healthy working environment for the employees. The Bank invests in the best janitorial services across its network to ensure a hygienic and well-maintained workplace.

Recognizing the significant impact of waste on employee health and organizational aesthetics, the Bank prioritizes waste reduction, reuse, and recycling.

These initiatives are crucial for environmental improvement and contribute to a more productive workplace. The Bank ensures that that the complaints regarding working conditions are resolved promptly. In 2024, a total of 985 such complaints were reported and all were addressed.

CYCLATHON 2024
FOSTERED A SENSE
OF COMMUNITY
THROUGH SHARED
EXPERIENCES



Customer Management

The Bank is committed to delivering exceptional customer service that exceeds expectations. The Bank strives to understand its customers’ needs, innovate within the industry, and continually improve the service delivery. By setting high standards, the Bank aims to differentiate itself and achieve excellence in customer service, aligning with its organizational goals.

Customer service is one of the Bank’s most crucial tools for enhancing market share. It involves promptly and thoroughly responding to customer needs and addressing their feedback through various communication channels.

Promoting Equality

ABL ensures compliance with the following in the delivery of its products and services:

- Commitment to providing banking services without discrimination in terms of access, quality, or terms and conditions. The Bank ensures that all customers are treated fairly and equitably.
- If the Bank is unable to provide a particular product or service to a customer, the Bank will provide clear and reasonable explanations, including eligibility criteria or other relevant factors. This transparency enables customers understand the reasons behind any limitations and supports Bank’s commitment to fair and inclusive banking practices.

Customer Relationship Management (CRM)

By leveraging advanced CRM solutions, ABL continually strengthens its customer relationships, gains deeper insights into their needs, and provides tailored solutions that exceed expectations. The state-of-the-art CRM technology, equipped with robust modules and cutting-edge functionalities, has been instrumental in securing the “Best Customer Relationship Management (CRM) Technology” award at the Pakistan Digital Awards

2024. Key features such as Retail & Corporate Customer 360, Leads & Opportunity Management, Campaign Management, Service Request & Analytics, and capturing of Additional Customer Information, including personal preferences and family details, have transformed Bank’s customer engagement approach and enabled the Bank to deliver personalized experiences, streamline sales processes, and make data-driven decisions, ultimately enhancing customer satisfaction and loyalty.

Pakistan’s First Cash Recycler

In an innovative endeavor to meet the evolving demands of the digital era and substantially enhance its digital footprint, the Bank has launched country’s first-ever Cash Recycler facility. This initiative marks a transformative leap in the provisioning of banking services, closely aligning with Bank’s dedication to fostering a digital- first banking environment. Currently, Cash Recyclers are deployed at 14 locations.

Enterprise Loyalty Program

During the year 2024, the Bank introduced Enterprise Loyalty Program, “myABL Coins,” which allows cardholders to earn points (coins) while spending with ABL’s Debit or Credit Card. This program also offers exclusive access to a diverse marketplace featuring globally renowned brands across various merchant segments.

Financial Consumer Protection Framework

ABL has developed a comprehensive Financial Consumer Protection Framework that aligns with evolving regulatory requirements. The Bank ensures that all communications, whether through the corporate website, Allied Phone Banking, social media, SMS, notice boards, branches, or Key Fact Statements (KFS), are clear, simple, accurate, and free from misleading information. These communications include details of any potential risks to consumers, as outlined in relevant SBP circulars and guidelines.

Bank’s framework clearly outlines the rights and responsibilities of both the Bank and its customers,

including provisions for terminating the Banking relationship. Additionally, the Bank provides transparent information regarding fees, pricing, and potential penalties that customers may incur.

This framework includes detailed guidelines for promoting consumer awareness and financial literacy. The Bank is committed to treating all customers in a non- discriminatory manner and ensuring that its compliance program is grounded in strong ethical principles. These principles are fully embraced and endorsed by the Board and the senior management, in alignment with regulatory guidelines.

By implementing these measures, ABL demonstrates its unwavering dedication to protecting consumer rights, promoting financial literacy, and maintaining a high standard of ethical conduct.

Confidentiality & Privacy of Consumer Information

ABL takes necessary measures to maintain secrecy and not to disclose financial information, except in the following circumstances:

- The Bank is obligated to disclose customer information when required by law
- Upon receipt of a notice from regulatory authorities, the Bank may be required to disclose specific customer account information
- In certain cases, disclosing information may be necessary to protect the Bank’s interests
- The Bank may disclose customer information if authorized by the customer
- Information may be shared with vendors, service providers, and third parties under specific arrangements approved by the Bank

Deposit Protection Insurance

The Bank has implemented the Deposit Protection Mechanism introduced by the SBP under the Deposit Protection Corporation (DPC). The Bank has spent Rs. 1,822 Million towards deposit protection insurance, complying with the SBP initiative to provide protection to small depositors across the Banking industry.

Complaint Management System

Complaint Management System (CMS) underscores ABL’s commitment to continuous improvement and customer satisfaction. By providing a structured framework for addressing and resolving customer concerns, the Bank demonstrates its dedication to transparency, accountability, and customer-centricity. In compliance with regulatory guidelines, the Bank has established detailed complaint handling procedures and grievance resolution mechanisms which are strictly adhered to:

A dedicated Centralized Complaint Management Department (CMD) allows the Bank to effectively receive, investigate, and resolve complaints and inquiries from both ABL customers and non-customers. The CMD’s primary objective is to enhance customer experience and confidence by providing prompt responses, high- quality resolutions, and greater overall satisfaction.

Sources / Channels of Customer Complaints

Customers can approach the Complaint Management Division through the following mediums:

- Allied Phone Banking Directly E-mail at: complaint.management@abl.com
- Web based complaint form: www.abl.com/contact-us/complaints/
- Through letters to the Complaint Management Department
- ABL Branches, Branch Drop Boxes State Bank of Pakistan
- Banking Mohtasib Pakistan
- Other Stakeholders e.g., Govt. Offices/ Agencies/ Institutions, etc.
- Digital Signage

The Bank also informs its customers about their right to approach the Banking Mohtasib Pakistan (BMP) for external dispute resolution and provide the necessary contact information.

In 2024, ABL successfully resolved 97% of customer complaints, demonstrating its strong dedication to customer care and operational excellence.

Senior Citizens, Women and Persons with Different Abilities

ABL is committed to providing special assistance and care to vulnerable customer segments, including pensioners, senior citizens, persons with different abilities (PWDs), and women, wherever possible. This may include out-of-queue assistance or ramps for wheelchair users at branch entrances. By prioritizing the needs of these groups, the Bank aims to create a more inclusive and accessible Banking experience.

Consumer Awareness and Financial Literacy

To enhance consumer awareness of its products, the Bank employs the following strategies:

- Consumers are informed about the specific nature of contracts, agreements, products, and services, including associated benefits, risks, and financial terms.
- For foreign exchange transactions, consumers are provided with clear information on exchange rates and commission charges.
- Credit cardholders are informed about their credit limits, markup rates, minimum monthly repayments, fees, charges, and insurance coverage.
- Consumers are educated on their responsibilities regarding the loss, theft, or misuse of payment instruments and how to report such incidents.
- For Islamic Banking products, consumers are informed about Shariah compliance considerations.
- When dealing with third-party products, the Bank clarifies its role as a distributor and informs consumers about the product's nature, expected returns, cooling- off periods, premature encashment procedures, and complaint handling processes.
- The Bank ensures that its business with third-party products complies with applicable SBP regulations and the Bank's Fair-Trade

Commission (FTC) objectives.

- Consumers can easily search for products and services that meet their needs through various channels, including branch staff and the Bank's website.
- The Bank has implemented mechanisms to inform individuals with disabilities about the availability of nearby branches with ramps and maintains an updated list of accessible branch locations on its website.
- The Bank actively promotes awareness of its accessibility initiatives through various channels, including notice boards, print and electronic media, and websites.
- The consumers can search products / services according to their need through different channels such as but not limited to branch staff and the Bank's website.

Product Information, Literature and Forms

ABL takes necessary steps to ensure that the Bank's literature is always clear, comprehensive, and understandable. The following measures are taken to ensure Bank's customers are provided with accurate information:

- Customers have access to all relevant product information at any time, both at branches (conventional and Islamic) and on website.
- Customers have sufficient time to review, understand, and ask questions about product information and forms before making a decision.
- The Bank makes every effort to inform all customers of any changes or amendments to its products and services.

Sources for Product / Service Information

- Corporate website
- Allied Phone Banking (Help Line)
- Print and electronic media advertisements
- Social media

- ATM screens
- SMS / text message
- Notice boards or digital signage at branches
- Staff at branches
- Key Fact Statement for Deposit and Consumer Products

Sustainable Consumer Products

The Bank has introduced specialized financing products for both conventional and Islamic customers, catering to the needs of low and middle-income groups.

- Allied Bank has launched 'Allied Electric Bike Finance' in 2024, a green Banking initiative to provide an environment friendly option to commute and promote and support the vital causes of shifting to alternative sources of energy, reducing pollution caused by fossil fuel consumption and environmental sustainability. The product is reasonably priced, making it an affordable option for lower- and middle-income segments of the society.
- Allied Bank has launched 'Allied Scooty Finance' in 2024, a consumer product specifically developed for women to give them an easy, accessible and convenient way to commute, averting their dependence on family members and public transport and giving them more independence to move freely. The product is being offered at competitive price. These sustainable products align with Bank's commitment to environmental stewardship and social responsibility.

Strategy for Agri Sector Growth

- Continued product innovation tailored to sector-specific needs.
- Concentration on Demographic-driven & Customer-centric sales targeting.

Alignment with National Development Agenda

Active participation in the National Subsistence Farmers Support Scheme (NSFSS), a federal initiative aimed at empowering smallholder farmers by providing uncollateralized, tech-enabled access to credit and Agri-advisory services.

Agri Awareness Sessions

Conducted 303 Agri awareness/ training sessions, against the SBP target of 300 sessions, with attendance of 6,220 participants against target of 6,000 participants.

Province wise details of Agri Branches

Province	No. of branches
Punjab	155
Sindh	57
Khyber Pakhtun Khawa	31
Baluchistan	6
Azad Jammu & Kashmir	12
Gilgit Baltistan	2
Grand Total	263

Agriculture, Small Business and Community Development Financing (As on 31-12-2024)

Segment	Outstanding Financing	
	No. of Borrower	Rs. in Million
Agriculture Financing	2,673	2,074
Consumer Financing	1,990	4,243
Small Enterprises Financing	1,370	5,593

LAHORE MARATHON



Community Engagement- Corporate Social Responsibility (CSR)

Overview

The Bank’s Corporate Social Responsibility (CSR) vision is “To be a socially responsible corporate citizen,” aligning with the Bank’s mission “To play a proactive role in contributing to society.” Through its CSR initiatives, the Bank voluntarily engages in addressing community issues related to social and environmental concerns.

CSR Policy

The Banks CSR activities are guided by a comprehensive policy that aligns its business objectives with a role as a responsible corporate citizen. By adopting globally recognized ecological and social practices, the Bank ensures that its CSR initiatives are aligned with the Bank’s strategic plan and contribute to achieving the Sustainable Development Goals (SDGs).

CSR Plan Objectives

Workplace	Establish a workplace environment to maintain balanced work life, healthcare facilities for employees, resource efficient green culture, with an emphasis on achieving an equitable gender employment ratio
Environment	Imparting positive impact on environment including the promotion of green Banking, use of renewable energy sources, reduction in carbon emissions, tree plantation and cleanliness drives.
Community and Brand Image	Contribute towards wider social development including health, education and general community welfare, especially during times of natural calamities so the Bank is regarded as community caring organization
Customer Relations	To Become First Choice Bank for the Customers.
Governance	Becoming Corporate Responsible Citizen by ensuring transparency, adopting best practices and improving stakeholder relations.

CSR Activities

Community service is a cornerstone of ABL’s Corporate Social Responsibility (CSR) initiatives. The CSR of the Bank primarily focuses on Health, Education, Sports, General Welfare, Art & Culture, Donations. The Bank prioritizes the education and health sectors as key areas for its philanthropic contributions. Through regular donations and support, the Bank aims to make a positive impact on these essential sectors and improve the well-being of the communities.

As part of its ongoing stake holder engagement initiatives, ABL actively seeks feedback from both internal and external stakeholders, with a particular focus on the Bank’s activities designed to generate positive social and environmental outcomes for the broader community.

In 2024, ABL contributed Rs.186 million to support development initiatives in health, education, sports, and general welfare, with a particular focus on serving underprivileged communities.

Education

In 2024, Allied Bank contributed Rs. 72 Million to support educational initiatives, focusing on underprivileged communities. Significant contributions included:

- During the year, Rs. 30 Million was contributed to the Lahore University of Management Sciences (LUMS) towards the construction of Hostel.
- The Bank contributed Rs. 10 Million to the TNF Akhuwat Boarding School Faisalabad for the construction of school to support the underprivileged in the outskirts of Faisalabad city.
- The Bank contributed Rs. 5 Million to the Namal Education Foundation (NEF) for acquiring computers for students of the University.
- Perceiving the significance of information technology, the Bank proceeded with its arrangement to donate personal computers to educational institutions; particularly supporting under privileged sections of the general public.

Contribution to Educational Institutes in Rural Areas

The Bank recognizes the significance of education to transforming lives, for which it has sponsored operations of two schools located in the under privileged areas; The Citizens Foundation – Allied Bank Campus school located in Quetta and Million Smiles Foundation – Allied Bank Campus school located in Mardan. The Bank’s dedicated and continued support has enabled hundreds of children to receive quality education at these Allied Bank Campuses.

Hackathon

The Bank partnered with Team up Ventures for its 3rd Fintech Hackathon with the objective of uncovering innovative and pioneering solutions, prototypes, and ideas that hold the potential to revolutionize and digitalize the ecosystem. The event focused on four thematic areas: Innovative authentication mechanisms; Transforming myABL into an ‘Integrated Digital Platform’; Integrating Generative AI to enhance Banking experiences; and Leveraging SBP-RAAST Payments. The Bank carried out a pan-Pakistan university drive and mobilized students to bring their innovative ideas and prototypes based on the thematic areas. The Hackathon had an amazing response attracting participation from 1,244 individuals through 361 teams. The top three winners showcased cutting-edge solutions in AI credit scoring, customer engagement, and digital inclusion through smartphone financing respectively.

Innovation and Digitalization

The Bank carried out a pan-Pakistan university drive and mobilized students to bring their innovative ideas and prototypes based on the thematic areas. The Hackathon had an amazing response attracting participation from 1,244 individuals through 361 teams. The top three winners showcased cutting-edge solutions in AI credit scoring, customer engagement, and digital inclusion through smartphone financing respectively.

Health

The Bank recognizes the challenges faced by the society at large in the health sector and always focuses for uplift of health infrastructure through contribution towards renowned health providers.

The Bank contributed Rs. 43 Million to healthcare facilities across various cities of the country, focusing on treatment of cancer, hepatitis, arthritis, therapy for thalassemia patients, blood transfusion, impaired vision and mental health of the underprivileged.

The Bank provided financial support to the Fatimid Foundation for safe blood transfusions to deserving and underprivileged patients with Blood and Bleeding Disorders on free of cost basis. Additionally, the Bank contributed to Liver Foundation Trust for building a dedicated Medical Center at Faisalabad for healthcare services to patients with fighting deadly Hepatitis disease. Further, the Bank contributed to Umpire Aleem Dar Foundation for providing safe blood transfusions and free treatment of thalassemia patients.

Sports

The Bank sponsored ‘Sadpara Mountaineering Club Skardu’ in collaboration with the Pakistan Army for the construction of the Sadpara Mountaineering & Adventure Sports Complex. This complex will help climbers to learn basics of the climbing technique including practical of climbing. The purpose of the complex is to boost the sport of climbing and empower existing climbing community of Skardu in Gilgit Baltistan region of Pakistan.

The Bank also sponsored Volleyball Championship between Pakistan and Australia at Islamabad. Additionally, The Bank sponsored Pakistan Tennis Federation for Davis Cup Tie, 2024. These events are manifestation of The Bank’s commitment to promote sports and general well- being. Such events transcend cultural, ethnic and socioeconomic divides, promoting unity and understanding

Community Welfare

The Bank continued its efforts to serve the community through contribution to well-reputed welfare organizations including Saylani Welfare International Trust, Jamia Ashrafia, Anjuman Himayat-e-Islam and Edhi Foundation; which

worked for provision of food to deserving segments of the society.

During the year, the Bank funded a food meal program which aimed to provide nutrition to the underprivileged children in schools through Fortify Education Foundation.

Women Empowerment

The Bank is fully committed to supporting the initiatives aimed at empowering women to exploit their full potential for prosperous and sustainable society. To channelize the potential of women, the Bank sponsored Faisalabad Women Chamber of Commerce and Industry for symposium to raise awareness about the importance of digital transformation for women owned businesses in Pakistan and provide insights into the opportunities and challenges associated with digitalization for women entrepreneurs. The objective was to facilitate women led businesses, potential start-ups and home-based businesses for acquaintance and adopt the technology for growth and venture for exports.

Women’s Day Celebration

In a vibrant tribute to women’s achievements, the Bank hosted a spirited celebration for International Women’s Day. The event underscored the Bank’s dedication to gender equality and empowerment and highlighted women’s leadership, fostering a diverse and inclusive workplace culture.

Through engaging discussions and recognition of trailblazers, the Bank reaffirmed its commitment to advancing gender equality initiatives, ensuring that women continue to thrive and inspire others to break barriers.

Contribution to National Exchequer

The Bank is one of the leading institutions in its contribution towards the national exchequer. During the year, the Bank paid Rs. 55,509 Million as Income Tax (inclusive of Super Tax), deposited Rs. 41,935 Million as withholding tax agent and contributed Rs. 2,515 Million on account of Federal Excise Duty and Sales Tax to the national exchequer. Further, the Bank collected Rs. 371 Million Zakat from account holders and deposited to the national exchequer.

Contribution towards Financial Inclusion

During the year under review, the Bank continued to work towards financial inclusion in rural areas and providing quality financial services at grass root level by expanding the Rural Branch network to 316.

Persons with Different Abilities (PWDs)

The Bank established 29 model branches to make Banking easy and convenient for persons with different abilities (PWDs) through supportive physical infrastructure, accessible products and services, assistive technologies and supportive staff interactions.

These branches are equipped with customized stationery forms/ documents in Braille Script, accessible branch entrances, washrooms, ATM cabins and counters

Training ICAP Students

ABL is an approved Training Organization outside Practice (TOoP) by the Institute of Chartered Accountants of Pakistan (ICAP). As part of ABL’s Corporate Social Responsibility (CSR) initiatives, the Bank provides training to CA students in accordance with ICAP’s training regulations.

Bank’s commitment to developing future chartered accountants has resulted in a high success rate among the trainees. In recognition of ABL’s efforts, ICAP has awarded Allied Bank for training and qualifying a significant number of CA professionals. Additionally, the Bank has offered permanent employment to numerous ICAP trainees upon successful completion of their internships and meeting the required job criteria.

Art Festivals Faiz Festival

The Faiz Festival is an annual cultural event held in Lahore to honor the life and literary work of the renowned Urdu poet Faiz Ahmed Faiz. The festival showcased a diverse array of cultural expressions, including literary dialogues, mesmerizing music performances, captivating theatre, insightful book launches, thought-provoking documentaries, engaging workshops, open mic sessions, and stimulating discussions. The Bank proudly sponsored the event to promote cultural activities through the Faiz Festival.

Lahore Literary Festival

The Bank also sponsored the Lahore Literary Festival 2024 held at the Alhamra Arts Center, Lahore. The festival is an annual gathering of some of the most prominent writers, poets, artists, and scholars from both Pakistan and abroad, fostering engaging, stimulating, and thought-provoking conversations and panel discussions. Since its inception in 2013, the festival has been instrumental in promoting literary and cultural exchange, enriching the intellectual landscape of Lahore and beyond. The Bank’s support underscores its commitment to fostering creativity, dialogue, and cultural enrichment within the community.

The Bank sponsored a theatre play by Anwar Maqsood “House Arrest” at the Arts Council of Pakistan. Such plays provide social and cultural reflections of society by showcasing the cultural heritage.

Blood Donation Drive

A Blood Donation Drive in collaboration with Shaukat Khanum Memorial Hospital was organized at ABL Head Office Lahore. The event was a testament to the Bank’s commitment to corporate social responsibility and giving back to the community. A large number of employees participated in the drive, donating blood to help save lives.

Green CSR Activities

Tree Plantation Campaign

Aligned with the national campaign for “Clean and Green Pakistan,” ABL is dedicated to enhancing tree plantation efforts. As an annual activity, ABL branches across the country actively participate in tree planting campaigns at schools, universities, and public spaces. These initiatives contribute to environmental restoration and create a healthier, greener Pakistan. In FY2024, a pan Pakistan Tree Plantation Campaign was carried out in which more than 100,000 trees/saplings were planted.

Cleanliness Drives (K-2 Activity)

Cleanliness is essential for maintaining a healthy ecosystem and environment. In view of its significance, the Bank under the banner of its “Green Initiatives” has conducted awareness campaigns on the importance of cleanliness across Pakistan through the motto “Mil Kay Lagaen Gay Jaan – To Hoga Saaf Pakistan”. This year, the Cleanliness Drive campaigns of the Bank undertook an extraordinary step by performing this activity at the iconic K2 Base Camp which is at a height of 5,200 meters above the sea level in coordination with the Central Karakoram National Parks Authority (CKNP). A dedicated team of 14 team-members of the Bank was assembled to undertake this cleanliness drive, which in one of its kind initiatives as no other Bank has ever done such activity, to highlight the significance of the preservation of the environment. Team ABL mounted several challenges while trekking for 8 days to reach the K2 Base Camp. Team ABL reached the destination; while conducting awareness sessions at different camping sites and carried out cleanliness drives at Concordia & K2 Base Camp. The purpose of this activity was to raise awareness about the ecosystem and the adverse effects of the melting glaciers.

Team ABL managed to bring down 1,200 Kgs garbage, waste and other litters and handed over it to CKNP at their disposal facility

Marathon 2024: Run For a Greener Tomorrow

With the aim to foster a healthier future, ABL organized the Allied Bank Marathon 2024 with the theme “Run for a Greener Tomorrow”. The

Marathon was held at DHA, Lahore and brought together employees of the Bank and professional athletes. The enthusiasm and team spirit demonstrated during the marathon symbolize the Bank’s mission to foster a culture of health and wellness within the Bank and beyond.

Cycling Events: Pedal for a Greener Tomorrow

In order to promote sustainable living and community engagement, the Bank organized cycling events at Lahore and Karachi. With the theme “Pedal for a Greener Tomorrow”, the cycling event at Lahore was attended by the Bank staff and local cycling groups, reinforcing the Bank’s commitment to positive change in the environment and community welfare. The Bank partnered with the pioneering cycling groups of Karachi to conduct a cycling event under the theme of “Cycle for Health, Cycle for a Greener Tomorrow”. The event brought together a diverse group of participants, including senior executives from various institutions and sectors, doctors, social activists, senior citizens, women, youth, and children. These events served as a testament to ABL’s values, resilience, and commitment to positive change. This initiative underscored the Bank’s commitment to sustainability and its advocacy for a greener future through promoting cycling and reducing carbon emissions, highlighting the collective dedication to a healthier tomorrow.

CSR Highlights

Community Services	<ul style="list-style-type: none">• Education: Rs.72 million• General Welfare: Rs.56 million• Health Sector: Rs.43 million• Sports: Rs.15 million
Green Banking	<ul style="list-style-type: none">• Tree Plantation Campaign: 100,000 trees/saplings• Total Solar Power Locations: 147• Total Solar Power Installed: 2,242 KW• Green Financing: Rs. 11,606 Million
Employee Empowerment	<ul style="list-style-type: none">• Management Trainee Officers Graduation: 295• Gender Diversity: 24.59% Females• Trainings: 12,000+ Employees• Medical Facility: 2,308 Employees• Post-Retirement Medical Facility: 495• Employees Benevolent Grants: 36 Employees• Employer of the Choice Award in “Gender Diversity & Inclusion” category• Best Practice award GDIB awards in “Recruitment” and “DEI Learning & Development” category.• CSR award 2024 in “Women Welfare, Empowerment and Development” category
Customer Services	<ul style="list-style-type: none">• Deposit Protection: Rs. 1,822 million• Customer Complaints Resolution: 97%• ATM Uptime: 96%• Electronic Queue Management Systems: 642• Branches National Financial Literacy Program (NFLP) Sessions: 411
Contribution to National Exchequer	<ul style="list-style-type: none">• Income & Super Tax: Rs. 55,509 million• With Holding Tax as Agent: Rs. 41,935 million• Federal Excise Duty and Sales Tax: Rs.2,515 million• Zakat Collection: Rs. 371 million
Digital Services	<ul style="list-style-type: none">• Point of Sale Acquiring Business: 3,119• Digital Touchpoints: 23• Self Service Kiosk: 126• Digital Self Service Branches: 18• Information Security Awareness campaigns• Mobile Banking Units: 5



**MEETING THE
SUSTAINABILITY
STANDARDS**

IFRS S1

Standards

Topic	IFRS Index	Response/Page Number
General Requirements	IFRS S1 – 54	30-31
	IFRS S1 – 55	30-31
	IFRS S1 – 56	30-31
	IFRS S1 – 57	30-31
	IFRS S1 – 58	30-31
	IFRS S1 – 59	30-31
	IFRS S1 - 60	30
	IFRS S1 – 61	30
	IFRS S1 – 62	30
	IFRS S1 – 63	30
	IFRS S1 – 64	30
	IFRS S1 – 65	30
	IFRS S1 – 66	Not Applicable
	IFRS S1 – 67	30
	IFRS S1 – 68	30
	IFRS S1 – 69	Not Applicable
	IFRS S1 – 70	30
	IFRS S1 – 71	30
	IFRS S1 – 72	31
	IFRS S1 – 73	31
Governance	IFRS S1 - 26	49-55
	IFRS S1 - 27	49-55

Topic	IFRS index	Response/Page Number
Strategy	IFRS S1 - 28	82-95
	IFRS S1 - 29	82-88
	IFRS S1 – 30	83-84
	IFRS S1 – 31	Not Applicable
	IFRS S1 – 32	87-88
	IFRS S1 – 33	88 & 106-115
	IFRS S1 – 34	88
	IFRS S1 – 35	87-88
	IFRS S1 – 36	88
	IFRS S1 – 37	29-30
	IFRS S1 – 38	29-30
	IFRS S1 – 39	29-30
	IFRS S1 – 40	88
	IFRS S1 – 41	95
	IFRS S1 – 42	29-30, 95
Risk Management	IFRS S1 – 43	98-103
	IFRS S1 – 44	98-103
Metrics and targets	IFRS S1 – 45	84-86 & 106-115
	IFRS S1 – 46	106-115
	IFRS S1 – 47	Not Applicable
	IFRS S1 – 48	106-115
	IFRS S1 - 49	29-30
	IFRS S1 - 50	29-30
	IFRS S1 - 51	84-86 & 106-115
	IFRS S1 - 52	106-115
	IFRS S1 - 53	106-115

IFRS S2

Standards

Topic	IFRS index	Response/Page Number
Governance	IFRS S2 - 5	49-55
	IFRS S2 - 6	49-55
	IFRS S2 - 7	Integrated Report Page 29-30
Strategy	IFRS S2 - 8	89-95
	IFRS S2 - 9	49-53 & 89-95
	IFRS S2 – 10	89-95
	IFRS S2 – 11	89-93
	IFRS S2 – 12	29-30
	IFRS S2 – 13	89-94
	IFRS S2 – 14	94-95
	IFRS S2 – 15	94-95
	IFRS S2 – 16	94-95
	IFRS S2 – 17	94-95
	IFRS S2 – 18	29-30
	IFRS S2 – 19	Not Applicable

Topic	IFRS index	Response/Page Number
	IFRS S2 – 20	Not Applicable
	IFRS S2 – 21	94-95
	IFRS S2 – 22	95
	IFRS S2 – 23	29-30
Risk Management	IFRS S2 - 24	101-103
	IFRS S2 - 25	101-103
	IFRS S2 - 26	Integrated Report Page 29-30
Metrics and targets	IFRS S2 – 27	6
	IFRS S2 - 28	Not Applicable
	IFRS S2 – 29	112,120
	IFRS S2 - 30	29-30
	IFRS S2 - 31	29-30
	IFRS S2 - 32	29-30
	IFRS S2 – 33	94-95
	IFRS S2 - 34	120-123
	IFRS S2 - 35	106-115
	IFRS S2 - 36	85,120
	IFRS S2 - 37	29-30

SASB

Standards

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
1	Data Security	1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	Quantitative	Number, Percentage (%)	FN-CB-230a.1	107
		Description of approach to identifying and addressing data security risks	Discussion and Analysis	N/A	FN-CB-230a.2	107
2	Financial Inclusion & Capacity Building	1) Number and (2) amount of loans outstanding that qualify for programs designed to promote small business and community development	Quantitative	Number, Presentation currency	FN-CB-240a.1	109

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
		Number of no-cost retail checking accounts provided to previously un-banked or under-banked customers	Quantitative	Number	FN-CB-240a.3	109
		Number of participants in financial literacy initiatives for un-banked, un-banked, or underserved customers	Quantitative	Number	FN-CB-240a.4	109
3	Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Discussion and Analysis	N/A	FN-CB-410a.2	108
4	Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2, and (3) Scope 3	Quantitative	Metric tons (t) CO ₂ -e	FN-CB-410b.1	Will be included in future Reports
		Gross exposure for each industry by asset class	Quantitative	Presentation currency	FN-CB-410b.2	
		Percentage of gross exposure included in the financed emissions calculation	Quantitative	Percentage (%)	FN-CB-410b.3	

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
		Description of the methodology used to calculate financed emissions	Discussion and Analysis	N/A	FN-CB-410b.4	
5	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Presentation currency	FN-CB-510a.1 FN-IB-510a.1	108
		Description of whistleblower policies and procedures	Discussion and Analysis	N/A		107
6	Systemic Risk Management	Global Systemically Important Bank (GSIB) score, by category	Quantitative	Basis points (bps)	FN-CB-550a.1 FN-IB-550a.1	ABL is not a part of GSIB
		Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long term corporate strategy, and other business activities	Discussion and Analysis	N/A	FN-CB-550a.2 FN-IB-550a.2	109

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
7	Employee Diversity & Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Quantitative	Percentage	FN-IB-330a.1	110
8	Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment Banking and brokerage activities	Discussion and Analysis	N/A	FN-IB-410a.3	110

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
9	Professional Integrity	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Quantitative	Number, Percentage (%)	FN-IB-510b.1	114
		Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	Quantitative	Number	FN-IB-510b.2	114
		Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Quantitative	Presentation currency	FN-IB-510b.3	115
		Description of approach to ensuring professional integrity, including duty of care	Discussion and Analysis	N/A	FN-IB-510b.4	114

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
10	Employee Incentives & Risk-taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	Quantitative	Percentage (%)	FN-IB-550b.1	115
		Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or claw back provisions were applied	Quantitative	Percentage (%)	FN-IB-550b.2	115
		Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	Discussion and Analysis	N/A	FN-IB-550b.3	No financial instruments are classified in level 3 as of reporting period

GRI Standards

Disclosure	Description	Response/Page Number
2	General Disclosures	
2-1	Organizational Details	12-23
2-2	Entities included in the organization’s sustainability reporting	6
2-3	The reporting period, frequency and contact point	6
2-4	Restatements of information	There are no restatements of information from previous year of reporting
2-5	External Assurance	ABL is set to achieve assurance on its future Sustainability Reports
2-6	Activities, value chain and other business relationships	13,24-26
2-7	Employees	132
2-8	Workers who are not employees	132
2-9	Governance structure and composition	36-48
2-10	Nomination and selection of the highest governance body	43
2-11	Chair of the highest governance body	38
2-12	Role of the highest governance body in overseeing the management of impacts	38-41
2-13	Delegation of responsibility for managing impacts	41-43
2-14	Role of the highest governance body in sustainability reporting	38-41
2-15	Conflicts of Interest	47

Disclosure	Description	Response/Page Number
2-16	Communication of critical concerns	48
2-17	Collective knowledge of the highest governance body	48
2-18	Evaluation of the performance of the highest governance body	43-47
2-19	Remuneration policies	43,130-131
2-20	Process to determine remuneration	130
2-22	Statement on sustainable development strategy	6
2-23	Policy Commitments	58-59
2-24	Embedding Policy Commitments	58-59
2-25	Processes to remediate negative impacts	60-61
2-26	Mechanisms for seeking advice and raising concerns	60-61
2-27	Compliance with laws and regulations	61
2-28	Membership associations	16
2-29	Approach to Stakeholder Engagement	31
2-30	Collective Bargaining Agreements	131
201	Economic Performance	
201-1	Direct economic value generated and distributed	28
201-2	Financial implications and other risks and opportunities due to climate change	89-93, 95
201-3	Defined benefit plan obligations and other retirement plans	138-139

Disclosure	Description	Response/Page Number
201-4	Financial assistance received from government	ABL did not receive any financial assistance from any government during the reporting period
202	Market Presence	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	131
202-2	Proportion of senior management hired from the local community	131
203	Indirect Economic Impacts	
203-1	Infrastructure investments and services supported	27-28
203-2	Significant indirect economic impacts	27-28
204	Procurement Practices	
204-1	Proportion of spending on local suppliers	76
205	Anti-corruption	
205-1	Operations assessed for risks related to corruption	78
205-2	Communication and training about anti-corruption policies and procedures	47,137
206	Anti-competitive Behavior	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	78
207	Tax	
207-1	Approach to tax	71-73
207-2	Tax governance, control, and risk management	71-73
207-3	Stakeholder engagement and management of concerns related to tax	73
207-4	Country-by-country reporting	73

Disclosure	Description	Response/Page Number
302	Energy	
302-1	Energy consumption within the organization	118
302-2	Energy consumption outside the organization	Not applicable
302-3	Energy intensity	118
302-4	Reduction of energy consumption	120-123
302-5	Reductions in energy requirements (Products/ services)	120-123
303	Water and Effluents	
303-1	Interactions with water as a shared resource	118
303-2	Management of water discharge-related impacts	118
303-3	Water withdrawal	118
303-4	Water discharge	125
303-5	Water consumption	118
304	Biodiversity	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	125
304-2	Significant impacts of activities, products, and services on biodiversity	125
305	Emissions	
305-1	Direct (Scope 1) GHG Emissions	120
305-2	Energy indirect (Scope 2) GHG Emissions	120
305-3	Other indirect (Scope 3) GHG Emissions	120
305-4	GHG Emissions Intensity	120
305-5	Reduction of GHG Emissions	120-123

Disclosure	Description	Response/Page Number
305-6	Emissions of ozone-depleting substances (ODS)	Nil
305-7	Nitrogen oxide (NOx), Sulfur oxides (SOx), and other significant air emissions	Nil
306	Waste	
306-1	Waste generation and significant waste-related impacts	125
306-2	Management of significant waste-related impacts	125
306-3	Waste generated	ABL does not calculate its total waste generated, diverted from disposal, and directed to disposal as of yet. However, the Bank is actively incorporating systems to capture such information
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	
401	Employment	
401-1	New Employee hires and employee turnover	133
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	138-143
401-3	Parental leave	139
402	Labor/Management Relations	
402-1	Minimum notice periods regarding operational changes	No Significant operational changes observed during the reporting period where workers were laid off and required a suitable notice period.
403	Occupational Health and Safety	
403-1	Occupational health and safety management system	141-142

Disclosure	Description	Response/Page Number
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	141
403-3	Occupational health services	141
403-4	Worker participation, consultation, and communication on occupational health and safety	141
403-5	Worker training on occupational health and safety	142
403-6	Promotion of worker health	139-140
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	76
403-8	Workers covered by an occupational health and safety management system	141
403-9	Work-related injuries	142
403-10	Work-related ill health	142
404	Training and Education	
404-1	Average hours of training per year per employee	136
404-2	Programs for upgrading employee skills and transition assistance programs	136-137
404-3	Percentage of employees receiving regular performance and career development reviews	129
405	Diversity and Equal Opportunity	
405-1	Diversity of governance bodies and employees	38,132
405-2	Ratio of basic salary and remuneration of women to men	132
406	Non-discrimination	
406-1	Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during the reporting period

Disclosure	Description	Response/Page Number
407	Freedom of Association and Collective Bargaining	
407-1	Operations and Suppliers in which the right to freedom of association and collective bargaining may be at risk	131
408	Child Labor	
408-1	Operations and Suppliers at Significant Risk for Incidents of Child Labor	76, 128
409	Forced or Compulsory Labor	
409-1	Operations and Suppliers at significant risk for incidents of forced or compulsory labor	76, 128
411	Rights of Indigenous Peoples	
411-1	Incidents of Violations Involving Rights of Indigenous People	There were no identified incidents of violations involving the rights of indigenous peoples during the reporting period
413	Local Communities	
413-1	Operations with local community engagement, impact assessments, and development programs	124,152-156
413-2	Operations with significant actual and potential negative impacts on local communities -	124
415	Public Policy	
415-1	Political contribution	No monetary value of financial and in-kind political contributions were made directly and indirectly by ABL
417	Marketing and Labeling	
417-1	Requirements for product and services information and labeling	77

Disclosure	Description	Response/Page Number
417-2	Incidents of non-compliance concerning product and service information and labeling	77-78
417-3	Incidents of non-compliance concerning marketing communications	78
418	Customer Privacy	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	69

SECP ESG

Guidelines for Listed Companies

Sr. No.	KPI	Description	Response/Page Number
Environment			
1	Green House Gas (GHG) Emissions	Total Amount of Carbon and Green House Gas Emissions in Metric Tons	120
		Total Amount, in CO2 equivalent, for Scope 1 Scope 2 and Scope 3 (if Applicable)	120
2	Emission Intensity	Total GHG Emissions per output scaling factor (e.g. revenues, sales, units produced)	120
		Total Non-GHG Emissions per output scaling factor	Not Applicable
3	Energy Usage	Total Amount of Energy directly consumed	118
		Total Amount of Energy indirectly consumed	118
4	Energy Intensity	Total direct energy usage per output scaling factor	118
5	Energy Mix	Percentage: Energy usage by generation type	118
		Disclose the energy consumption from renewable energy sources as a percentage of total energy consumption	118
6	Water Usage	Total amount of water consumed	118
7	Environmental Operations	• Does your company follow a formal Environmental Policy?	Yes
		• Does your company follow specific waste, water, energy, and/or recycling polices?	No
		• Specify the quantity of waste recycled or re-used as a percentage of total waste for the current and comparative period.	No waste recycled or re-used
		• Does your company use a recognized energy management system?	No
8	Environmental Oversight	Does your Board/Management Team oversee and/or manage climate related risks?	Yes
		Does your Board/Management Team oversee and/or manage other sustainability issues?	Yes
9	Sustainable Sourcing	Does your company has a policy and procedure in place for sustainable sourcing?	Yes

Sr. No.	KPI	Description	Response/Page Number
10	Climate Risk Adaptation and Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?	Green Financing: PKR 1,553,000,000/- Solar installations: PKR 209,590,236/- Tree Plantation Campaigns: PKR 6,961,105/-
Social			
11	Gender Pay Ratio	Ratio: Median male compensation to median female compensation	132
12	Employee Turnover	• Percentage: Year-over-year change for full-time employees	133
		• Percentage: Year-over-year change for part-time employees	132
13	Gender diversity	• Percentage: Total enterprise headcount held by men and women	133
		• Percentage: Entry- and mid-level positions held by men and women	133
		• Percentage: Senior and executive level positions held by men and women	133
14	Temporary Worker Ratio	• Percentage: Total enterprise headcount held by part-time employees	132
		• Percentage: Total enterprise headcount held by contractors and/or consultants	Not Applicable
15	Non-Discrimination	• Does your company have a sexual harassment and/ or nondiscrimination policy?	Yes
		• Is there a confidential grievance, resolution, reporting and nonretaliation mechanism and procedure to address and respond to incidence of harassment and violence? /	Yes
		• Percentage of differently abled men and women in the workforce	132
16	Global Health and Safety	Does your company follow an occupational health and/or global health & safety policy?	141

Sr. No.	KPI	Description	Response/Page Number
17	Child and Forced Labor	• Does your company follow a child and/or forced labor policy?	Yes
		• If , does your child and/or forced labor policy also cover suppliers and vendors?	Yes
18	Corporate Social Responsibility	Please share a list of CSR activities undertaken along with total time spent on these and amounts (PKR) allocated.	152-156
19	Employee Training and Succession Planning	Number of training sessions held on the following. Please also mention the Number of employees and workers trained on these: -Skill Upgradation -Soft Skills -Health and Safety Measures	135
		Percentage of men and women promoted this year	133
20	Human rights	• Does your company follow a human rights policy?	Yes
		• If , does your human rights policy also cover suppliers and vendors?	Yes
21	Working Conditions	Number of employee complaints on working conditions (during reporting period)	143
		Number of working condition complaints resolved (during reporting period)	143
22	Injury rate	Percentage: Frequency of injury events relative to total workforce time	142
		Number of lost production hours as a result of safety related incidents	142
		Disclose the percentage of employees/workers covered with Health and Safety Insurance?	138
23	Marketing	• Do you have responsible gender sensitive marketing communication policy or a commitment embedded in larger corporate policy?	77
Governance			
24	Board Diversity	• Percentage: Total board seats occupied by men and women	38
		• Percentage: Committee chairs occupied by men and women	Men: 100%
25	Board Independence	Does company prohibit CEO from serving as board chair?	Yes
		• Percentage: Total board seats occupied by independents	38

Sr. No.	KPI	Description	Response/Page Number
26	Board competence	Percentage of ESG certified board members	47
27	Incentivized Pay	Are executives formally incentivized to perform on sustainability?	Yes
28	Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	131
29	Supplier Code of Conduct	• Are your vendors or suppliers required to follow a Code of Conduct?	Yes
		• If , what percentage of your suppliers have formally certified their compliance with the code?	Not Applicable
30	Ethics & Anti-corruption	• Does your company follow an Ethics and/or Anti-Corruption policy?	Yes
		• If , what percentage of your workforce has formally certified its compliance with the policy?	100%
31	Data privacy	• Does your company follow a Data Privacy policy?	Yes
		• Does your company taken steps to comply with general data protection rules/ framework?	Yes
32	Sustainability Reporting	• Does your company publish a sustainability report?	Yes
		• Is sustainability data included in your regulatory filings?	Yes
33	Disclosure practices	• Does your company provide sustainability data in line with any sustainability reporting frameworks?	Yes
		• Does your company focus on specific UN Sustainable Development Goals (SDGs)?	Yes
		• Does your company set targets and report progress on the UN SDGs?	The contributions of the Bank for UN SDGs are reported however, the Bank does not explicitly report progress on the UNSDGs targets. Specific progress will be included as part of future reports.
34	External Assurance	Are your sustainability disclosures assured or validated by a third party?	ABL is set to achieve assurance on its Sustainability Reports in future years.



Contribution to UN Sustainable Development Goals (SDGs)



Job Creation

In 2024, the Bank directly hired 2,838 people and indirectly supported thousands more through its operations—helping reduce unemployment nationwide.

Financial Inclusion

The Bank has played a key role in financial inclusion to introduce the general population of the country with Banking products and services for inclusive economic growth. The efforts included financial awareness and new account opening. The Bank has added more than 1.4 million new accounts in 2024 and provided awareness to more than 122,201 participants in 41 districts through more than 3,996 awareness sessions. The Bank is providing quality financial services at grass root level by expanding the Rural Branch network to 316.

Remittance Services

In addition to boosting foreign exchange, improving balance of payments, and reducing external borrowing, the Bank's competitive remittance services also support financial stability and help low-income families by channeling funds into savings, education, and income-generating activities.

Microfinance and Microcredit

The Bank offers credit facilities to low-income individuals and entrepreneurs. These financial tools help create livelihood opportunities and lift people out of poverty.

Social Impact Financing

The Bank invests in projects with a social impact, such as affordable housing, education, and healthcare. These investments directly contribute to poverty alleviation.



Financing Agriculture

The Bank provides financing to support sustainable agriculture, including smallholder farmers. This includes funding for modernizing farming practices, improving infrastructure, and promoting climate-resilient crops.

Microfinance and Rural Banking

By extending financial services to rural areas, the Bank empowers small-scale farmers and enhances food security. Agri loans, savings accounts, and insurance products help improve livelihoods and help in achieving Zero Hunger.

Promoting Food Security

Bank's financing in Commodity sector plays a pivotal role in ensuring food security. Additionally, the Bank collaborates with government, NGOs, and other stakeholders to address food insecurity. This involves supporting food distribution programs, emergency relief efforts, and nutrition education.

Sustainable Supply Chains

Bank encourages businesses to adopt sustainable practices within their supply chains. Establishment of Bank Owned warehouses for agricultural commodities provides food security which ultimately paves way for Zero Hunger.

Financing in Research and Innovation

The Bank provides Financing for technologies such as precision farming, crop diversification, and climate-smart solutions which can enhance the agriculture produce.

Alignment with National Development Agendas

Active participation in National Subsistence Farmers Support Scheme (NSFSS), a federal initiative aimed at empowering smallholder farmers by providing uncollateralized, tech-enabled access to credit and Agri-advisory services.



Financing Health Initiatives

The Bank provides financing for healthcare infrastructure, medical research, Pharmaceuticals and Biotechnology sector and public health programs. By supporting hospitals, clinics, and health systems, Bank contributes to improving access to quality healthcare.

Promoting Sustainable Practices

The Bank influences corporate behavior by encouraging sustainable practices within the healthcare sector. This includes financing projects that reduce environmental impact and promote health equity.

Supporting Global Health Initiatives

The Bank contributes to emergency response efforts during pandemics and natural disasters.

Financial Inclusion

The Bank plays a role in ensuring financial inclusion, which directly impacts health outcomes. By providing access to Banking services, the Bank empowers individuals and communities to manage healthcare expenses effectively.

Health Awareness

The Bank conducted awareness session on Breast Cancer for women employees and Mindfulness Hour Sessions to promote mental health and wellness.

Medical Facilities to Employees

The Bank provides Comprehensive Medical facilities to cater the medical needs of current and ex- employees.

Donations

The Bank funded Fatimid, Liver Foundation Trust, and Aleem Dar Foundation to provide free treatment and safe blood transfusions for patients with blood disorders and Hepatitis.

Community Welfare

The Bank supported Saylani, Jamia Ashrafia, Anjuman Himayat-e- Islam, Shaukat Khanum Trust, Saleem Memorial Trust, Aziz Jehan Begum Trust and Edhi Foundation. The Bank also backed school meals via Fortify Education.



Promoting Financial Literacy

Bank educates its customers about the financial management, budgeting, and saving. Financial literacy under National Financial Literacy Program (NFLP) empowers individuals to make informed decisions and invest in the education.

In 2024, more than 3,996 sessions held in 41 districts where Over 122,201 participants under National Financial Literacy Program (NFLP).

Financing Education Initiatives

The Bank provides financing for educational institutions. By supporting education, the Bank helps in improving access to quality learning opportunities.

Promoting EdTech

Bank organizes Fintech Hackathons regularly which significantly impacting Pakistan's entrepreneurial landscape

Student Loans

The Bank is part of the 'Student Loan Scheme (SLS)' for Education which was launched by the Government of Pakistan in collaboration with major commercial banks of Pakistan. Under the Scheme, financial assistance is provided by way of Interest Free Loans to the meritorious students who have financial constraints for pursuing their studies in Scientific, Technical and Professional education within Pakistan.

Partnerships with Educational Institutions

The Bank collaborates with universities, colleges, and schools to create joint programs, workshops, and research initiatives. These partnerships foster knowledge exchange and skill development.

Donations

The Bank provided contributions to various educational institutions including LUMS, Namal Education Foundation, The Noorani Foundation Trust, Million Smiles Foundation (MSF) and The Citizen Foundation for education of under privileged students.

Education Infrastructure

The Bank provided contributions towards construction of Hostel at Lahore University of Management Sciences.

Science & Educational Events

The Bank sponsored Science & Educational Events at various educational institutions.

Internship Programs

The Bank offers internship programs to students of educational institutions.



Women-Owned Businesses

The Bank provides loans and financial support to women entrepreneurs. By promoting access to capital, the Bank empowers women to start and grow their businesses.

The Bank is contributing towards Women Chambers of Commerce and Industry for their initiatives to empower the women.

Promoting Financial Inclusion

The Bank works toward ensuring that women have equal access to financial services. This includes savings accounts, credit, and insurance, which contribute to economic empowerment.

There was a healthy participation of females at National Financial Literacy Program (NFLP) organized by ABL in coordination with State Bank of Pakistan.

Gender Diversity

The Bank ensures the Gender diversity through its Diversity, Equity and Inclusion (DEI) policy. The key parameters achieved are Human Resource Diversity, Gender Equality, creating a Gender Balanced Organization.

The Bank is gradually increasing female participation in workforce including management positions. Also conducting Interactive sessions with female employees for strategy formulation on empowering women.

Gender Mainstreaming Policy

Bank has developed a Gender Mainstreaming Policy with



Contribution to UN Sustainable Development Goals (SDGs)

the aim to reduce the Gender Gap in Financial Inclusion and to enhance women's financial inclusion. Key highlights are:

- Women Centric Services
- Women Exclusive Branches
- Female Accounts
- Financing to Females
- Trainings and Capacity Building Women
- Simplified Loan procedure for Women
- Initiation of Digital access
- Women Champions

Supporting Maternity Rights

The Bank implements policies that protect maternity rights, such as paid parental leave and flexible work arrangements. This helps women in balancing their work and family responsibilities.

Advocacy and Awareness

The Bank uses its influence to raise awareness about gender equality issues by collaborating with stakeholders to drive positive change and challenge discriminatory norms.

Gender Sensitivity Training

The Bank provides Gender Sensitivity Training to its employees to foster an inclusive and respectful workplace.

Women's Day Celebration

The Bank celebrated International Women's Day, highlighting its commitment to gender equality, women's leadership, and an inclusive workplace.

Women Empowerment

The Bank supported initiatives to empower women, including sponsoring a symposium with the Faisalabad Women Chamber of Commerce to promote digital transformation for women-led businesses and startups.



Financing

The Bank provides financing to water and sanitation projects, supporting infrastructure development, access to clean water, and improved sanitation facilities.

Partnerships and Collaboration

The Bank collaborates with governments, NGOs, and other stakeholders to address water challenges.

Capacity Building and Education

The Bank supports capacity- building programs related to water management and sanitation. Educating clients and employees about water conservation fosters awareness and responsible practices.

Water Saving Initiatives

ABL is establishing all its new building on sustainable principles which include the low water consumption. The Bank is obtaining EDGE and LEED certifications for this purpose. Also, efforts are being made to get such certifications for existing ABL buildings.



Decreasing Carbon Foot print of Internal operations

The Bank is rigorously working to decrease its own impact on environment. Various measures include Reduction in Internal Energy Consumption, Energy Conservation Initiatives, Solar Power Installation, Sustainable Paper Usage, Sustainable Construction Initiatives, Sustainable IT Operations and Digital Banking Initiatives.

In 2024, 147 ABL locations were powered by Solar Energy.

Financing Renewable Energy Projects

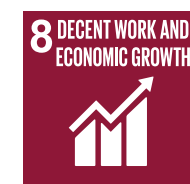
The Bank invests in renewable energy infrastructure, such as solar, wind, and hydropower projects. By providing capital, the Bank accelerates the transition to clean energy sources. In 2024, the Bank's contribution towards Green Financing was worth Rs. 11,606 million (outstanding).

Promoting Energy Efficiency

The Bank supports energy-efficient initiatives by financing energy- saving technologies and promoting sustainable practices. This includes funding for energy-efficient buildings and appliances.

Capacity Building

The Bank collaborates with government and organizations to build local capacity for clean energy planning, management, and implementation. The Bank provides technical assistance and knowledge sharing through dedicated Green Advisory Desk.



Financing Economic Growth

The Bank provides capital for businesses, infrastructure, and innovation. By supporting creates jobs, and enhances prosperity.

Promoting Financial Inclusion

The Bank works to ensure that more people have access to financial services. This includes saving accounts, credit, and insurance, which contribute to economic empowerment.

Financing in Sustainable Projects

The Bank provides financing to sustainable initiatives, such as renewable energy, education, and healthcare. These investments foster long-term economic growth.

Supporting Small and Medium Enterprises (SMEs)

The Bank plays a crucial role in economic growth by providing financing facilities, mentorship, and resources to help small and medium businesses thrive.

Advocacy for Equitable Pay and Decent Work

The Bank leads by example in ensuring fair wages, equal opportunities, and safe working conditions within the organization.

Capacity Building and Skill Development

The Bank collaborates with educational institutions and vocational programs to enhance workforce skills. The Bank invests in training and development needs of employees through access to learning resources. The Bank provides educational support to the employees and their children.

MTO and Internship Program

Management Trainee Officers (MTO) Development Program is offered to the fresh graduates recruited by the Bank.

The Bank also provides Internship opportunities for professional and academic students.

Employment opportunities for PWDs

Employment of Persons with Different Abilities (PWDs), enabling them to honorably earn their livelihood.

Educational support to employees

The Bank provides educational support to staff, clerical and non-clerical employees.



Financing Infrastructure Projects

The Bank provides financing for infrastructure development, including transportation, energy, and communication networks. By investing in resilient infrastructure, the Bank supports economic growth and connectivity.

Supporting Industrialization

The Bank offers financing for innovative industrial projects of manufacturing, technology, and research. This financing enables technological advancements, which drive productivity and competitiveness.

Promoting Innovation

The Bank promotes research and development (R&D) and supports innovative startups e.g., Hackathons. The Bank is continuously introducing innovative Digital Technologies.

Collaborating with Other Banks

The Bank works with other Banks to meet increased demand for financing. These partnerships mobilize resources for sustainable infrastructure and industrial projects.

Awareness

The Bank organizes seminars for the business community to adopt Sustainable Business Practices, Corporate Governance, Financial Literacy, Islamic Banking and Agri products for general public, businessmen and farmers for increased access to financial services.

Digital touch points

Continuous growth in Digital Touchpoints.

Branches for PWDs

Model branches for Persons with Different Abilities (PWDs).

Rural and Agri Branches

Expansion in Rural and Agri designated Branches.



Financial Inclusion

The Bank promotes access to financial services for marginalized population, reducing economic disparities. Offering the affordable Banking products and services helps bridging the gap between rich and poor.

Responsible Lending Practices

The Bank ensures fair lending practices, avoiding discrimination based on race, gender, or socioeconomic status. Responsible lending contributes to reducing income inequality.

Support for Vulnerable Groups

The Bank collaborates with NGOs and government to address social inequalities. Initiatives supporting people with disabilities, and other vulnerable groups contribute to reduce inequalities. Bank provides employment opportunities to PWDs, enabling them to honorably earn their livelihood.



Contribution to UN Sustainable Development Goals (SDGs)

Corporate Social Responsibility (CSR)

The Bank integrates social impact in its business model. CSR activities and initiatives in Health, Education and other community development projects, promote equality.

Transparency and Reporting

The Bank discloses its efforts toward reducing inequality. Transparent reporting demonstrates commitment and accountability.



Financing Urban Infrastructure

The Bank provides funding for infrastructure projects such as public transportation, water supply, sanitation, and affordable housing. The Bank supports initiatives that enhance urban resilience, reduce vulnerability to disasters, and improve overall quality of life.

Promoting Sustainable Housing

The Bank offers loans and mortgages for housing, encouraging sustainable building practices and energy-efficient homes. The Bank collaborates with developers to create affordable and environmentally friendly housing options.

Promoting Inclusive Finance

The Bank works towards financial inclusion by providing services to urban population, including low-income communities and small businesses. The Bank facilitates access to credit, savings, and insurance, promoting economic growth and stability.



Financing Sustainable Initiatives

The Bank invests in projects that promote sustainable consumption and production patterns. The Bank funds initiatives related to renewable energy waste reduction, and eco-friendly practices.

Limiting Fossil Fuel Subsidies

Prioritizing the sustainable production, the Bank finances the projects related to renewable resources. The financing in renewable resources will result in reduction in fossil fuel subsidies.

Digital Channels

The Bank has launched various Digital channels for Banking services.

Process Automation

The Bank has adopted Process Automation to reduce the paper consumption.



Financing Climate Initiatives

The Bank invests in projects related to renewable energy, energy efficiency, and climate resilience. The Bank provides capital to accelerate the transition to cleaner energy sources.

Promoting Sustainable Practices

The Bank encourages clients to adopt sustainable practices, such as reducing carbon emissions and minimizing environmental impact.

Risk Assessment and Disclosure

The Bank assesses climate related risks in its portfolio and discloses this information to stakeholders. This transparency drives responsible investment decisions.

Decreasing Carbon Foot print of internal operation

The Bank is rigorously working to decrease its own impact on environment. Various measures include Reduction in Internal Energy consumption,

Energy Conservation Initiatives, Solar Power Installation, Sustainable Paper Usage, Sustainable Construction Initiatives, Sustainable IT Operations and Digital Banking Initiatives.

Tree Plantation

The Bank conducts annual Tree Plantation Campaigns. In 2024, more than 100,000 trees/ saplings at business premises, schools and public parks were planted.

Cleanliness Activities

The Bank conducted cleanliness activities at K2 base camp to promote awareness about environment conservation.



Investing in Sustainable Ocean Projects

The Bank is committed to financing for initiatives related to marine conservation, sustainable fisheries, and ocean protection. Bank supports projects that promote responsible fishing practices, marine biodiversity, and ecosystem health.



Supporting Forest Conservation

The Bank is committed to invest in projects that protect and restore forests, combat deforestation, and promote sustainable land use.

Promoting Sustainable Agriculture

Bank provides financing to farmers and agricultural enterprises for sustainable practices. Bank supports soil health, water management, and agroforestry projects.

Tree Plantation

Bank conducts annual Tree Plantation Campaigns. In 2024, more than 100,000 trees/ saplings at business premises, schools and public parks were planted.

Cleanliness Activities

The Bank conducted cleanliness activities at K2 base camp to promote awareness about environment and life on land.



Promoting Financial Inclusion

The Bank works to ensure that marginalized population has access to financial services. The Bank supports inclusive Banking, microfinance, and community-based initiatives.

Combating Corruption

The Bank implements robust anti-corruption measures within its operations and financing policies. The Bank promotes transparency, ethical practices and accountability.

Supporting Rule of Law

The Bank collaborates with legal institutions to strengthen the rule of law.

Promoting Good Governance

The Bank engages in responsible lending practices and corporate governance. The Bank advocates for policies that enhance institutional effectiveness.



Promoting Partnerships

The Bank facilitates public private partnership, fostering collaboration between government, businesses, and civil society organizations. The Bank encourages joint efforts to address global challenges and achieve sustainable

development.

Enhancing Resource Mobilization

The Bank promotes investment, economic growth, and financial stability.

Strengthening Statistical Capacity

The Bank invests in data collection, analysis, and reporting. The Bank contributes to informed decision-making and progress tracking.

Tax Collection

The Bank acts as Withholding Tax Collection Agent to facilitate tax and other revenue collections on behalf of tax authorities. The higher tax collection of government results in funding sources for Public Sector Development Program (PSDP).

Abbreviations

A&RRG	Audit & Risk Review group	CAR	Capital Adequacy Ratio	CSRD	Corporate Sustainability Reporting Directive	FATCA	The Foreign Account Tax Compliance Act
ABF	Allied Business Finance	CARE	Center for Assessment, Research and Employee's Evaluation	DE&I	Diversity, equity & inclusion	FATF	Financial Action Task Force
ABL	Allied Bank Limited	CBA	Collective Bargaining Agent	DEI	Diversity, Equity and Inclusion	FCCM	Financial Crime and Compliance Management
ACOB	Audit Committee of the Board	CC	Compliance Committee	DHA	Defence Housing Authority	FPT	Fit and Proper Test
ADR	Alternative Dispute Resolution	CCTV	Closed-Circuit Television	DN	Diebold Nixdorf	FRTs	Functional Recovery Teams
AFF	Allied Fast Finance	CDD	Customer Due Diligence	DPC	Deposit Protection Corporation	FSC	Forest Stewardship Council
AI	Artificial Intelligence	CEO	Chief Executive Officer	DSS	Data Security Standard	FSRP	Financial Stability Recovery Plan
ALCO	Asset and Liability Committee	CFA	Chartered Financial Analyst	E&S	Environmental and Social	FTC	Fair Trade Comission
AML	Anti-Money Laundering	CFT	Combating the Financing of Terrorism	EDD	Enhanced Due Diligence	FTE	Full Time Employee
ASV	Approved Scanning Vendor	CKNP	Central Karakoram National Parks Authority	EDGE	Excellence in Design for Greater Efficiencies	FY	Financial Year
ATM	Automated Teller Machine	CMD	Complaint Management Department	EJ	Electronic Journal	GBO	Green Banking Office
BAU	Business-As-Usual	CMS	Complaint Management System	EPA	Environmental Protection Agency	GBP	Great Britain Pound
BCP	Business Continuity Plan	CMT	Crisis Management Team	EPEAT	Electronic Product Environmental Assessment Tool	GDIB	"Global Diversity & Inclusion Benchmarks"
BDO	Business Development Officer	CO2	Carbon dioxide	ERP	Enterprise Resource Planning	GDP	Gross Domestic Product
BIS	Bureau of Industry & Security	CO2e	Carbon dioxide equivalent	ERR	Environment Risk Rating	GHG	Greenhouse Gas
BMP	Banking Mohtasib Pakistan	CPF	Countering Proliferation Financing	ESDD	Environmental and Social Due Diligence	GJ	Giga Joules
BMR	Balancing Modernization and Replacement	CRM	Customer Relationship Management	ESG	Environment, Social and Governance	GRI	Global Reporting Initiative
BoD	Board of Directors	CRP	Climate Risk Policy	ESIA	Environmental and Social Impact Assessments	GSIB	Global Systemically Important Bank
BOE	Banking on Equality	CSO	Chief Sustainability Officer	ESRA	Environmental and Social Risk Assessment	HR	Human Resource
BPM	Business Process Management	CSOs	Customer Support Officers	ESRM	Environmental and Social Risk Management	HR&RC	Human Resource & Remuneration Committee
BRMC	Board Risk Management Committee	CSP	Customer Security Program	EU	European Union	HSE	Health Safety and Environment
CA	Chartered Accountant	CSR	Corporate Social Responsibility	EUR	Euro	HVAC	Heating, Ventilation, and Air Conditioning
				FAPC	Fit and Proper Criteria	IBA	Institute of Business Administration

IBCS	Image-Based Clearing System	MG	Management Grade	PACRA	Pakistan Credit Rating Agency Limited	SASB	Sustainability Accounting Standards Board
IBM	International Business Machines Corporation	MoIT	Ministry of Information Technology	PBA	Pakistan Banks’ Association	SBP	State Bank of Pakistan
ICAAP	Internal Capital Adequacy Assessment Process	MRC	Material Risk Controllers	PBC	The Pakistan Business Council	SCADA	Supervisory Control and Data Acquisition
ICAP	Institute of Chartered Accountants of Pakistan	MRT	Material Risk Takers	PCI	Payment Card Industry	SECP	Securities and Exchange Commission of Pakistan
IDC	Islamabad Diagnostic Center	MSF	Million Smiles Foundation	PCI DSS	Payment Card Industry Data Security Standard	SF&SP	Sustainability Framework and Strategic Plan
IFC	International Finance Corporation	MT	Metric Tons	PCs	Personal Computers	SLAs	Service Level Agreements
IFRS	International Financial Reporting Standards	MTITS	Management Trainee Information Technology Specialists	PER	Profit Equalization Reserve	SME	Small and Medium Enterprise
ILS	Issue Logging Systems	MTO	Management Trainee Officers	PKR	Pakistani Rupees	SMS	Short Message Service
InfoSec	Information Security	N/A	Not Applicable	PMYB & ALS	Prime Minister’s Youth Business & Agriculture Loan Scheme	SOx	Sulfur oxides
IoT	Internet of Things	NACTA	National Counter Terrorism Authority	POS	Point of Sale	SPMC	Strategic Planning & Monitoring Committee
IRR	Investment Risk Reserve	NDCs	Nationally Determined Contributions	PPM	Product Program	SRR	Social Risk Rating
ISSB	International Sustainability Standards Board	NEF	Namal Education Foundation	PSDP	Public Sector Development Program	TAT	Turn Around Time
IT	Information Technology	NFAS	Non-Financial Advisory Services	PSEB	Pakistan Software Export Board	TBML	Trade-Based Money Laundering
IUCN	International Union for Conservation of Nature	NFEH	National Forum for Environment and Health	PSR	Profit Sharing Ratios	TCFD	Task Force on Climate-related Financial Disclosures
IVR	Interactive Voice Recording	NFPA	National Fire Protection Association	PWD	Person with Different Abilities	TNF	The Noorani Foundation
KFS	Key Fact Statements	NGFS	Network For Greening the Financial System	RA	Risk Assessments	TOoP	Training Organization outside Practice
KIBOR	Karachi Interbank Offered Rate	NGOs	Non-Governmental Organizations	RAAST	Raast Instant Payment System	TORs	Terms of Reference
KW	Kilo Watt	NIFT	National Institutional Facilitation Technologies	RACS	Risk Acceptance Criteria Statement	TRR	Technical Risk Rating
LED	Light Emitting Diode	NLFP	National Financial Literacy Program	RAG	Retrieval Augmented Generation	UN	United Nations
LEED	Leadership in Energy and Environmental Design	NOx	Nitrogen oxide	RAMS	Risk Management System	UN SDGs	United Nations Sustainable Development Goals
LLM	Large Language Model	NPL	Non-Performing Loan	RDA	Roshan Digital Account	UNSC	United Nations Security Council
LOS	Loan Origination System	NPOs	Non-Profit Organizations	REPO	Repurchase Agreement	USD	United States Dollar
LUMS	Lahore University of Management Sciences	NSFSS	National Subsistence Farmers Support Scheme	RMC	Risk Management Committee	UV	Ultraviolet
MANCO	Management Committee	OFAC	Office of Foreign Assets Control	RMTA	Risk Management Trainee Associates	VA	Value Added
MDC	Management Development Center	OHSE	Occupational Health Safety and Environment	Rs.	Rupees	WCLA	Walled City Lahore Authority



Allied Bank

3-4 Tipu Block, Garden Town, Kalma Chowk, Lahore, Pakistan
Tel 92 42 3588 0043



www.abl.com