

Sustainability & Corporate Social Responsibility

As a leader in the Pakistan banking sector, MCB Bank has a great legacy in looking after the preservation of the interests of all our stakeholders. Our employees fully embody our values of service and quality.

Through careful evaluation and selection, the Bank selects and promotes projects and services that benefit the Pakistani economy and society in the most effective manner. Particular emphasis is placed upon the need to promote environmental sustainability and social welfare.

Our policy

We ensure that CSR initiatives embody a vision of harmonious and sustainable development in Pakistani communities. Broadly speaking, the pillars of CSR activities undertaken by the Bank ensure:

1. Compliance with relevant laws and regulations both in letter and spirit
2. Business operations with honesty and integrity
3. Engagement in social welfare activities that help strengthen communities and contribute towards the uplift of society
4. Support and promote financial inclusion and literacy
5. To build and maintain sound relationships with customers and other stakeholders through open and fair communication in order to contribute towards sustainable image-building
6. Respect for culture, customs, history and laws as the Bank constantly searches for safer, cleaner and better practices that meet the growing needs of society
7. Minimize environmental footprint to coexist harmoniously whilst encouraging minimum wastage of resources



Our approach to sustainability

The Bank has focused on several key principles as an institution. It is committed towards fostering a better work place and cleaner environment through its varied initiatives. By committing to a culture of excellence, good governance, transparency and integrity, it ensures that all activities are conducted in a manner that is ethically responsible and beneficial for all stakeholders. MCB Bank has a well-defined Code of Ethics and Conduct policy that serves as a guideline for the behavior and ethics of employees.



Contributing to sustainable economic growth

MCB Bank uses its core business of banking to promote sustainable development in all the markets it operates in.



Contribution to Economy & National Exchequer

MCB Bank has the second highest market capitalization in the banking industry. In 2021, the Bank paid approximately PKR 21.49 billion on account of income taxes to Government Treasury and collected over PKR 17.36 billion for the National Exchequer as withholding tax agent under different provisions of Income Tax Ordinance 2001. In addition, the Bank has also paid PKR 1.66 billion in respect of sales tax and FED.

The contribution by the Bank to the national economy by way of value addition was PKR 72.67 billion, out of which around PKR 16.94 Billion were distributed to employees and PKR 22.52 billion to shareholders.

Zakat is an essential component in delivering assistance to those most in need. The Bank bolstered the zakat collection efforts of prominent public welfare organisations such as Shaukat Khanum and Edhi Welfare Organisation through its communication mediums such as MCB Mobile Banking, MCB Internet Banking and ATM Screens. MCB Bank also contributed to the national exchequer in Zakat Deductions to the sum of PKR 530 million.

The Bank is making significant contribution to the development and growth of the country. An analysis of the Bank's value creation and allocation of value among key stakeholder groups is represented in Statement of Value Added.

Key financial highlights

Key financial figures and related ratios are discussed in financial performance section.

Being a responsible organization:

As a responsible corporate citizen, MCB Bank is cognizant of its obligations towards conducting its business operations in a sustainable and socially responsible way. MCB Bank's foremost duty is to create a platform which reflects its values. The Bank has "Corporate Social Responsibility (CSR) Policy", which is approved by MCB Board of Directors. It envisions the strategic guidelines of incorporating CSR into the very core of all our business practices across the Bank. The Bank's CSR activities are centrally monitored throughout to ensure that the Bank invests in the right causes that magnify the goodwill of the Bank and our community at large. We do this by making the right investments in developing our human resources, protecting the interests of our customers, weighing environmental impact in our decision making and combating the scourge of corruption with our best practices.

Sustainability is therefore embedded in all policies of the Bank through direct and indirect means. All groups of the Bank work together to not only educate all employees regarding various aspects of corporate sustainability and social responsibility, but also to ensure that the strategic CSR vision is aligned with operational objectives.

The Bank's policies therefore address these key aspects:

- Measures for Unforeseen Events and Crisis
- Internship Program for Persons with Disabilities
- Financial Literacy for Un-banked Population / Gender equality and equal opportunity employment
- Occupational Health and Safety
- Business Continuity Management
- Business Ethics and Anti-Corruption Measures
- Quality Checks and Mystery Shopping/ Service Council
- Customer Experience Management, Consumer Protection Measures and Grievance Handling
- Investing in communities

The Bank's CSR goals are aligned with its operations for the betterment of all stakeholders. The aim of the Bank is to be well versed in CSR by being a sustainable organization. The performance against sustainability and integration of various groups in achieving this are explained through this report.

Continued Measures to Combat Covid-19 Pandemic

While ensuring business-as-usual for bank's customers, the safety and security of all employees and valued customers remained a key priority. The following measures helped us brave COVID-19 throughout the year:

- Arranging On-Premises COVID-19 Vaccination camps at Lahore and Karachi for bank staff and their family members.
- Ongoing effective implementation of and follow up on Regulator directed SOPs at all back office buildings and branches (including but not limited to sanitizers, thermal guns, masks).
- Initiation of installation of face recognizing devices at major office buildings for attendance marking to minimize the probability of physical interaction. 6 devices were installed at MCB House and MCB Centre, Lahore.



Internship Program for Persons with Disabilities

Talent, ability, skills, perseverance, commitment and loyalty are key personnel traits for any employee of a well reputed organization, which can't be assessed at first glance. We at MCB Bank try to find these characteristics through our expertise and available key indicators during job interview & recruitment process. Persons with disabilities deserve the same chance to prove themselves but, too often, only their disability is seen at first glance. Despite the fact that employees with disabilities possess skills and experiences that can offer the industry a competitive edge, we can miss out on a vast untapped talent pool for the Bank. Hiring persons with disabilities conveys and promotes an inclusive work environment as they also have been solving problems for many years and tend to bring a strong sense of loyalty to the workplace. Therefore, we at MCB Bank are starting an Internship program for Persons with Disabilities along with the opportunity of permanent hiring upon satisfactory completion of internship tenure with the Bank.

National Financial Literacy Program

MCB Bank is committed to increase financial literacy in society and towards that aim; we have significantly contributed to SBP's National Financial Literacy Program (NFLP), which is now in its 5th year. In FY 2020-21 alone, MCB was able to conduct 900 training sessions to enlighten 26,875 participants, with a balanced 49% female participants coverage. These sessions have imbued financial literacy that is reflected in impressive participant-to-account conversion rate of 83% (unbanked population).

Similarly during 1st quarter, 2021-22, MCB Bank has so far conducted 224 trainings, ensuring 93% female participation with 95% account opening rate.



Occupational Health and Safety

Through a healthy and safe work environment, MCB Bank is staunch in preserving its vision for the well-being of its employees, customers and visitors by being compliant with relevant health and safety standards.

Every workplace is unique and the health and safety needs vary accordingly. Therefore, in order to be effective, the occupational health and safety policy and initiatives need to be wholeheartedly supported by every member that is directly and indirectly affected or is being affected by the occupational and health related factors of the organization's workplace and its unique requirements.

The staff at MCB Bank, under the direction provided by the Management, has shown great commitment towards constantly maintaining occupational health and safety standards.

Based on expert medical advice and international best practices with respect to COVID-19, effective workplace guidelines have been implemented for the safety of all staff members, and precautionary steps from preceding year were maintained wherever applicable to counter the risks associated with the virus. The Bank also arranged a vaccination drive in different cities to safeguard its staff and their families against COVID-19. Other health related steps include the declaration of all Bank buildings as "No Smoking Zones", and the internal communication of messages regarding safeguarding against Dengue epidemic. First Aid Kits are available for circumstances involving emergency medical care within the Bank's premises.

Moreover, effective controls, processes, surveillance and security equipment pertaining to the physical security of employees, customers and visitors are in place while Facility Level Plan Regular Updates as to processes and procedures ensure readiness associated with possible eventualities. Trained security personnel at the Bank constantly supplement the controls, processes, and security equipment. A Safety and Security Audit of major iconic buildings through external consultants has also been conducted, and the Bank took up best possible measures as per the consultants' recommendations regarding the iconic buildings. All iconic buildings and branches of the Bank are equipped with modern fire safety, surveillance and security equipment (as applicable).

With respect to the facilitation of Persons with Disabilities (PWDs), Bank keeps on enhancing the availability of accessible infrastructure to PWDs through various measures vis-à-vis construction of ramps at the entrances of branch/office premises, provision of stationery forms/documents in braille scripts etc. This would promote safety and convenience of current and future staff members and customers who face physical constraints.

Guidelines in the form of pictorial messages on Health and Safety are constantly circulated – whenever applicable – amongst the Bank staff and also to customers through different available mediums for best safety and health practices at and outside work.

Business Continuity Management

MCB maintains high standards of Business Continuity Management (BCM) with regard to protecting the Bank against any potential business continuity events. BCM at the Bank can be described as a multifaceted approach comprising of policy, procedures and plans for developing, driving, leveraging, and protecting business continuity at all times. Critical business processes, are therefore assessed time and again to ascertain the sustainability, adaptability and ingenuity for optimal business and operational outcomes.

The Board of Directors approves the BCM policy and plans and also oversees their implementation. Subsequent to this, as a key component of MCB's Management's vision to maintain a Business Continuity strategy, Business Continuity Management Committee (BCMC) of the Bank translates the policy into executable action items so as to ensure the existence of an effective framework for all critical processes and systems. This, in turn, facilitates the flow of activities that are designed to safeguard the Bank during a business continuity event, and thus the BCM initiative serves as a way by which potential impacts on people, process and technology are positively funneled.

The dedicated BCM staff undertakes crisis management and contingency planning activities for the effective coordination of the BCM initiatives with the necessary steps and overall direction being guided by the business strategy of the Bank. During the Covid-19 pandemic, the Bank continues to leverage its business continuity strength by tackling the impact of this catastrophe until the economy and the overall health situation improve. The Bank personnel are operationally ready and adaptive during this time owing to the strong commitment towards high quality customer and client service standards at all times. Special screening arrangements, the maintenance of social distance, periodic disinfection, and work-health advisories, along with the rationalization of seating arrangement for providing flexible service delivery methods have been made possible to sustain business and service continuity in light of Government of Pakistan and World Health Organization precautionary advice.

Irrespective of the scope of disruption, the Bank management through its business continuity strategy, and the staff through the appropriate tactical measures, continuously aims to keep satisfying the needs of its valued stakeholders.

Business Ethics and Anti-Corruption Measures

The Bank actively identifies and addresses possible risk factors through the implementation of policies and procedures designed to reduce the possibility of such incidents. In this regard, it has fielded, alongside its Human Resource Policies and Procedures, a comprehensive “Code of Conduct and Business Ethics” which is disseminated to staff for information and sign off. This document is also readily available to all staff on MCB Bank's Intranet Portal.

The Bank continues to maintain a strong compliance culture across the board. Employees are expected to perform all tasks with diligence and honesty at all times. The Code of Conduct of the Bank comprehensively defines the values and minimum standards for ethical business conduct.

Employees ensure that all interactions with clients, competitors, business partners, government and regulatory authorities, shareholders, or with one another, follow a vigorous ethical standard. The Bank's foremost effort is to ensure that the

conduct of the employees is impeccable with the help of guidelines that ensure compliance with all applicable laws and regulations.

MCB Bank strives to ensure a friendly and harassment free environment for all employees. The policy for protection of women harassment is also circulated bank-wide every year. The Bank has zero tolerance for any form of harassment or discrimination as covered in the Bank's existing Code of Conduct.

The Disciplinary Action Committee (DAC) is tasked to address any violation of policies & procedures, acts of fraud & forgery, breaches of discipline and code of conduct, ethics and business practices, law of land and statutory regulations by an employee. These measures help us maintain a harmonious and efficient work environment in which employees are assured a nondiscriminatory, transparent, harassment free and respectful atmosphere regardless of their caste, religion and gender.

Consumer Grievances Handling Mechanism Service Council

Service Council is a monthly forum, chaired by the President, which brings together key stakeholders from across the bank with a view to place service on the forefront through thought leadership, collaborative discussions and creation of a clear service roadmap.

Customer Experience Management

Feedback is solicited from customers for all contact points via surveys and remedial actions are taken for identified areas. The end goal of these measures is to be the most preferred bank in Pakistan.

Turnaround Time (TAT) Monitoring

Monitoring and evaluation of service indicators is part of the belief in increasing and retaining one's customer base. In order to maintain a strong hold on processes within the Bank, the Service Quality Division has devised several controllable measures at par with prevailing market practices. Against each measure, a tolerance level along with a timeline is set. Similar to Branch Banking, indicators for Consumer Assets, Credit Cards, Bancassurance, Agriculture Financing, MCB Lite, Contact Centre, Mobile Banking, Internet Banking and ATM Uptime are monitored on a monthly basis.

Quality Checks and Mystery Shopping

During 2021, 99% of total branches were monitored with respect to service parameters and protocols. The remaining branches were not visited owing to security concerns/remote locations and few were under renovation. Moreover, 942 branches were 'Mystery Shopped' by independent external agencies and results of this activity were shared with management for further improvement.

Consumer Protection Measures

The Bank is committed to provide quality products and services to its customers. It maintains a privacy statement for the usage of its products i.e. Credit Cards, ATM pins etc.

To ensure a culture of 'Quality Customer Service' the Bank has a dedicated Service Quality Division with the objective of strengthening the Bank's service culture. Regular training sessions are conducted in all Circles, Call Centers and other front-end staff offices regarding 'Service Excellence' & 'Customer Satisfaction'.

Customer Grievance Handling

Bank considers complaints as opportunities for improvement and understands the link between complaint resolution and customer loyalty. We believe that complaints are a primary measure of customer dissatisfaction; thus, they should be taken seriously and staff should be encouraged to bring complaints to the forefront so that gaps can be identified and fixed.

Service Quality (SQ) function is the custodian of customers' grievance handling and works in collaboration with all businesses / functions of the bank responsible for acknowledging, investigating, tracking, escalating and resolving customer complaints within specified turnaround times. A centralized complaint resolution team manages all customer complaints through a Complaint Management System. Currently, all our customer touch points have access to this system so as to ensure that all complaints, whether verbal or written, are immediately captured in the system.

Following are the Channels through which complaints are received:

- MCB Contact Center
- MCB Branches
- MCB E-mail
- Social Media
- Letter/Fax
- Customer Service Centers
- Banking Mohtasib Secretariat
- State Bank of Pakistan
- Management Committee (MANCOM)

The Bank makes its best effort to ensure that resolution of complaints is comprehensive, appropriate and quick. The customer is kept informed on the status of their complaint, starting from complaint acknowledgement till its resolution. The escalation matrix for complaint resolution observed and designed in the system is such that a complaint, if not resolved within the specified turnaround time, gets escalated to the next senior level of management and keeps on escalating further till resolved.

Service Quality Division also performs in-depth qualitative and quantitative complaints analysis followed by suggestions and recommendations in order to eliminate root causes of customer issues and drive continuous improvement.

During 2021, a total of 263,212 complaints were logged in the system out of which 262,778 complaints have been resolved till date (resolution rate 99.84%).

There was a 73 % increase in total logged complaints in 2021 as compared to the previous year. Total complaints logged during 2020 were 152,234.

| Statement of Complaints | Numbers | Percentage |
|-----------------------------------|---------|-----------------|
| Total Complaints Received | 263,212 | - |
| Closed | 262,778 | 99.84% |
| Open | 434 | 0.16% |
| Average time taken for resolution | | 13 Working Days |

| Total Login Details: | Total | Contribution |
|---------------------------|---------|--------------|
| Complaints | 263,212 | 96% |
| Request/Queries/Reversals | 11,430 | 4% |
| Total | 274,642 | 100% |

Investing in Communities

MCB Bank is committed to creating sustainable economic and social development for our stakeholders. All groups of the Bank work throughout to identify and execute opportunities that cover health, community, recycling, green banking and environment protection, education and empowerment etc.

Following areas were addressed by the Bank in 2021:

- Healthcare Sector
- Community Development & Sports
- International Outreach
- Education
- Equal Opportunity for All Employees
- Energy Conservation
- Environmental Protection
- Environmental Cleanliness & Protective Measures
- Green Banking

Healthcare Sector

The Bank seeks to support key initiatives that bolster the health care sector of Pakistan.

During 2021, the coronavirus pandemic was a key area of focus. To help ensure the health and safety of those fighting at the frontline of the crisis, the Bank donated one lac rupees to Murshid Hospital & Healthcare Centre for the treatment of low income and needy patients.

MCB Bank also donated PKR 5 million to Nigahban Welfare Association to support financing of their new endoscopy facility at Dr. Ruth KM PFAU Hospital Karachi.

MCB Bank deepened its commitment to major health initiatives throughout the year. Comprehensive marketing collateral was deployed to raise awareness of breast cancer in collaboration with Pink Ribbon. The awareness campaign also supported Pink Ribbon in the NGO's efforts to raise funds for Pakistan's first ever Breast Cancer Hospital.

The Bank also helped generate awareness for organizations like Edhi Welfare Organization, Sundus Foundation and Shaukat Khanum Memorial Cancer Hospital with its internal and external communication through platforms such as MCB Mobile Banking, MCB Internet Banking, ATMs, website, and internal communication, especially during the holy month of Ramadan.



Community Development & Sports

MCB Bank understands that collective efforts are required to provide better facilities to our nation especially during the prolonged pandemic worldwide. During 2021, the Bank played its part by contributing PKR 1.5 million to Jahandad Society Community for Development for a campaign to distribute free food ration packs to daily wage earners. The Bank also donated two lac rupees to Thardeep Rural Development Programme (TDRP) for the purchase of 200 mosquito nets to facilitate the dengue vulnerable houses in rural areas.

The Bank recognizes the important role played by sports in the well-being and health of the Nation. In this regard, it focused on encouraging local talent and avenues to make Pakistan's name stand out in the world of sports. Major support by the Bank was extended to Pakistan's porters for the K2 Hushe Expedition 2021. The Bank provided the talent team from Gilgit with financial support of PKR 5 million and continuously covered their expedition on social media. The successful expedition was also covered by local newspapers, electronic and social mediums. This support was aimed to encourage local talent and promote our competitive porters on the international scale, while promoting tourism in Pakistan.

During the year, the Government of Pakistan also organized the Pakistan Tourism Festival 2021 in Islamabad to promote Pakistan's landscape and tourism facilities which gained local and international coverage. MCB Bank was also one of its sponsors for the event with a contribution of PKR 1 million.

Furthermore, another milestone of the Bank to encourage healthy outdoor activities for youth and general public at large was achieved by contributing PKR 57 million to fund the development of Shuhada Park Chakwal. This park shall serve as a great recreational spot for young and old in Chakwal while commemorating Bank's tribute to the martyrs of the region who sacrificed their lives for the nation.

MCB Bank also supported the 17th State Bank Governor's Cup Interbank Regional Cricket Tournament 2020-21.



International Outreach – The Dubai Expo 2020

One of the key global events during the year was the Dubai Expo that attracted an influx of visitors from around the world. This festival, even during the pandemic restrictions, provided a huge international platform to thriving industries. MCB Bank also participated in the Dubai Expo through a sponsorship of PKR 50 million and the Bank presented itself as one of the leading financial institutions of Pakistan.

Education

Given the importance of the educational sector, MCB Bank fully supports its uplift. During 2021, the Bank donated an ambulance worth PKR 1.5 million to Sadiq Public School Bahawalpur for their in house hospital for students and staff members.

Equal Opportunity for All Employees

The Bank prides itself on providing equal employment opportunities, free of discrimination; by implementing a methodical merit based nondiscriminatory selection process. The Bank successfully closed the year 2021 with permanent staff strength of 13,612 employees and 106 contractual employees. The ratio of female staff members stood at 16.9% compared to 16.3% from the previous year.



Energy Conservation

MCB Bank is following a strict Policy to conserve energy, country-wide by exercising strict control over electricity lights discipline whether in the Bank Branches or Principal offices. MCB Bank accords priority to exercising national obligations.

WWF certification of Green Banking to MCB Centre building is a big achievement which showcases our energy conservation credentials through Solar energy, LED Lights, Paperless work culture and Water conservation.

The Bank also engages employees through its internal communication channels to follow best practices and initiatives to inculcate consciousness to save energy.

Energy Saving Measures

MCB Bank is already following the policy of exercising strict controls over the use of excessive lights in its offices / buildings and restricts the switching-on of lights to needed areas only, whereas unrequired lights / equipment are switched off in office areas / premises.

Natural light is utilized instead of artificial lights during day time wherever possible in office buildings. Window / blinds are kept open to capture sunlight for heating during winters.

Almost all Bank buildings have been switched over to LED Lights. The post office / late sitting is discouraged to exercise energy saving.

To exercise maximum control over building energy resources, a BUILDING MANAGEMENT SYSTEM (BMS) is installed at MCB Bank Principal Buildings i.e. MCB House Lahore, MCB Center Lahore and MCB Tower Karachi. The facility allows control of all the building fitted resources from a single point / place. Setting central heating / cooling system set points to maintain temperature at 24C degrees. Scheduled cleaning of air conditioner filters and air ducts is ensured. Building Management System (BMS), Waste Heat Recovery (Cogeneration-System) and Motion sensor lights system installed further support the conservation of energy.

MCB Tower Karachi Captive power generation from Gas Generators are being replaced with KE Electric Power. This action will notably contribute to savings of natural gas resources but will also result in less harmful gas emissions in future.

The first of its class, waste heat from cogeneration plant is installed at one of MCB Bank's principal buildings i.e. MCB Centre, Lahore. A waste heat of gas engine (1555 KW) is also installed at MCB Principal building, MCB Tower Karachi, to produce hot water to be used in chiller with boiler. Almost 100 to 150 tons of extra cooling is generated through this process.

Environmental Cleanliness & Protective Measures

MCB Management emphasises on “clean working environment” and invests to hire the best “Janitorial Companies” in our three Principal Buildings i.e. MCB House Lahore, MCB Centre Lahore and MCB Tower Karachi.

Waste is a major hazard to health of employees and aesthetics of the organizations. MCB focuses on waste reduction, reuse and recycling, which are essentials for environmental improvement and workforce productivity. Therefore, MCB Bank has segregated the building waste into recyclable and non-recyclable waste, by converting waste into recycling mode.

MCB Bank is moving towards paperless banking and resource efficiency in our operations. Some of our notable initiatives include reduction of environmental footprint in transportation and mobility of staff, energy efficiency in offices, greening of office premises and development of a culture of self-segregation of waste into dry and wet waste streams at source. We ensure that all our dry waste including paper and plastic streams are put back in the loop and reused in our corporate offices and bank branches through ethical recycling measures.

We ensure our wet waste including kitchen and organic materials are responsibly led to the landfills with minimum impact to the natural environment. For this purpose, we use technology to monitor and track our sustainability drive to achieve zero waste objectives. To enhance awareness and behavior change of employees and staff, formal and informal channels of corporate communications and campaigns are run to encourage staff to take actions, such as tree plantation and awareness walks.

Partnership building is very important for environmental sustainability. Therefore, we are keen to develop impactful collaboration with civil society organizations such as Amal who are facilitating us to run MCB Bank’s Green Office Program and achieve Net Zero objectives for the second consecutive year. With this collaboration, we intend to set new trends for sustainable banking in Pakistan. Our mutual objectives are in line with circular economy goals through voluntary actions with full top management commitment.

Plantation within the commercial business premises / branches are encouraged by Senior Management. Emails through corporate communication are circulated to each staff to maintain high standard of cleanliness inside / outside office buildings / premises. The respective building Administrators & building floor coordinators periodically emphasize hygiene directives to maintain high quality cleanliness.

During the pandemic all SOPs are religiously being followed and monitored by the administration which resulted in low number of affected staff. The staff are centrally monitored by the help of the Bank’s CCTV security system. HR department strictly imposes a culture of discipline to punish any violation in future.

Some of our efforts resulted in following impact:

- Collection of dry waste for ethical recycling = 11.24 tons
- Reduction in CO2 emissions = 548 tons




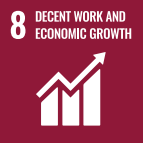


MCB Bank has taken these initiatives not only to meet legal requirements but as it’s corporate responsibility to address environmental concerns. We are proud that we remain ahead of our competitors as one of the first banks in Pakistan to adopt Green Banking Guidelines of the State Bank in letter and spirit. MCB Management appreciates the cooperation it received from its employees and staff and the interest shown by stakeholders in adopting their responsible and ethical business practices.

Certifications Acquired and International Standards Adopted

World Wide Fund for Nature (WWF) - Green Office Certification

MCB has successfully attained 'Green Office Certification' from WWF for one of its iconic buildings; MCB Centre, Lahore. This certification represents a landmark achievement in MCB's pursuit of reducing the ecological footprint at its workplace and has consequently placed the Bank in an exclusive club of domestic banks that have met the requirements of this rigorous assessment and certification program.

International Standards of Sustainability adopted as per UN SDGs and UN Global Compact

| | UN SDG Indicator | UN Global Impact | MCB Banks' Alignment |
|---|--|---|--|
|  | 3: Good Health and Well Being | | <p>In addition to supporting employees' health and wellbeing, the Bank also actively engages in community services within the health sector under its CSR Plan.</p> <p>The detailed initiatives have been disclosed in the Sustainability & Corporate Social Responsibility section of the Annual Report.</p> |
|  | 5: Gender Equality | 6: Elimination of discrimination with respect to employment. | <p>The Bank prides itself on providing equal employment opportunities that are free of discrimination and are being implemented on a methodical and merit based selection process:</p> <ul style="list-style-type: none"> There has been a consistent growth in the number of female staff at the Bank (16.3% in 2020 to 16.9% in 2021). The representation of women in the senior management positions with one women staff reporting to CEO and 12% reporting directly to the Head of Departments (HOD's) who in turn report to the CEO. <p>The Bank's product portfolio has been deployed to foster the captioned goal by actively promoting the MCB Ladies Account portfolio, wherein a total of 3,482 Accounts were opened till 2021.</p> |
|  | 7: Affordable and Clean Energy | 8: Initiatives to promote greater environmental responsibility 9: Fostering environment friendly practices | <ul style="list-style-type: none"> MCB Bank has installed solar power systems in a few Branches/ ATMs to counter Greenhouse Gas (GHG) Emissions. These solar installations augmented the clean energy in the entire energy mix and led to the avoidance of Carbon Dioxide (CO2) emissions to the environment. Green Banking Office has initiated the Own Impact Reduction initiative in compliance with SBP's Green Banking guidelines. A detailed baseline scenario assessment was conducted to finalize the electricity/energy mix reduction targets for branches. Initially 5% Energy Mix (KWHs)/Carbon Footprint reduction targets were assigned to 65 branches as a pilot. |
|  | 8: Decent Work and Economic Growth | 3: Upholding freedom of association 10: Working against corruption. | <p>Despite constraints created by the COVID-19 outbreak, the Bank continued to effectively play its role as a key service provider and intermediary in the financial market; hence, making a significant contribution to the country's economic growth:</p> <ul style="list-style-type: none"> Created employment opportunities which led to the hiring of 2,075 employees. Contributed Rs. 21.5 billion to the national exchequer on account of income taxes to the Government Treasury. 37 differently abled people working for the bank as permanent staff. Extended finance to all key economic segments including the SME and Agriculture sector which cumulatively contribute above 50% to the domestic GDP. Played a central role in supporting Governments' and Central Banks key pandemic responses for credit extension and un-interrupted provision of essential banking services to the general public. |
|  | 9: Industry Innovation and Infrastructure | | The Bank continues to actively contribute to the Central Banks cause of improving financial inclusion in the country by extending branch outreach and customer digital touchpoints. |
|  | 12: Responsible Consumption and Production | | <p>MCB's Green Banking Policy lays the foundation for safeguarding the Bank against environmental vulnerabilities and playing its due role in transforming the country towards a low carbon and climate resilient economy.</p> <p>The detailed policy has been disclosed in the Green Banking section of the Annual Report.</p> |

Green Banking

"Green Banking" is a term used in the context where sustainability is integrated into banking operations to safeguard our planet and its natural resources by mitigating environmental risk emanating from business and in-house operations.

MCB Bank is always striving to conserve the environment by contributing towards climate change mitigation through the adoption of measures. Since the establishment of the MCB Green Banking Office (GBO), Green Banking Culture has gained momentum within the Bank.

MCB Bank aims to make the Bank's processes, the use of IT, and physical infrastructure more sustainable and efficient to have minimal impact on the environment. Additionally, the Bank is continuously striving to inculcate a sense of environmental concern amongst its stakeholders such that operational processes are transformed to safeguard the Bank against the threat of environmental vulnerabilities. Likewise, the country's interests are taken into account, and a low-carbon & climate resilient economy is targeted.

A few Green Initiatives have been undertaken by MCB Bank are mentioned below:



Environmental Risk Management System

The Environmental Risk Assessment of customers who approach the Bank for a credit facility is now a component of the Credit Approval Process, and this assessment is carried out on an ongoing basis at the time of annual renewal of a customer's credit package.



Green Products/Services

MCB Bank has continued its efforts to integrate the sustainability into its products and services. Such products involve environment-friendly features including Renewable Energy, Modern Drip/Sprinkler irrigation techniques etc. Credit Card customers of the Bank are being offered household energy-efficient products via an affordable installment plan. In addition, the clients are also provided advisory services on availing Green Finance for Environmentally-Friendly and/or Renewable Energy Projects.



Renewable Energy Initiative

MCB Bank has installed solar power systems in a few Branches/ATMs to counter Greenhouse Gas (GHG) Emissions. These solar installations augmented the clean energy in the entire energy mix and led to the avoidance of Carbon Dioxide (CO₂) emissions to the environment.



Green Banking Web-Page

A dedicated webpage on Green Banking under the heading of 'Social and Environmental Responsibility' has been developed on the MCB Corporate Website. This webpage has facilitated the Bank in terms of updating stakeholders regarding Green Initiatives undertaken by the Bank.



Paperless Operations

MCB Bank is opting for ways and mechanisms by which to reduce, if not entirely eliminate, the consumption of paper and other associated resources through the automation of paper-based workflows and processes. A few initiatives have been undertaken for the elimination and/or reduction of paper consumption including but not limited to the suspension of paper-based internal circular dissemination practices, the introduction of web-based dispute claim filing utility for all Alternate Delivery Channels, and the deployment of application-based workflow systems for gradual migration towards a paperless environment. Moreover, the Bank has implemented a value-added feature to its ATMs by enabling the option for making financial transactions without receipt printouts.



Green Awareness Campaign

Green Awareness Campaign has been prepared to commemorate environment related annual days such as World Water Day, Mother Earth Day, and World Environment Day. The commemoration includes different dissemination mediums such as artwork-based Emails and Standee Displays at different buildings of the Bank. Similarly, in order to increase awareness amongst the customers, special web-based banners were prepared and displayed on the MCB Corporate Website and ATM screens. Furthermore, customized animated artworks were also displayed on the MCB official social media pages including Facebook, LinkedIn and Twitter.





World Wide Fund for Nature (WWF) - Green Office Certification

MCB Bank has successfully secured the WWF - Green Office Certification for the second time in a row owing to its iconic building - MCB Centre, Lahore. A detailed certification surveillance audit was conducted by WWF to verify the sustainability of resource conservation measures implemented in the building. This certification is a testimonial of MCB Bank's commitment as to reducing the carbon footprint at the workplace and also makes MCB Bank one of the few banks that have successfully met the requirements of such a prestigious Green Office certification program.

A WWF Certified Green Office is a workplace that reduces its burden on the environment, achieves savings and reduces its carbon footprint by implementing the Environmental Management Plan (EMP). MCB Centre, Lahore endeavored to implement the building-specific EMP which helps in cutting down the consumption of Energy/Electricity, Fuel, Paper and Water while enabling the recycling of dry waste generated from the building.



Tree Plantation Drive

The need for afforestation has increased nowadays owing to the adverse environmental impact of air pollution. MCB Bank undertakes the tree plantation drive as an environment based CSR initiative. Accordingly, a plantation drive was undertaken in collaboration with a civil society organization and relevant government authorities in September at Cavalry Ground Park, Lahore. These plants were procured using the Green Points that were earned by the Bank through the recycling of dry waste.



Dry Waste Management

MCB Bank has partnered with an organization that provides services pertaining to dry waste collection and recycling through its green partner network. Initially, the dry waste recycling services were only acquired for two buildings as a pilot initiative. Based on the successful results of the pilot initiative, this partnership has also been expanded to other iconic facilities in Lahore. The dry waste that weighs 11.2 tons is being recycled in an environment-friendly manner.



Reduction of Business Travel

Greenhouse Gas Emission through aviation and road transport is one of the greatest contributors to global warming. MCB Bank is committed to playing its role in the reduction of Greenhouse Gases by significantly reducing business-related travel where situations can be managed effectively through the use of video conferencing/tele-presence technology. These virtual meetings not only save time, money and other associated resources but also contribute towards the reduction of the carbon footprint when compared to travel-based meetings.



Own Impact Reduction Measures

Green Banking Office has initiated the Own Impact Reduction initiative in compliance with SBP's Green Banking guidelines. A detailed baseline scenario assessment was conducted to finalize the electricity/energy mix reduction targets for branches. Initially 5% Energy Mix (KWHs)/Carbon Footprint reduction targets were assigned to 65 branches as a pilot. These branches were selected across Pakistan and have representation from all business areas. Green Banking training sessions were conducted to motivate and spread awareness amongst the relevant staff members with regard to this pilot initiative. Similarly, customized artworks are also continuously reiterated on a periodic basis for staff awareness. By virtue of this initiative, the pilot branches have significantly reduced their electricity consumption which ultimately contributed towards the Bank's achievement of avoiding 88 tons of CO2 emissions to the environment as compared to the baseline year.



Employees Capacity Building

Green Banking training has been turned into a component of the Annual Training Calendar. The trainings are conducted through regular class room sessions/video conferencing in order to sensitize the staff regarding environmental implications and the adoption of Green Culture on a Bank wide level. 897 personnel have successfully received the training on Green Banking during 2021.

During Covid-19, e-learning portal has become the major source of Green Banking and other trainings for staff members. Furthermore, e-learning has enabled resource conservation associated with Paper, Printing, Electricity, Fuel etc. Overall, compared to a Class-Room Training setting, this amounted to a smaller carbon footprint.

