





SUSTAINABILITY
& CSR

Embedding Sustainability Across Our Core Pillars

At MCB Bank, sustainability is embedded across all aspects of our operations, guided by four interrelated aspects that drive responsible business practices, long-term value creation, and positive societal impact.

Strategy

Sustainability is not just an ethical imperative, but also a critical factor in achieving long-term financial stability and success, the Bank has been incorporating sustainability-related risks and opportunities into its strategic planning process.

Governance

Recognizing that strong governance is essential for maintaining organizational integrity and long-term performance, the Bank continues to enhance its governance frameworks to support effective oversight and disciplined decision-making. The Bank's governance approach is anchored in clear policies, structured committees, and defined responsibilities. These measures help promote transparency, uphold ethical standards, and ensure the Bank operates in a controlled and accountable manner.

Risk Management

The Bank has a robust framework for identifying, assessing, and managing sustainability-related risks; enabling it to protect itself from potential losses and capitalize on emerging opportunities in the transition to a sustainable economy.

Measuring Performance

The Bank monitors its sustainability performance through defined metrics and indicators that reflect progress against strategic priorities. Quantitative and qualitative measures are used to track outcomes across key sustainability themes. Where relevant, the Bank sets targets to guide improvement and align performance with regulatory expectations and industry practices. Regular review of these metrics supports transparent reporting, informed decision-making, and continuous enhancement of the Bank's sustainability performance.



Strategy



MCB Bank Limited, as one of Pakistan's leading financial institutions, remains committed to protecting and advancing the interests of its stakeholders. This commitment is shaped by the vision of senior leadership and upheld by employees who embody the Bank's core values of service, integrity, and excellence. Guided by a structured sustainability strategy, the Bank pursues initiatives that create long-term economic, environmental, and social value, with a strong focus on financial inclusion, national development priorities, and community well-being.

The Bank's sustainability approach is built on two key pillars—Environmental, Social and Governance (ESG) priorities and Corporate Social Responsibility (CSR) programs. These pillars collectively guide responsible banking practices, ethical governance, and transparent engagement with stakeholders.

CSR

ESG

Clear objectives, supportive policies, and targeted programs enable progress across environmental stewardship, responsible financing, employee development, community engagement, and workplace inclusion. Robust governance structures and regular performance reviews ensure continuous improvement and alignment with regulatory expectations and international best practices

Sustainability risks & opportunities across the value chain

MCB adopts a systematic approach, drawing on multiple information sources (internal and external) to identify the Bank's sustainability-related risks and opportunities. As part of this approach, the Bank considers its own operations as well as activities across the upstream and downstream value chain. The table below details the key sustainability-related risks and opportunities identified by the Bank through its assessment process.

Key Sustainability Risks	Upstream	Operations	Downstream
Environmental 			
Exposure to climate related operational disruptions of external service partners	✓		
Lack of green procurement and inefficient resource use	✓		
Collaboration with environmentally irresponsible vendors	✓		
Climate related risks (physical, operational and transition)	✓	✓	✓
Waste and resource inefficiencies		✓	
Absence of a robust sustainable finance framework			✓
Social 			
Risk prone partnerships with socially irresponsible service providers	✓		
Impairing supplier labor standards	✓		
Workforce turnover and capability gaps		✓	
Weak diversity & inclusion practices		✓	
Inadequate employee training and skills development		✓	
Lack of health, safety & well being programs to enhance productivity		✓	
Unfair customer outcomes			✓
Data security, privacy and cybersecurity vulnerabilities			✓
Governance 			
Compliance gaps in outsourced processes	✓		
Data governance weaknesses among technology service providers	✓		
Internal control lapses		✓	
Insufficient Board and management oversight of sustainability risks		✓	
Ineffective risk management frameworks		✓	
Ethics, Conduct & Responsible Business Practices			✓
Irresponsible communication and lack of transparency in disclosures & reporting			✓

Material Sustainability Themes for Reporting

The Bank’s management then identifies the sustainability themes most relevant for reporting. The assessment, involving a forward looking approach, considers how sustainability-related risks and opportunities across the Bank’s value chain may affect the Bank’s business model, strategy, and financial outcomes. The themes are then mapped to the Bank’s core value drivers to ensure that sustainability priorities are integrated into key business objectives.

This linkage is illustrated in the table provided below, demonstrating how material sustainability themes support long-term value creation.

Material Sustainability Themes	ESG Driver	Value Driver
Climate Change Mitigation and Adaptation		Positive Impact 
Driving Sustainable Economic Growth		
Corporate Social Investment		
Ethics & Conduct		Risk & Conduct 
Data Security, Privacy, Cybersecurity		
Fair Outcomes for Clients		
Reliability Of Digital Channels		Operational Experience 
Strengthening Responsible Sourcing & Sustainable Vendor Governance		
Responsible Communication & Improved Transparency		
People Sustainability: Engagement, Growth & Workplace Well being		Employee Engagement 

Governance

Oversight of the sustainability strategy is supported by a multi-layered governance structure. At the highest level, the Board of Directors provides strategic direction and ensures that sustainability priorities remain aligned with the Bank’s long-term objectives, national development agenda, the SECP’s ESG Disclosure Guidelines, and the UN Sustainable Development Goals (SDGs), reflecting the Bank’s commitment to responsible and inclusive growth. Board-level committees provide targeted oversight across key sustainability themes, including risk governance, internal controls, ethical conduct, human capital management, and broader ESG-related matters.

Management-level committees further support execution by coordinating implementation across business lines and support functions. These committees monitor progress on sustainability initiatives, assess emerging ESG and CSR risks, and recommend enhancements to policies and processes. The senior management team plays a central role in translating Board guidance into actionable plans, embedding sustainability considerations into operational decisions, and ensuring compliance with regulatory expectations.

The Bank’s sustainability agenda is supported by comprehensive policy frameworks that align with and reinforce the material sustainability themes identified for reporting. These policies guide the Bank’s approach to managing environmental, social, governance, and operational matters and provide a structured basis for measuring sustainability-related performance. The linkage between material sustainability themes and the Bank’s supporting policy frameworks is presented on the next page:

Material Sustainability Themes	Key Governing Policy Frameworks
Climate Change Mitigation and Adaptation	<ul style="list-style-type: none"> Green Banking Policy
Driving Sustainable Economic Growth	<ul style="list-style-type: none"> SME Financing Plan 2025-2029 Agriculture Credit Plan 2025-2029
Corporate Social Investment	<ul style="list-style-type: none"> Corporate Social Responsibility (CSR) Policy
Ethics & Conduct	<ul style="list-style-type: none"> Employee Code of Conduct Whistleblowing Program Policy for Protection against Harassment at Workplace Policy on Prohibition of Insider Trading Vendor Management & Outsourcing Policy Outsourcing Policy for Service Provider's Staff Deployed to the Bank
Data Security, Privacy, Cybersecurity	<ul style="list-style-type: none"> Global Information Security Policy Enterprise Technology Governance Management Framework
Fair Outcomes for Clients	<ul style="list-style-type: none"> CDD & AML/CFT/CPF Policy Self-Assessment under SBP's Conduct Assessment Framework for FTC Customer Experience & Consumer Protection & Grievance Handling Policy FATCA Compliance Policy Litigation Policy Fraud Prevention Policy
Reliability Of Digital Channels	<ul style="list-style-type: none"> IT Business Continuity/Disaster Recovery Plan
Responsible Communication & Improved Transparency	<ul style="list-style-type: none"> Investor Relations Policy Corporate Communication & Marketing Policy
People Sustainability: Engagement, Growth & Workplace Well being	<ul style="list-style-type: none"> Health, Safety and Work Environment Policy Diversity, Equity & Inclusion (DE&I) Policy Business Continuity Management Policy HR Policy Manual

Risk Management



As a financial institution, MCB is susceptible to a broad range of financial and non-financial risks across its value chain, with ESG and climate-related risks being an important subset. These risks vary in concentrations, degrees and intensities, and can have differentiated impacts on MCB's business and operations. Details of the Group's overall approach to risk management can be found in the 'Strengthening Enterprise Resilience' section of the Annual Report.

The Bank integrates ESG and broader sustainability risks into its existing risk management processes. Within this broader landscape, this section of the report focuses specifically on climate-related risks, including transition, operational and physical risks, as a key subset of sustainability risks. It outlines the approaches, policies, and frameworks that guide the Bank's assessment and management of these climate-focused exposures.

Climate Risk Management

The Bank has recognized that 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. Effective management of climate risk hence requires its integration throughout existing workflows, as a separate dimension, within Banks' overall risk management framework.

Given the specific interest in disclosures surrounding climate risk management for users of general-purpose financial statements, including investors, lenders and other creditors, the Bank has identified and assessed the following climate-related risks and opportunities in line with the requirements of the IFRS S2 standard

Short Term

Medium Term

Long Term



Risk

Physical

- Acute (Floods, Heatwaves, Storms)
- Chronic (Rising Temperatures, Water Scarcity)

Reputational

- Stakeholder & Investor Expectations

Operational

- Impact on Buildings, Systems, Workforce

Transition Risk

- Regulatory (SBP ESG Framework, Green Taxonomy, Future Carbon Policies)
- Market (Shift Toward Low-Carbon Economy)



Impact

- Disruption of branch operations in flood-prone regions, increased operational costs, delays in recoveries from agriculture and SME borrowers
- Higher credit risk and potential rise in NPLs for clients operating in climate-vulnerable districts, especially in Punjab and Sindh
- Collateral impairment for properties exposed to recurring climatic events.
- Lower productivity and reduced repayment capacity among agriculture, textile, and manufacturing clients
- Persistent water stress affecting agricultural regions where MCB has significant borrower exposure
- Pressure from stakeholders regarding ESG alignment and climate-related lending exposure
- Potential impact on investor confidence, rating outlook, and access to foreign funding lines.

- Operational disruptions from extreme weather events affecting branches and ATMs
- Increased capital expenditure needs for climate-resilient facilities
- Rising energy costs and infrastructure adaptation requirements.

- Compliance pressures on carbon-intensive borrowers impacting their cash flows.
- Higher Expected Credit Losses for sectors with slow ESG adoption.
- Need for portfolio realignment toward sustainable and low-carbon sectors.
- Reduced competitiveness of borrowers using outdated, energy-intensive technologies
- Market shift toward renewable energy and efficient industrial processes impacting traditional lending portfolio



Opportunity

- Financing climate-resilient agriculture, solar-powered irrigation systems and resilient infrastructure.
- Financing energy-efficient manufacturing, water conservation systems, and climate-adaptive agri-technologies
- Accelerated digital banking adoption reducing reliance on physical channels.
- Supporting clients to shift to sustainable production
- Stronger market positioning as a leading ESG-aligned bank.
- Enhanced trust with customers and international partners.

- Investment in sustainable branch designs, solar-powered facilities, and eco-efficient operations
- Increased shift to digital channels.

- Expansion of SBP-mandated green financing lines.
- Development of sustainability-linked loan products.
- Access to international ESG-focused funding.
- Financing renewable energy (solar rooftop projects)
- Supporting industrial clients with energy-efficient machinery financing
- Expansion into EV ecosystem financing



Risk Mitigation

- Climate-risk mapping across MCB's branch network and lending portfolio.
- Climate-adjusted collateral valuation methodologies.
- Strengthened Business Continuity and Disaster Recovery capabilities.
- Integration of physical risk indicators into loan origination.
- Sector-specific climate due diligence for key portfolios (Agri, Textile, Manufacturing).
- Engagement with clients on adaptation investments
- Geographic diversification of lending
- Participation in industry-wide climate finance initiatives.

- Deployment of solar energy solutions for branches and ATMs.
- Strengthened disaster recovery infrastructure.
- Adoption of climate-resilient building standards.
- Development of green and sustainability-linked products.

- Embedding SBP ESRM and IFRS S2 requirements into credit and risk management policies.
- Enhanced due diligence for high-emission sectors such as energy, steel, cement, and manufacturing.
- Climate scenario analysis and stress testing.
- Sector exposure limits aligned with climate objectives.
- Incentivized financing for energy efficiency upgrades
- Diversification toward low-carbon industries

Measuring Performance

Climate Change Mitigation & Adaptation



Environmental & Social Risk Management

As part of its Green Banking commitments, the Bank has established a dedicated Environmental and Social Risk Management (ESRM) Department to strengthen oversight of sustainability-related risk considerations within the credit portfolio. To build internal capacity, 174 staff members have been trained on ESRM-related aspects. The department ensures effective implementation of ESRM frameworks and integrates Environmental and Social (E&S) risk assessments into the credit evaluation process for both existing and prospective borrowers across domestic and international operations.

Through this approach, the Bank is able to systematically identify, assess, manage, and mitigate potential E&S risks in its lending activities. The assessment process also enables the Bank to gather insights into clients' environmental and social performance, which may further translate into advisory support to help clients enhance their E&S management practices.

Moreover, MCB Bank has commenced periodic reporting to the State Bank of Pakistan through the ESRM Monitoring & Evaluation Template, reinforcing transparency, regulatory alignment, and continuous improvement in its E&S risk management practices.

Powering Sustainability

MCB Bank's sustainability strategy places clean energy, operational efficiency, and responsible resource management at the center of its long-term vision. Guided by this strategic direction, the Bank continues to scale renewable energy adoption across its network, integrating solar power into branches, ATMs, and key corporate facilities. These initiatives support the Bank's broader Environmental, Social and Governance (ESG) priorities, reduce its carbon footprint, and strengthen alignment with Green Banking Guidelines. Through systematic solarization and data-driven planning, the Bank advances its ambition to build a more resilient, energy-efficient, and environmentally conscious operating model.

Solar Expansion

- ⚡ 311 branches solarized
- 🏠 284 ATMs on solar
- ☀️ 4.668 MW installed capacity
- 🌍 4,826 MWh clean energy generated
- ♻️ 2,896 tons CO₂ emissions reduced

Green Buildings

- 102 kW – Largest solarized site (Shahrah-e-Aiwan-e-Tijarat, Lahore)
- 55.8 kW – MCB Nila Gumbad, Lahore
- 34.5 kW – MCB Guest House, Karachi
- 60.5 kW – MCB Landmark, Islamabad (commissioned earlier)



Energy Conscious, Future Ready

MCB Bank remains committed to reducing its environmental footprint through a strategic focus on energy conservation and responsible resource management. As part of its broader sustainability agenda, the Bank continues to implement measures that enhance operational efficiency, promote cleaner energy use, and align with national priorities for energy stewardship. This approach reflects the Bank's responsibility as a leading financial institution and its long-term vision for resilient and environmentally conscious operations.





A key milestone in this journey is the WWF Green Office Certification awarded to the MCB Centre in Lahore—an important recognition of the Bank's progress in clean energy adoption, responsible consumption, and sustainable workplace practices. Through the use of solar power, LED lighting, digital workflows, and water conservation initiatives, the MCB Centre exemplifies the Bank's commitment to reducing its carbon footprint and contributing to global climate objectives. The WWF Green Office program reinforces the Bank's efforts to adopt practical, results-driven solutions that reduce resource consumption and support environmental sustainability.

To further strengthen energy management across operations, the Bank has initiated baseline data collection on fuel, water, electricity, and paper usage across major buildings. This will enable more accurate monitoring, targeted efficiency improvements, and stronger performance management of natural resources. In parallel, internal awareness campaigns encourage employees to adopt responsible practices, embedding energy-conscious behavior within the organizational culture.

Across its network, MCB Bank continues to enforce strict controls on electricity usage by ensuring that unnecessary lights and equipment are switched off, maximizing natural light wherever feasible to optimize energy use. Nearly all Bank buildings have transitioned to LED lighting to further improve energy efficiency.

Energy governance has been strengthened through the deployment of Building Management Systems (BMS) at the Bank's principal facilities—MCB House Lahore and MCB Centre Lahore. This system allows centralized monitoring and management of energy assets, while scheduled maintenance of HVAC systems supports enhanced performance and reduced consumption.

The Bank's sustainability performance at MCB Centre Lahore reflects measurable progress. Under its Environmental Management Plan, the building achieved notable resource savings in 2025 compared to the 2019 baseline, including:

-  Energy conservation exceeding 393,928 KWHs
-  Reduction of approximately 224 tons of CO₂ emissions
-  Diesel savings of 68,780 liters
-  Recycling of approximately 3 tons of dry waste

Driving Efficiency, Reducing Emissions

Recognizing the environmental impact of transportation on greenhouse gas (GHG) emissions and climate change, MCB Bank has proactively implemented measures to reduce business-related travel. Through the strategic adoption of advanced video conferencing and telepresence technologies, the Bank has successfully:

- Minimized reliance on travel-based meetings, reducing carbon emissions across operations
- Realized significant time and cost efficiencies for employees and the organization
- Promoted a sustainable, efficient, and future-ready approach to business collaboration

These initiatives reflect MCB Bank's commitment to responsible business practices, operational efficiency, and the broader goal of environmental sustainability.

Towards a Waste-Free Future

MCB Bank recognizes that effective waste management is critical to employee well-being, operational efficiency, and the overall environmental sustainability of its workplaces. As part of the Bank's Sustainability Strategy, we prioritize waste reduction, recycling, and resource efficiency to enhance both environmental outcomes and workforce productivity.

- Segregation & Recycling: All building waste is carefully classified into recyclable and non-recyclable streams, converting waste into recycling streams. Wet waste, including kitchen and organic materials, is responsibly managed to minimize environmental impact.
- Paperless & Resource-Efficient Operations: The Bank continues to advance paperless banking, energy-efficient office practices, and greening of office premises, while fostering a culture of self-segregation of waste at source.
- Employee Engagement: Through formal and informal corporate communications, employees are encouraged to participate in sustainability activities such as tree plantation drives, awareness walks, and responsible resource usage.
- Strategic Partnerships: Collaborations with civil society organizations support the Green Office Program and the Bank's Net Zero objectives, enhancing the impact of environmental initiatives.
- Green Premises & Cleanliness: Senior management actively promotes plantation drives within branches and offices, while building administrators and floor coordinators ensure high standards of cleanliness across all facilities.

In its mission to create a waste-free environment, MCB Bank has partnered with green organizations to implement a robust dry waste management system. Currently operational at four key facilities in Lahore, with plans to expand to additional buildings, this system ensures proper segregation and recycling of dry waste, reducing landfill burden and fostering sustainability.

inclusivity. By aligning individual actions with the Bank’s sustainability values, the Code strengthens our long-term commitment to responsible banking and reinforces the confidence entrusted to us by our customers, regulators, and stakeholders (refer to the Code of Conduct section in the Annual Report)

Fair Outcomes for Clients



Customer Trust, Ethical Conduct & Service Excellence

MCB Bank continues to strengthen its commitment to responsible banking by placing customer trust, ethical conduct, and superior service experience at the core of its sustainability and ESG agenda. Guided by a customer-centric strategy, the Bank advanced several enterprise-wide initiatives in 2025 to embed fairness, transparency, and service excellence across all interaction points. These efforts directly support national consumer protection standards, global ESG expectations, and the Bank’s long-term vision of delivering responsible, high-quality financial services.

Strengthening Service Quality & Customer-Centric Governance

During the year, the Bank advanced its strategic shift from process-driven operations to a deeply customer-centric service model. Through dedicated collaboration among business, compliance, and support teams, MCB enhanced key experience indicators while promoting courtesy, empathy, and professionalism across customer-facing roles.

Robust governance ensured tight oversight of customer experience standards. The Compliance Risk Management Committee regularly apprised the Board on service metrics—including Customer Satisfaction Scores (CSAT), Net Promoter Score (NPS), Contact Center performance, Service Score Cards, and complaint resolution turnaround times—ensuring the Bank remained aligned with its service excellence commitments. This oversight was complemented by ongoing investments in digital banking, analytics, and automated service channels to deliver efficient, personalized, and responsible service.

Service Council—Driving a Culture of Excellence

Chaired by the President & CEO, the Service Council functions as a strategic platform uniting stakeholder across the Bank. Through structured dialogue, root-cause analysis, and policy alignment, the Council strengthened the service culture and reinforced fair customer treatment standards. The Council’s structured review forums enabled timely decisions, performance gap identification, and continuous innovation across service delivery and customer protection.

Policy & Framework Enhancements

The Bank successfully rolled out the Service Quality Manual and the Customer Experience, Consumer Protection & Grievance Handling Policy. The implementation included targeted trainings, cross-functional workshops, and comprehensive communication campaigns, ensuring accountability across all levels. These updated frameworks help standardize grievance resolution, enhance transparency, and reinforce customer rights in alignment with sustainability and responsible banking principles.

Branch Service Ladder (BSL) – Standardizing Customer Experience

The Branch Service Ladder—built upon measurable Key Service Indicators (KSIs)—ensures a consistent service experience across the Bank’s network. KSIs assess essential touchpoints such as staff courtesy, waiting times, problem resolution, facility ambience, professionalism, and proactive engagement.

Performance against BSL indicators is integrated into staff appraisals, reinforcing accountability and encouraging a culture where each employee upholds MCB’s values of fairness, transparency, and customer empathy.



Customer Experience Clinic – Human-Centered Service Capability

The redefined Customer Experience Clinic trained approximately 13,000 employees, equipping them with the skills required to deliver empathetic, efficient, and personalized interactions. By strengthening capabilities in active listening, emotional intelligence, and problem-solving, the Bank continued building a service culture rooted in respect, fairness, and responsible conduct.

Live Service Monitoring & Queue Management

MCB further expanded its Live Service Monitoring program, conducting nearly 23,024 sessions across 1,376 branches. These real-time assessments enabled targeted improvement actions, enhanced branch discipline, and strengthened consistency across operations.

The Queue Management System (QMS), deployed across 930+ branches, helped reduce waiting times, optimize service flow, and elevate customer satisfaction.

Contact Center Excellence

The Contact Center Service Ladder introduced structured performance standards emphasizing accuracy, empathy, communication quality, and consistency. This framework ensures all telephonic interactions meet regulatory, ethical, and service expectations.

Complaint Management & Customer Protection

Aligned with SBP's Consumer Grievance Handling Mechanism, MCB reinforced its complaint management systems through mystery shopping, quality assurance, and automated tracking tools. Proactive customer communication—via SMS, email, and social platforms—enhanced transparency and ensured customers understood their complaint submission channels.

Conduct Assessment Framework (CAF) & Fair Treatment of Customers (FTC)

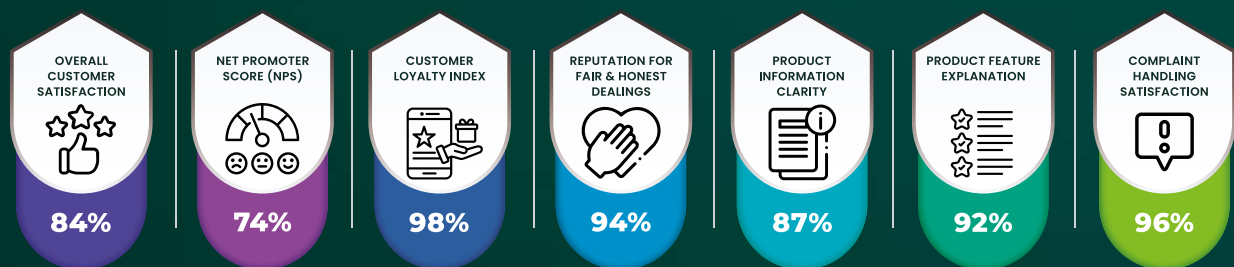
In alignment with SBP's Financial Consumer Protection regime, the Bank enhanced its Conduct initiatives through employee training, consumer protection awareness, financial literacy, and strengthened compliance culture. The Bank recorded a CAF rating of 1.91 (Cautious/Average Zone) for 2025.

In-House VoC Platform

Through its in-house Voice of Customer (VoC) system, the Bank collected feedback from 17,000 participants, enabling early detection of attrition risks, identification of service gaps, and informed improvements to product design and delivery.

Customer Satisfaction Survey – Independent Insights

In partnership with Abacus Consulting, MCB conducted an independent survey of 3,500 customers across multiple segments, achieving strong results:



Way Forward

In 2026, MCB will continue advancing its customer-centric service ecosystem by:

- Strengthening monitoring mechanisms across support functions
- Implementing insights from independent customer surveys
- Enhancing service standards and digital integration
- Driving continuous improvement across touchpoints

Anchored in ESG and responsible banking principles, these initiatives will support long-term value creation, deepen customer trust, and maintain the Bank's leadership in sustainable service excellence.

OUR SERVICE JOURNEY

Year-2025

Dear All,

2025 has been an intensive Service Quality (SQ) journey across the Bank. Together with our business and support function stakeholders, we have managed to cover significant ground on some critical customer experiential indicators across the process monitoring and optimization fronts. It has also been a year which has seen noteworthy behavior change across the board regarding ownership of the service health of the business and a rejuvenated will to drive improvement.

Performance 2025

Service Ladders: The scope of the framework was deepened, alongside Branch Service Ladders, key functions including Consumer Banking, Digital Banking, Contact Center, Information Technology Group, and Operations Group were also launched in 2025.

Constant monitoring and rigorous training resulted in the improvement of almost all Service Ladders.



Country Service Branch of The Year (Category wise):

Branch Category	Branch Code	Branch Name	Business Area	Service Area
Mega	1301	Sector 1/9 Industrial Area, Islamabad	North	Islamabad
Alpha	1527	Chechian A.K.	North	Islamabad
Alpha	1669	Bhimber A.K.	North	Islamabad
Bravo	1049	Rahimabad	Central	Multan
Charlie	1356	Ornat Cement Factory, Nowshera	North	Peshawar
Privilege Banking	1684	Privilege Centre Rawalpindi	North	North
Wholesale Banking	0990	The Mall, Rawalpindi	North	North

Branch & ATM Visits: Service Quality team conducted approximately 6,068 visits covering 1,371 branches and 153 Offsite ATMs pan-Pakistan to ensure service consistency and standardization.

Live Service Monitoring: Leveraging advanced surveillance technology, the team conducted about 23,000 comprehensive monitoring sessions across 1,376 branches pan-country.

Account Opening & Accuracy:

Pakistan: Average Account Opening TAT logged at 1.32 working days. Discrepancy ratio has declined from 55% in Q1, 2025 to 33% in Q4, 2025.

International Business: In Sri Lanka, 393 Accounts were opened for YTD 2025 with Average Account Opening TAT logged at 0.27 working days.

Complaint Management Unit (CMU): In 2025, MCB Bank implemented comprehensive Customer Grievance Handling Mechanism measures, including complaint monitoring, turnaround-time tracking, mystery shopping, Voice of Customer (VoC) feedback, and systematic quality assurance evaluations of complaints.

Below are the key stats for year 2025:

Total complaints received = 361,702
 Total complaints resolved = 357,924 (As of Dec 31st, 2025)
 Problem Incident ratio (PIR) = 3.65% (Total book)
 Average within TAT Resolution = 99.9% (Benchmark = 95%)
 Average Complaint Resolution Satisfaction ratio (CRS) = 87%
 Average Complaint Resolution Time: 3.04 Working days

SBP Sunwai Complaints: 1,570 complaints were received through SBP Sunwai Portal in 2025. 100% complaints were resolved within TAT, with an average complaint resolution time of 3.3 working days.

Conduct Assessment Framework (CAF): In 2025, MCB Bank conducted its annual CAF self-assessment, achieving a rating of 1.91 (Cautious/Average Zone), demonstrating continued focus on conduct risk and service quality.

Key Initiatives 2025

Application Seeding Project: Video-based mystery shopping was conducted through an external agency across 150 branches to assess the end-to-end account opening journey. The insights generated helped identify service gaps, highlight best practices, and drive targeted improvements to enhance customer experience and service consistency across the network.

Business Conduct and Fair Treatment of Consumer Regulatory Framework (BC&FRF): In October 2025, the State Bank of Pakistan issued the Business Conduct and Fair Treatment of Consumers Regulatory Framework (BC&FRF). In response, the Bank initiated internal coordination to assess requirements, determine applicability, and plan a structured, phased implementation..

Celebrating Service Champions: At MCB Bank, exceptional service is embedded in our culture, with top-performing branches recognized monthly on the Branch Service Ladder for their commitment to customer excellence.

Voice of Customers (VoC): Internal survey initiative was expanded, increasing customer feedback to approximately 17,000 responses. The enhanced data provided real-time insight into customer perceptions, highlighting strengths and identifying areas requiring immediate and long-term improvement.

Learning Initiatives: Approximately 13,231 staff were trained in Customer Experience Clinics to enhance personalized, empathetic, and efficient service delivery. Service Snippets, animated Fair Treatment of Consumer trainings, consumer protection awareness initiatives, and campaigns pertaining to grievance handling were launched in 2025.

Ethical Conduct Guidelines: In line with SBP guidelines, the Bank has placed the Ethical Conduct Unit under the Service Quality function to strengthen ethical governance. Transparency, integrity, honesty, and compliance remain non-negotiable, reinforcing a zero-tolerance stance toward unethical conduct across the Bank.

WAY FORWARD:

In 2026, we will continue to build momentum across key customer experience value chains.

Our strategy will center on advancing key priorities:

- Strengthening Product Knowledge.
- Streamlining Individual and Entity account opening journey.
- Elevating in-branch experience through enhanced staff behavior.
- Optimizing floor management.
- Refined branch ambience and standardized branding.
- Enhancing our MCB Live application experience.

We thank you for your partnership in progressing the Bank to its current level of excellence. To sustain our competitive edge, we will remain agile by continuously refining processes, ensuring our solution ecosystem is integrated and modern, and fully embracing digital transformation to deliver a superior, seamless customer experience.

Litigation – fair dispute resolution and ethical practices

MCB Bank is firmly committed to responsible lending and ethical business conduct, ensuring that its credit practices uphold fairness, transparency, and regulatory compliance across all customer segments. The Bank actively supports clients experiencing financial distress by offering structured relief solutions, counseling, and restructuring options that help them regain financial stability without compromising long-term viability. Debt collection activities are carried out under a rigorous framework that prioritizes dignity, respect, and responsible engagement, with clear protocols guiding communication, follow-up, and customer interactions. Where third-party agencies are engaged, MCB Bank enforces strict onboarding standards and continuous monitoring to ensure full adherence to its Code of Conduct and regulatory guidelines. Legal recoveries are pursued only after exhausting all amicable avenues, ensuring that actions remain justified, proportionate, and compliant with applicable laws. To strengthen these practices further, the Bank provides continuous training to employees on debt management solutions, regulatory processes, customer rights, and ethical collection standards, reinforcing a culture of integrity and responsible financial stewardship.

Strengthening Responsible Sourcing & Sustainable Vendor Governance

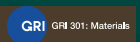


MCB Bank integrates sustainability, ESG principles, and responsible business conduct into its Vendor Management and Outsourcing framework to ensure that all external engagements uphold the Bank's values and long-term commitments. The Bank's procurement and outsourcing practices follow a structured due-diligence process that evaluates vendors not only on technical and financial capability, but also on adherence to ethical standards, environmental stewardship, labor practices, and regulatory compliance. By prioritizing partnerships with vendors who demonstrate strong ESG performance, the Bank promotes responsible sourcing and encourages sustainability-oriented behavior across its supply chain.

Contracted service providers are required to comply with the Bank's policies—including the Code of Conduct, Anti-Corruption commitments, health and safety expectations, and data protection standards—ensuring that outsourced operations remain transparent, accountable, and aligned with MCB's governance framework. Regular performance reviews, risk assessments, and compliance checks further strengthen oversight and mitigate potential operational, financial, and reputational risks.

Through this approach, MCB Bank fosters collaborative and ethical relationships with its vendors, advances socially responsible procurement, and contributes to broader environmental and community welfare goals—reinforcing the Bank's commitment to sustainable and resilient business practices.

Driving Sustainable Economic Growth (SDG:8) (GRI :201)



MCB Bank leverages the strength of its core banking operations to foster broad-based national development. Through responsible capital mobilization, support for economic activity across sectors, and strict adherence to fiscal obligations, the Bank strengthens Pakistan's financial ecosystem while generating shared value for all stakeholders.

The Bank's contributions in 2025 underscore its role as a key driver of economic progress:



Responsible Communication & Improved Transparency



GRI 417: Marketing and Labeling
GRI 418: Customer Privacy

At MCB Bank, we place our clients at the center of everything we do, aligning our business practices with principles of sustainability, CSR and ESG. We engage with clients through multiple channels—including surveys, digital platforms, contact centers, social media, and in-person interactions—to continuously assess their experiences. Our monitoring includes Net Promoter Scores (NPS) for personal and business clients, and a Client Satisfaction Index for Corporate & Investment Banking clients, enabling us to measure and enhance client engagement and satisfaction.

Fair Pricing

MCB Bank is committed to transparent and fair pricing. Customers receive clear information regarding fees, charges, and associated costs. Pricing is reviewed regularly by dedicated committees, incorporating client insights, feedback from relationship managers, competitive benchmarks, regulatory guidance, and cost-to-serve analyses. Second-line functions, participate in pricing approval processes to ensure customers are treated equitably and fairly.

Product Design and Delivery

Our products and services are delivered honestly, fairly, and with due care, reflecting our commitment to responsible banking:

- **Transparency & Disclosure:**
Clients receive clear, timely, and accurate information about product features, risks, and costs, enabling informed decisions.
- **Client-Centric Evaluation:**
Products and services are aligned with clients' needs, circumstances, and ability to bear associated risks or costs.
- **Training & Governance:**
Sales employees and authorised third-party suppliers receive specific product training.

Feedback & Monitoring

Client feedback, complaints, experience scores, app ratings, and NPS are regularly analysed to identify areas for improvement and implement enhancements.

Advertising and Marketing

MCB Bank ensures all advertising and marketing activities adhere to ethical standards, regulatory compliance, and client fairness:

- Material campaigns undergo a structured approval process ensuring messaging is clear, accurate, and aligned with brand values.
- All outsourced marketing suppliers follow strict approval protocols; no third party can place advertisements without MCB Bank's authorisation.

Clients can opt out of digital or direct marketing; however, operational communications, such as system outages, are always conveyed to affected clients to ensure service continuity and transparency.

Data Security, Privacy, Cybersecurity And Reliability Of Digital Channels



GRI 404: Training and Education
GRI 418: Customer Privacy

Information security, data privacy and cybersecurity

MCB Bank remains firmly committed to safeguarding customer trust by upholding the highest standards of information security, data privacy, and cyber resilience—core components of our Sustainability, CSR, and ESG agenda. A strong governance framework anchors these efforts, with dedicated committees, documented policies, and Board-level oversight ensuring that cybersecurity and data protection risks are proactively identified, managed, and mitigated across the organization. The Bank prioritizes widespread training and awareness, equipping employees with the skills and knowledge needed to recognize cyber threats, handle sensitive information responsibly, and follow secure digital practices. Through mandatory learning modules, simulations, and role-based training, MCB nurtures a culture of vigilance and accountability. Complementing this is continuous monitoring and improvement, supported by advanced security technologies, round-the-clock surveillance, periodic vulnerability assessments, and regular enhancement of controls.

These measures ensure that the Bank remains resilient against emerging cyber risks while maintaining full compliance with regulatory requirements and global best practices.

Continuous monitoring and improvement

We continue to invest in improved capabilities to predict, prevent, detect and respond to cyber incidents. We gather cyber threat intelligence, which is shared across the group to enable risk mitigation and inform improvements to the cyber resilience programme.

The cyber resilience programme employs a **continuous testing and monitoring strategy** to stress test security capabilities.

People testing

Monthly awareness campaigns for employees on the latest threats and risks. As part of the continuous testing approach, employees receive mock phishing emails at least once a year. All employees are required to complete mandatory cybersecurity awareness training.

Technology testing

External vulnerability assessments of our digital footprint, red team assessments of the network and penetration testing of our systems.

Response testing

Cyber-incident response simulations, table-top exercises and disaster recovery testing.

Our ability to do business depends on the integrity of the group's data and information assets and the protection of client privacy. We invest in people, processes, technology and organizational controls to safeguard our information asset.

We adhere to the following principles when processing personal information:

Privacy is top of mind in all our business activities and projects and remains our responsibility.

We always keep our customers informed and ensure they know what personal information we need, and why we need it.

We do not process customers' personal information beyond the purpose for which we originally collected it.

We only collect the personal information that we need, we collect it lawfully and process it based on the lawful grounds provided by legislation.

We empower and enable our customers to access and update their personal information at any time. Requests from data subjects to amend or delete their personal information may be made via our customer service channels or directly to the information officer.

We treat the personal information we collect through our various channels as private and confidential. Our privacy statement and cookie notice apply when using these channels.

All employees are regularly engaged in compliance training on information security and cybersecurity awareness.

Information, privacy and cybersecurity training completed	Employees
Overall Trained Participants	4,689
Unique Trained Participants	3,390

Reliable & Responsible Digital Banking Infrastructure

MCB Bank views the reliability of its digital channels as a core component of its Sustainability, CSR, and ESG commitments—recognizing that resilient, secure, and accessible digital services are essential to advancing financial inclusion, reducing environmental footprint, and ensuring fair customer outcomes. The Bank continues to strengthen the stability and uptime of its digital platforms, including mobile banking, ATMs, and payment systems, through enhanced infrastructure, continuous monitoring, and proactive risk management. Investments in cybersecurity, data privacy controls, and digital resilience ensure that customers can transact safely and reliably, while reduced dependence on physical branches contributes to paper savings, energy efficiency, and lower carbon emissions. By prioritizing seamless user experience, disaster-recovery readiness, and accessible service design, MCB Bank ensures that digital banking remains a trusted, inclusive, and sustainable channel for millions of customers across Pakistan.



PROTECT YOURSELF FROM ONLINE FRAUD AND SCAMS

As online transactions and digital banking become increasingly common, it's important to stay informed and cautious about potential fraud and scams. MCB is advising you to follow these key safety tips when engaging in online transactions or receiving unexpected messages.

Key Fraudulent Schemes Targeting Customers

- Phishing via SMS and Email**
Scammers send fraudulent SMS or email messages that appear to be from trusted organizations. These messages often ask for personal information or direct you to fake websites that mimic legitimate platforms. Common risks include:
- Claiming your delivery package is on hold due to incomplete details.
- Falsely instructing you to verify your account due to "government" orders or real account restrictions.
- Malicious Links and Fake Websites**
These scams often contain malicious links. When clicked, they redirect you to a phishing website designed to look like a legitimate one, where you're asked to enter card details and One-Time Passwords (OTP), leading to financial theft.

Risk Mitigation Steps to Protect Yourself

- Never Click on Suspicious Links**
Avoid clicking on links in unsolicited messages. Verify the legitimacy of any request by contacting the relevant institution directly through their official channels.
- Verify Messages and Websites**
Fraudulent messages often use poor grammar and awkward phrasing, which is uncommon in official communication. Check URLs to ensure that you are on an official website before.
- Report Suspicious Messages Immediately**
If you receive any message asking for personal or financial information, report it to the relevant authority and do not share any information.
- Keep Your Contact Information Updated**
Ensure your bank has your current phone number and email address so you receive OTPs and other transaction alerts without delay.
- Monitor Your Transactions Regularly**
Regularly review your account statements and transaction notifications. If you receive any unauthorized transactions, contact your bank immediately to block your card and secure your account.
- Use Two-Factor Authentication (2FA)**
Enable two-factor authentication on your accounts for an extra layer of security. This requires a second verification step, such as an OTP, in addition to your password, making it harder for hackers to access your account.
- Avoid Public Wi-Fi for Transactions**
Public Wi-Fi networks are often unsecured, making it easier for hackers to intercept your information. Always use a secure, private connection when making online transactions.

People Sustainability: Engagement, Growth & Workplace Well being



Championing Diversity, Equity & Inclusion for a Sustainable Future

MCB Bank views Diversity, Equity, and Inclusion (DEI) as core enablers of responsible banking and long-term sustainability. By creating equitable opportunities, empowering women, and fostering an inclusive culture, the Bank advances its CSR and ESG commitments while strengthening its human capital. Anchored in the State Bank of Pakistan's Banking on Equality framework, MCB continues to embed DEI principles across policies, workplace practices, customer engagement, and product innovation.

A dedicated Sub-Committee leads the Bank's Banking on Equality agenda, overseeing gender mainstreaming efforts, inclusive product design, capacity-building initiatives, and measures to enhance workplace safety and representation. Policy improvements—particularly in the Protection Against Harassment Policy and Diversity, Equity & Inclusion Policy—have further aligned the Bank with its commitment to a respectful, bias-free, and empowering work environment.

Throughout the year, the Bank celebrated global and national events such as International Women's Day, National Working Women Day, Women's Entrepreneurship Day, and Mother's Day, honoring the vital role of women in society and within the Bank. As an equal opportunity employer, the Bank now includes a clear call for applications from Persons with Disabilities (PWDs) and female candidates in every job advertisement—reinforcing equal access to economic opportunities.

As a result of these sustained and targeted measures, female representation within the Bank increased to 20.25%, up from 19.77% in 2025. Importantly, 17.2% of female employees are serving in roles that report directly to Heads of Departments, underscoring steady progress toward strengthening gender diversity across managerial and leadership levels. In parallel, the Bank remains committed to broader inclusion objectives; as at December 31, 2025, the total number of PWD employed by the Bank stood at 54.

MCB further deepened its DEI impact through targeted capability-building programs and awareness initiatives:

- **Employment opportunities**

Created employment opportunities which led to the hiring of 3,779 employees
- **Pay Equity**

The Bank remains committed to equitable compensation practices, ensuring pay structures that are fair, transparent, and free from gender bias. Compensation reviews and HR governance frameworks support wage parity and equal opportunity.
- **Gender Sensitivity Training**

Comprehensive learning modules—delivered through e-learning and classroom formats—equipped employees with tools to recognize gender bias, manage diverse customer needs, and uphold respectful workplace conduct. From 2022 to 2025, 24,142 staff members (13,941 unique participants) completed the program.
- **Women Champion Certification**

As part of SBP’s Banking on Equality mandate, the Bank successfully trained 2,807 employees, exceeding the 75% target assigned by SBP. These certified “Women Champions” now act as frontline advocates for women-friendly customer service and financial inclusion across the network.
- **DEI Capability Building for Senior Management:**

Customized leadership programs strengthened the ability of senior leaders to embed DEI principles in decision-making, team leadership, and culture-building—reinforcing Bank-wide accountability for inclusion.
- **Workshop on Sensitization & Financial Inclusion of PWDs:**

Specialized workshops trained 70 employees on understanding the financial needs of PWDs, promoting accessible customer engagement, and enhancing inclusion across service delivery channels.

During 2025, Learning and Development strategy was to outreach the training and development programs across the Bank by using Classroom, Zoom and E-learning training platforms. Bank wide 74,768 participants successfully attended different training sessions in 2025.

These initiatives collectively advance MCB Bank’s goal of building a workplace and banking ecosystem where every individual feel’s valued, empowered, and included, ultimately contributing to sustainable growth, social equity, and responsible business practices.

Keeping in view the critical importance of staying ahead of regulatory changes and maintaining compliance with the ever-evolving financial landscape, Learning & Development Division offered an array of regulatory trainings during 2025. The Bank has an immerse focus towards imparting regulator required training programs by using classroom and E-learning training platforms.

Regulatory Courses	Total Sessions	Number of Total Participants
AML CFT CPF	222	15,314
Fair Treatment of Customers	183	13,071
Gender Sensitivity at Workplace	88	7,362
Cyber Security Awareness	99	4,689
Mitigation of ML - TF - PF Risks	16	3,994
Sensitization & Financial Inclusion of PWDs	3	70
Women Champions	39	1,047
Parallel Banking	141	8,228
Total	791	53,775

Learning & Skill Development

MCB Bank recognizes that a skilled, engaged, and inclusive workforce is central to delivering sustainable value and upholding our ESG commitments. Through targeted capability-building programs, regulatory compliance trainings, financial literacy initiatives, and a strong focus on employee well-being, the Bank continues to invest in human capital development. These efforts not only support operational excellence but also contribute to national socio-economic development, financial inclusion, and long-term institutional resilience.

Regulatory Requirement Programs: Strengthening Compliance Culture

In alignment with our ESG commitments and responsible governance framework, MCB Bank places strong emphasis on regulatory compliance and ethical conduct. Throughout 2025, the Learning & Development Division delivered a comprehensive suite of regulator-mandated trainings through classroom and e-learning platforms. These programs ensure that employees remain well-versed in evolving regulations, risk management expectations, AML/CFT standards, consumer protection principles, and compliance protocols—reinforcing a culture of accountability, transparency, and responsible banking.

Customized Training Programs for Field Staff: Empowering Frontline Excellence

To support strong customer relationships, operational efficiency, and responsible service delivery, MCB Bank developed customized learning programs designed specifically for field staff. These role-based trainings enhance product knowledge, customer handling skills, and operational compliance—directly supporting our Sustainability and CSR goals.

Customized Courses	Total Sessions	Number of Total Participants
BM Boot Camp	5	95
RM Boot Camp	6	167
Potential BSM Development Program	1	22
Orientation for CSO's	4	102
Universal Services Officer Orientation & Beyond	20	446
Total	36	832

These initiatives ensure that frontline teams are equipped with the competencies required to serve customers responsibly, uphold service quality, and align with ESG principles of ethical conduct and equitable access to financial services.

National Financial Literacy Program: Advancing Financial Inclusion

In continuation of our longstanding commitment to financial inclusion—an essential component of national socio-economic progress and the “S” in ESG—MCB Bank actively participated in SBP’s National Financial Literacy Program (NFLP) for the eighth consecutive year.

Between January and December 2025:

- 229 classroom sessions and 55 street theaters were conducted nationwide
- 11,018 individuals were trained (6,966 through classrooms; 4,052 through street theaters)
- 50% of participants were women, supporting gender equity and Banking on Equality
- Outreach expanded to underserved and remote communities

Through these activities, MCB Bank continues to advance financial empowerment, responsible money management, and equitable access to formal banking services for unbanked and vulnerable populations.

Employee Attraction & Retention: Building a Sustainable Workforce

MCB Bank prioritizes attracting, developing, and retaining diverse talent. We foster an inclusive culture grounded in merit, equal opportunity, and career growth—aligned with global ESG benchmarks for workforce development.

Key elements of our attraction and retention framework include:

- Structured career development pathways
- Learning opportunities through digital and classroom training
- Wellness initiatives promoting employee well-being
- Internal mobility and leadership development programs

These initiatives create a work environment where employees feel valued, supported, and motivated to build long-term careers at MCB.

Employee Turnover: Ensuring Stability and Long-Term Engagement

MCB Bank monitors workforce turnover as a key sustainability indicator, helping us ensure continuity, institutional knowledge retention, and employee well-being. By analyzing turnover trends and addressing underlying factors through targeted HR interventions, the Bank reinforces a stable, motivated, and future-ready workforce.

Ongoing efforts to reduce turnover include:

- Strengthened employee engagement programs
- Enhanced performance management and recognition systems
- Competitive compensation structures
- A safe, inclusive, and equitable working environment

Human Capital Management & Employee Engagement

MCB Bank remains committed to cultivating an engaged, motivated, and future-ready workforce. Through transparent communication, inclusive practices, capability-building programs, structured feedback channels, and investments in well-being, the Bank ensures that human capital development contributes meaningfully to long-term organizational resilience. This people-centered philosophy enhances service quality, strengthens customer trust, and creates a culture where employees feel valued, supported, and empowered.

Performance Management

MCB Bank's performance management framework is designed to uphold fairness, integrity, and continuous development. By integrating objective goal-setting, transparent evaluation, and regular feedback, the system ensures that employee contributions are assessed ethically and consistently.

Key elements include:

- Fair & Transparent Evaluations: A structured assessment process recognizing achievements and promoting continuous improvement.
- Alignment with ESG Priorities: Performance goals embed responsible conduct, customer-centricity, compliance, sustainability, and operational risk awareness.
- Development-Focused Outcomes: Appraisals highlight training needs, growth pathways, and future leadership potential—strengthening both individual capabilities and organizational sustainability.

Working Conditions

Providing safe, respectful, and enabling working conditions remains central to MCB's social responsibility agenda. The Bank ensures compliance with labor laws, promotes diversity, and supports an inclusive culture through:

- **Safe & Secure Workspaces:** Investments in occupational health and safety infrastructure, risk prevention, emergency planning, and safe facility operations.
- **Respect & Dignity:** Strong policies on anti-harassment, equal opportunity, and non-discrimination.
- **Accessible & Inclusive Environment:** Recruitment practices that encourage applications from women and PWDs, supporting broader social inclusion goals.

Employee Benefits

MCB Bank offers a comprehensive benefits framework that supports employee welfare and long-term security, including:

- Competitive and equitable compensation
- Medical and health insurance for employees and dependents
- Pension, provident fund, and retirement benefits
- Leave entitlements supporting work–life balance
- Career development, training programs, and continuous learning

These benefits reinforce the Bank's commitment to social sustainability and responsible employment practices.



Employee Well-being

Employee well-being is a key pillar of MCB's sustainability and human capital strategy. The Bank nurtures a healthy, engaged, and resilient workforce through:

- **Health & Wellness Initiatives:** Awareness programs, medical camps, and communication on preventive care.
- **Supportive Work–Life Integration:** Policies that encourage balance, reduce stress, and promote flexibility.
- **Psychological Safety:** A culture of trust, open communication, and respect—empowering employees to voice concerns and collaborate confidently.

These initiatives enhance productivity, reduce attrition, and strengthen long-term workforce sustainability.

Occupational Health & Safety (OHS)

Board's Policy on Employee Health, Safety & Work Environment

MCB Bank is committed to providing a safe and healthy working environment for all employees, customers, and visitors. The organization seeks to prevent work related injuries and occupational ill health through special focus on continual improvement of HSE proactive measures.

This commitment underpins the Health, Safety & Work Environment Policy, approved by the Board of Directors, and provides a framework for setting and reviewing occupational health and safety objectives. The policy establishes minimum HSE standards applicable across all businesses, offices, and branches of the Bank, while promoting shared responsibility among employees to safeguard the health and safety of all stakeholders.

Occupational Health, Safety and Work Environment

MCB Bank is committed to ensuring a safe, secure, and healthy working environment for its employees, customers, and visitors.

The Bank has implemented comprehensive HSE policies, procedures, and controls to address occupational hazards, emergency preparedness, and physical security risks. These policies are periodically reviewed and approved by the Board and senior management to ensure continued relevance and effectiveness in line with evolving regulatory, technological, and operational requirements.

All Bank premises are equipped with essential emergency response arrangements, including First Aid Kits, fire detection and suppression systems, and surveillance infrastructure. Facility Level Emergency Plans and Crisis Response Plans are maintained and regularly updated to ensure readiness and coordinated response during incidents.

MCB Bank has established robust physical security measures, supported by trained security personnel and modern surveillance systems across branches and key facilities. Independent safety and security audits are conducted periodically to assess compliance, identify gaps, and support continuous improvement.

Employee awareness and compliance are reinforced through internal communication and engagement mechanisms, promoting a culture of safety and accountability across the organization. Senior management oversight, integrated risk management practices, and ongoing monitoring ensure effective implementation of OHS controls.

Through these measures, MCB Bank demonstrates its commitment to regulatory compliance, stakeholder protection, and sustainable operations, reinforcing its focus on resilience and responsible governance.

Business Continuity Plan (BCP)

At MCB Bank, Business Continuity Management (BCM) is a core enabler of resilience, ensuring the Bank remains operational during disruptions and uncertainties. Through a structured framework of policies, plans, and response strategies, Bank safeguards critical functions and maintain uninterrupted service to customers and stakeholders.

Governance and accountability are central to our approach. The Board and Senior Management provide oversight through regular review and approval of the BCM Policy and Framework, while the Business Continuity Management Committee ensures effective implementation and coordinated response during incidents.

Our people are integral to resilience. Ongoing training, testing, and continuous improvement strengthen readiness to manage crises and adapt to emerging risks. By embedding resilience into our operations, MCB Bank reinforces trust, stability, and reliability in an evolving risk landscape.

Review by the Board of the Bank's Business Continuity Plan (BCP)

Business Continuity Management (BCM) is a structured process through which the Bank identifies, assesses, and manages internal and external risks, threats, and vulnerabilities that may disrupt operations. The BCM framework enables the Bank to mitigate risks, adapt to environmental changes, and sustain the performance of its critical processes and functions under adverse conditions.

A robust Business Continuity Plan (BCP) defines potential disruption scenarios including climate related events such as extreme weather, flooding, heatwaves, and infrastructure stress, outlines predefined response and recovery actions to minimize business impact. Accordingly, the Bank maintains a sustainable, enterprise wide BCM program to ensure continuity of critical services and uninterrupted access to products for customers and stakeholders.

The Board of Directors periodically reviews the Bank's preparedness and resilience against evolving risk landscapes, including climate driven threats. Senior Management ensures the effectiveness of the Business Continuity Policy and Framework by maintaining clear, actionable plans for all critical areas, supported by mitigation and recovery measures designed to reduce downtime in any contingency scenario.

To strengthen confidence in the Bank's systems and processes, Business Continuity Plans are regularly tested, reviewed, and updated. With BCM embedded across the Bank's organizational structure and branch network, the framework provides assurance to customers, stakeholders, and regulators that the Bank can consistently meet its commitments and maintain operational continuity, even in the face of escalating climate related disruptions.

Corporate Social Investment



Board Statement for Adoption on CSR Best Practices

The Board of Directors of MCB Bank Limited reaffirms its unwavering commitment to integrating Corporate Social Responsibility (CSR) principles into the Bank's core governance framework, business strategy, and operations. As a steward of customers' trust and a key contributor to the economic and social well-being of its stakeholders, the Bank recognizes that responsible banking extends beyond financial intermediation to encompass ethical conduct,

environmental stewardship, social development, and transparent stakeholder engagement. The Board remains committed to continuous improvement in CSR practices, acknowledging that sustainability is a dynamic and evolving domain requiring ongoing adaptation to emerging risks, opportunities, and stakeholder expectations.

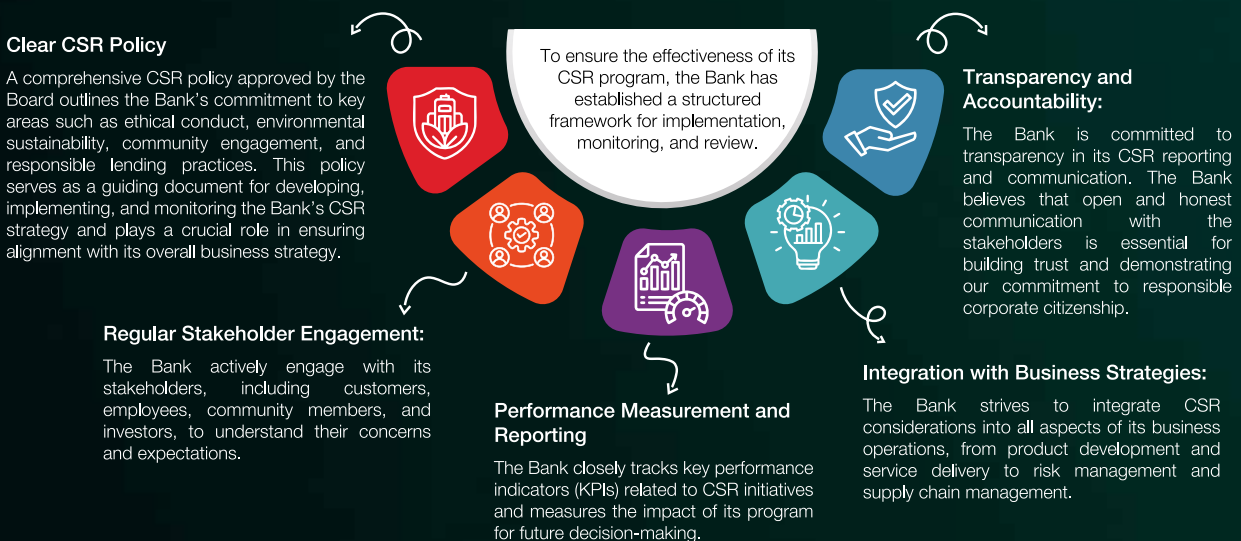
The Board firmly believes that embedding sustainability and responsible business practices into the Bank's decision-making processes strengthens institutional resilience and enhances long-term shareholder value. Accordingly, the Board oversees the integration of Environmental, Social, and Governance (ESG) considerations into risk management frameworks, lending practices, investment decisions, and operational activities, in line with the Bank's approved CSR Policy and applicable regulatory guidelines. Through this commitment, the Bank promotes financial inclusion, supports underserved communities, encourages environmentally responsible business conduct, and contributes to national socio-economic development.

Our CSR Program

The CSR approach of MCB Bank Limited is founded on the principles of ethical responsibility, inclusive growth, and sustainable impact, reflecting the Bank's commitment to the nation's broader socio-economic development priorities. Guided by the belief that sustainable practices and financial performance are mutually reinforcing, the Bank integrates responsible financing, environmental and social risk management, employee well-being, and strong governance standards into its operations. Through these efforts, the Bank mitigates long-term risks, strengthens stakeholder trust, safeguards asset quality, enhances its reputation, and contributes to sustainable profitability, improved access to capital, and long-term competitive advantage, while delivering initiatives that improve quality of life, promote financial inclusion, and protect the environment.

The Board of Directors recognizes that climate change, social inequality, and evolving stakeholder expectations present both risks and opportunities for the financial sector. Accordingly, the Bank remains committed to strengthening disclosures, aligning with recognized sustainability standards and best practices, and fostering a culture of accountability across all levels of the organization. Management is mandated to implement measurable CSR initiatives, monitor progress against defined targets, and report regularly to the Board to ensure transparency, effectiveness, and alignment with strategic objectives.

In fulfilling its fiduciary responsibilities, the Board will continue to champion responsible and sustainable banking practices that balance economic growth with social progress and environmental protection. The Bank remains dedicated to operating as a responsible corporate citizen, creating sustainable value for shareholders while contributing positively to society, the environment, and the communities it serves.



Investment in Communities

Elevating communities remains central to MCB's sustainability philosophy and CSR agenda. The Bank remains committed to investing in programs that create equitable opportunities, foster inclusion, and enhance socio-economic development—particularly for underserved and remote populations. Through these initiatives, MCB integrates ESG values into actions that directly impact society's most pressing needs. Key community investment themes include.

Financial Inclusion & Literacy

MCB continues to advance financial inclusion and responsible banking through targeted outreach programs, with a special focus on women, youth, and unbanked segments of society. The Bank's efforts extend financial knowledge and promote informed decision-making to support long-term economic empowerment.

Education Support

Education is a core pillar of MCB's charitable strategy. The Bank partners with educational institutions, foundations, and nonprofit organizations to support scholarship programs, infrastructure development, and learning initiatives for students from low-income backgrounds. Contributions enable access to quality education, digital learning tools, skill development programs, and academic resources—empowering young individuals to unlock better economic opportunities and contribute productively to society.

Affordable Housing – Expanding Access to Home ownership

Reinforcing its commitment to inclusive growth and community well-being, the Bank enabled access to safe and affordable housing by extending 59 new affordable housing mortgage customers during the year. This support contributed to a total affordable housing portfolio of Rs. 8.262 billion as of December 2025, helping low- and middle-income families achieve home ownership, improve living standards, and build long-term financial security.

SME Financing – Creating Sustainable Economic Impact

The Bank continued to strengthen its commitment to inclusive economic growth by actively participating in the Government of Pakistan's SME Risk Coverage Scheme, implemented in collaboration with State Bank of Pakistan. Through this initiative, the Bank has cumulatively disbursed Rs. 6.5 billion in financing to small and medium enterprises since its roll out, enabling businesses to expand operations, sustain employment, and contribute to local economic development.

By year-end, the Bank's total SME financing portfolio reached Rs. 18,689 million, reflecting its sustained support for entrepreneurship, job creation, and the resilience of Pakistan's SME sector — a vital driver of national economic progress and community prosperity.

Health & Wellness Initiatives

MCB supports a wide range of public health programs aimed at improving community wellness and raising awareness of critical health issues. Major initiatives include:

Pink Ribbon – Breast Cancer Awareness



MCB actively participates in the Pink Ribbon campaign to raise awareness about breast cancer, encourage early detection, and support the well-being of women across Pakistan. Through awareness sessions, employee engagements, and visibility campaigns, the Bank reinforces the importance of preventive healthcare and women's health.

November – Men's Health Awareness



MCB observed Movember and International Men's Health Day to spotlight key issues such as prostate cancer, mental health, and overall male wellness. Awareness drives and public messaging are conducted to encourage men to prioritize their physical and emotional health.

International Day of Persons with Disabilities (IDPD)



In promoting inclusivity, MCB recognizes the International Day of Persons with Disabilities by raising awareness, supporting accessibility efforts, and promoting dignity and equal opportunities for people with disabilities. The Bank is committed to fostering environments—both within its workforce and communities—that support people of all abilities.

Community Resilience & Public Health

MCB Bank continues to play a transformative role in advancing its CSR agenda by leveraging its financial expertise, operational capabilities, and strategic partnerships to support vulnerable communities across Pakistan. Through

exemplary cash management services and collaborations with non-profit and non-governmental organizations, the Bank enables efficient delivery of critical social interventions that promote resilience, inclusion, and sustainable development.

During the year, MCB Bank facilitated payments for several reputable organizations, including the Hashoo Hunar Association, which is actively engaged in skills development and livelihood enhancement programs. By supporting vocational training initiatives, the Bank contributed to economic empowerment and income generation opportunities, particularly for marginalized segments of society, thereby fostering long-term community self-reliance.

In 2025, catastrophic floods across multiple regions of Pakistan left thousands of families homeless and vulnerable. Demonstrating leadership in times of crisis, MCB Bank played a pivotal role in disaster response by facilitating secure and timely disbursement of financial assistance to flood-affected households in Sindh and Balochistan under a government-led relief initiative. Complementing its financial support, the Bank remained at the forefront of broader disaster relief and rehabilitation efforts through donations, volunteer engagement, and coordination with government and humanitarian agencies, enabling rapid recovery and sustainable rebuilding of affected communities.

MCB Bank also continued its trusted partnership with the World Health Organization in Pakistan to strengthen public health outcomes. Beyond supporting polio eradication efforts, the Bank facilitated the nationwide rollout of the Human Papillomavirus (HPV) vaccination programme aimed at preventing cervical cancer — one of the leading causes of cancer-related deaths among women in the country. By ensuring timely and secure payments to frontline vaccinators, particularly in underserved and high-risk areas, MCB Bank helped sustain uninterrupted outreach and expand access to preventive healthcare for women, contributing to long-term disease prevention and women's health empowerment.

Charitable Donations

MCB's charitable giving framework is rooted in its commitment to creating long-term social value and supporting vulnerable communities across Pakistan. Guided by strong governance, transparency, and ESG-aligned principles, the Bank ensures that every contribution reaches credible institutions and generates measurable impact. Through structured philanthropic initiatives, MCB directs resources toward priority areas that enhance human development, promote equity, and support national well-being.

Healthcare Assistance

MCB prioritizes health-focused charitable interventions, recognizing that access to quality healthcare is fundamental to sustainable development. During the year 2025, Donation of Rs. 10 million was extended to a reputable hospital that provides affordable or free medical treatment to underserved populations. The Bank also supports medical relief camps, preventive healthcare programs, and organizations engaged in disease awareness, maternal and child health, and emergency medical services. These contributions help reduce healthcare disparities and improve the quality of life in marginalized communities.

Scholarships

As a cornerstone of its commitment to social responsibility and community development, MCB Bank actively invests in education to empower youth, enhance skills, and expand equitable access to learning opportunities. In collaboration with educational institutions, development partners, and NGOs, the Bank awarded 50 merit-based scholarships, enabling students to overcome educational barriers, achieve academic excellence, and build the knowledge and confidence needed to contribute effectively to the nation's future.

Humanitarian Aid

MCB's humanitarian contributions focus on supporting communities affected by emergencies, natural disasters, and socio-economic instability. The Bank provides financial assistance for food security initiatives, shelter and housing support, emergency relief, and rehabilitation programs. Whether addressing floods, earthquakes, winter emergencies, or community-level distress, MCB works alongside trusted relief organizations to deliver timely and effective assistance that helps rebuild livelihoods and strengthen community resilience.

Welfare & Poverty Alleviation

Aligned with its CSR mandate, MCB collaborates with welfare organizations dedicated to uplifting marginalized populations, including orphans, widows, differently-abled individuals, and economically challenged families. Donations

contribute to essential services such as vocational training, rehabilitation programs, safe housing, nutrition support, and inclusive community development. These initiatives help break cycles of poverty and promote dignity, independence, and social inclusion.

Sustainability Reporting & Challenges

Measuring & Quantifying ESG Factors

- No unified or “universal” standard**
 The absence of a unified ESG reporting standard creates inconsistency in disclosures and limits comparability across organizations.
- Subjectivity and complexity**
 ESG metrics often include subjective and complex indicators, making accurate measurement difficult—particularly in informal operating environments such as Pakistan.



Data Collection and Management

- Data fragmentation and silos**
 ESG data is frequently fragmented across departments and systems, leading to silos, manual processes, and integration challenges.
- Inefficient and convoluted workflows**
 Inefficient and complex workflows are one of the byproducts of the traditional siloing of ESG data. Because corporate sustainability is inherently a cross-functional exercise, resulting in inefficient workflows and higher risk of errors.

Stakeholder Engagement and Communication

- Diverse stakeholder groups**
 ESG reporting involves engaging with a wide range of stakeholders. Diverse stakeholder groups have varying information needs and expectations.
- Varying levels of knowledge & complexity**
 Stakeholders have different levels of familiarity and understanding of ESG issues, reporting frameworks, and terminology. Different levels of ESG awareness make communicating complex data clearly and meaningfully challenging.

ESG Related Supply Chain Disruption and Risk Mitigation

Category	Risk Type	Overview	Risk Mitigation
 Environment	Natural Disaster Risk	Environmental events such as earthquakes, floods, hurricanes, and pandemics that disrupt infrastructure and operations.	Business continuity plans and disaster recovery (DR) sites to ensure operational resilience.
 Social	Geopolitical Risk	Political instability, conflicts, trade disputes, and regulatory changes affecting operations.	Monitoring global developments, maintaining a geographically diversified branch network, and adopting flexible vendor sourcing.
	Man-Made Risks	Human-induced disruptions such as strikes, terrorism, vandalism, and intellectual property theft impacting supply chains.	Comprehensive due diligence, security protocols, vendor approval processes, and contingency response planning.
 Governance	Cybersecurity Risk	Cyber threats including hacking, phishing, malware, and ransomware leading to operational and data risks.	Strong supply chain security, encryption, security audits, and a robust IT governance and cybersecurity framework.





GREEN
BANKING

Green Banking

Green Banking represents the systematic integration of environmental and social sustainability into the banking sector's core operations, decision making, and product offerings. It encompasses eco-efficient internal operations, responsible financing, climate-aligned investments, and proactive risk management. In a country like Pakistan, which is highly vulnerable to climate change impacts such as floods, water stress, air pollution, and social inequities, Green Banking has become a strategic imperative rather than a voluntary initiative.

By adopting Green Banking practices, financial institutions not only contribute to national and global sustainability goals but also strengthen their resilience against climate related financial risks, regulatory pressures, and reputational challenges. Green Banking enables banks to align with international best practices, regulatory frameworks, and evolving stakeholder expectations.

Strategic Context and Regulatory Alignment

The urgency to address environmental degradation, climate risks, and social vulnerabilities has intensified in recent years. In response, Green Banking has gained strong momentum across Pakistan's financial sector. The State Bank of Pakistan (SBP)'s Environmental & Social Risk Management (ESRM) Implementation Manual provides a comprehensive framework for embedding environmental and social considerations into credit risk assessment and portfolio management.

MCB Bank continues to strengthen its alignment with SBP's vision of a low carbon, inclusive, and resilient economy. During the reporting year, the Bank further enhanced its Green Banking Policy by incorporating updated regulatory requirements with a stronger focus on social risks alongside environmental risks, thereby ensuring a more holistic approach to sustainability and responsible finance.

Commitment to Sustainable Banking Practices

In 2025, MCB Bank reaffirmed its commitment to integrating sustainability across its business operations, credit processes, and internal functions. The Bank continues to proactively identify, assess, and mitigate environmental and social risks, while accelerating the adoption of technology-driven, low carbon solutions within its own operations.

The Bank's approach focuses on:

- Strengthening resilience against emerging environmental and social risks
- Supporting Pakistan's decarbonization pathway
- Promoting responsible financing and sustainable growth
- Reducing the Bank's own operational footprint

Key Green Banking Initiatives



Environmental & Social Risk Management (ESRM)

As part of the Bank's Green Banking initiatives, Environmental and Social Risk Management (ESRM) Department has been established within the Risk Management Group. The Department oversees integration of ESRM practices into the credit risk portfolio, including Environmental and Social (E&S) risk assessments of existing and prospective borrowers across Pakistan and overseas operations. This process strengthens the Bank's ability to identify, manage, and mitigate potential E&S risks in lending decisions. To build internal capacity, 174 staff members have been trained on ESRM-related aspects. The Bank regularly reports to the State Bank of Pakistan (SBP) on implementation status through the ESRM Monitoring and Evaluation Template, ensuring regulatory compliance.

Digital transformation remains a key enabler of sustainability. Major initiatives include:

- MCB Live digital banking platform
- Roshan Digital Account (RDA) for Non-Resident Pakistanis
- Digital Account Opening (MCB e-Account Portal)
- QR Code payments and RAAST
- E-statements and digital collateral

These initiatives significantly reduce paper consumption while enhancing customer convenience and accessibility.



Green Finance Products and Digital Services

MCB Bank continues to integrate sustainability into its financial products and services. The Bank offers financing solutions that support renewable energy, energy efficient appliances, sustainable agricultural practices, and digital banking channels. Utilization of SBP's Renewable Energy Financing Scheme has enabled the Bank to support green projects across multiple sectors.



Paperless and Digital Operations

The Bank continued its transition towards paperless operations by shifting from paper-intensive processes to digital workflows. Key initiatives include:

- Digital internal communications and e-Branch Operations Manual
- Elimination of manual registers
- Application based workflow systems
- Online dispute resolution platforms
- Promotion of double-sided printing and digital documentation
- Receipt free ATM transactions

These measures have resulted in measurable reductions in paper usage and operational inefficiencies.

Through initiatives such as MCB Green Ghar Finance, the Bank promotes energy efficient housing solutions while enhancing customer well-being and environmental outcomes.



Green Operations and Services

MCB Bank conducted a comprehensive Green Awareness Campaign aligned with global environmental observance days, including World Water Day, Earth Day, and World Environment Day. Awareness was driven through:

- Digital artwork based campaigns
- Corporate website and ATM screen banners
- Social media outreach across Facebook, LinkedIn, Instagram, and Twitter.



WWF Green Office Certification

MCB Bank's iconic MCB Centre, Lahore, retained the prestigious WWF Green Office Certification, reaffirming the Bank's commitment to environmental excellence. Compared to the 2019 baseline, key achievements include:

- Energy conservation exceeding 393,928 KWHs
- Reduction of approximately 224 tons of CO₂e emissions
- Diesel savings of 68,780 liters
- Recycling of approximately 3 tons of dry waste

These achievements demonstrate tangible environmental and cost saving benefits achieved through structured environmental management practices.



Solarization of Branches and ATMs

MCB Bank continues to expand the use of renewable energy by solarizing branches and ATMs nationwide. To date, 311 branches/offices and 284 ATMs have been converted to solar energy, significantly increasing the share of clean energy in the Bank's energy mix and reducing greenhouse gas emissions. Future plans include transforming selected solarized locations into certified green branches.



Dry Waste Management

In partnership with certified green vendors, MCB Bank implemented a structured dry waste management system across major facilities. Achievements include:

- Recycling of approximately 8 tons of dry waste
- Improved segregation and recycling practices
- Reduced landfill burden
- Promotion of a sustainability focused workplace culture



Travel Optimization and Reduced Carbon Commute

To reduce travel related emissions, the Bank expanded the use of video conferencing and digital collaboration tools. This initiative minimized business travel, resulting in lower emissions, cost savings, and improved operational efficiency.

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Generator Fuel Monitoring System

MCB Bank implemented an IoT based fuel monitoring system for real time tracking of generator fuel consumption. Periodic stack emission testing is conducted to ensure environmental compliance and optimize fuel usage, thereby reducing emissions and operational inefficiencies.



Own Impact Reduction and Baseline Development

The Bank continues to focus on reducing its operational footprint through efficient use of electricity, water, fuel, and paper. A pilot baseline assessment at a multistory building has been completed, providing insights for developing realistic, data driven reduction targets across branches and offices.



Green Banking Webpage and Transparency

A dedicated Green Banking webpage on the MCB Corporate Website communicates the Bank's sustainability initiatives, enhancing transparency and engaging stakeholders.



Employee Capacity Building

Green Banking training remains a mandatory part of the Annual Training Calendar. Training is delivered through classroom sessions and e-learning platforms, reaching over 4,500+ employees. This continuous capacity building initiative strengthens institutional understanding of sustainability and responsible banking practices.