



CORPORATE SOCIAL
RESPONSIBILITY REPORT 2022

KHUSHHALI FOR EVERYONE

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Businesses can make the world a better place, or at the very least, can reduce their negative environmental and social footprint on the world. Corporate Social Responsibility can be understood as being the mode of operation, through which a company achieves a healthy balance of socio-economic imperatives, while at the same time addressing the high expectations of its stakeholders.

Being the pioneer of Microfinance banking, 'Khushhali Microfinance Bank Limited' (KMBL) has clearly defined its CSR objectives that are also incorporated in its planning, through the CSR policy and strategy. KMBL has been actively engaged in CSR programs to enrich its business operations and performance, as it continues to take exemplary initiatives, particularly for community-welfare, women-empowerment, inclusion of persons with disabilities, education and environmental-protection, over the years. KMBL acknowledges that stakeholders-engagement is key to the success of our business and participation of all the stakeholders, especially our employees and community, is critical for the success of our CSR strategy.

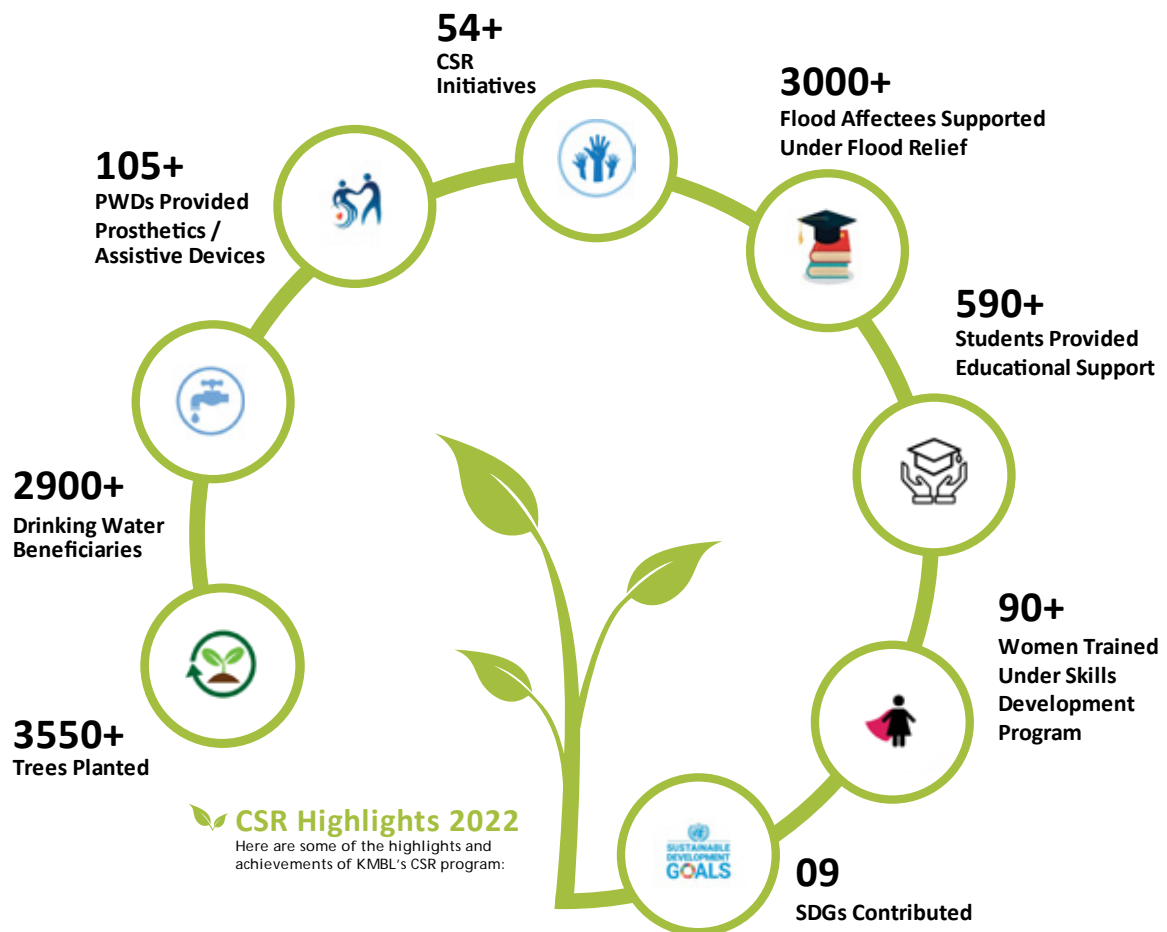
Following its innovation approach again this year, KMBL carried out a CSR need-assessment, with the help of its branches, to get a realistic picture of the community needs, as it strives to improve community engagement and encourage employee participation. CSR need-assessment has been instrumental in the identification of underserved communities, their needs as well as important CSR initiatives that would be helpful for the development of an impactful CSR plan. KMBL believes that CSR need-assessments would prove pivotal in identifying the vulnerable communities and their needs, as well as improving employee-engagement in community development.

Khushhali Being a Responsible Corporate Citizen

Khushhali Microfinance Bank Limited (KMBL) defines its corporate social philosophy as “Khushhali for Everyone”. The bank aspires to create a society in which everyone lives and works together, in harmony with the Environment, to contribute positively in the development of the country.

This leading financial institution of Pakistan has been contributing positively in the development of the society under its ambitious CSR program. This year again, KMBL made humble contribution focusing on community welfare, education, environment, persons with disabilities and women empowerment. Additionally, KMBL also took several initiatives for the relief and rehabilitation of flood victims following the climate change triggered unprecedented floods that impacted millions of people in Pakistan.

Here are some of the highlights and achievements of KMBL’s CSR program:





EMPOWERING THE WOMEN OF PAKISTAN

SDGs Contributed



Empowering the Women of Pakistan

According to the Global Gender Gap Index Report 2022, Pakistan ranks 145/156 for economic participation and opportunity, 135/156 for educational attainment, 143/156 for health and survival, and 95/156 for political empowerment. On the economic front, women account for a mere 22.63% of the labor force while men make up 84.79% of the labor force. The overarching constraints that restrict economically active women in maximizing their income include cultural constraints of free mobility, restricted access to and acquisition of skills pertaining to business management and expansion, and lack of direct access to markets and technology.

Khushhali Microfinance Bank Limited remains committed to the cause of women empowerment. KMBL believes that skill-based training programs are a progressive step towards empowering underprivileged women to be independent and generate sufficient incomes to support their families. Over the years, KMBL worked on various entrepreneurial projects for women, enabling them to learn valuable skills and equip themselves to become a part of the mainstream economic-ecosystem and industrial activities of Pakistan.

To mark the #internationalwomensday2022, KMBL partnered with the Institute of Rural Management (IRM) and organized a Skill Development Training Program for women from marginalized communities of Rawalpindi. The training program included a complete tailoring course and a beautician course for two groups of participants. KMBL also provided stitching machines and makeup kits to the participants in an effort to encourage them towards starting their own ventures soon after the completion of the training.

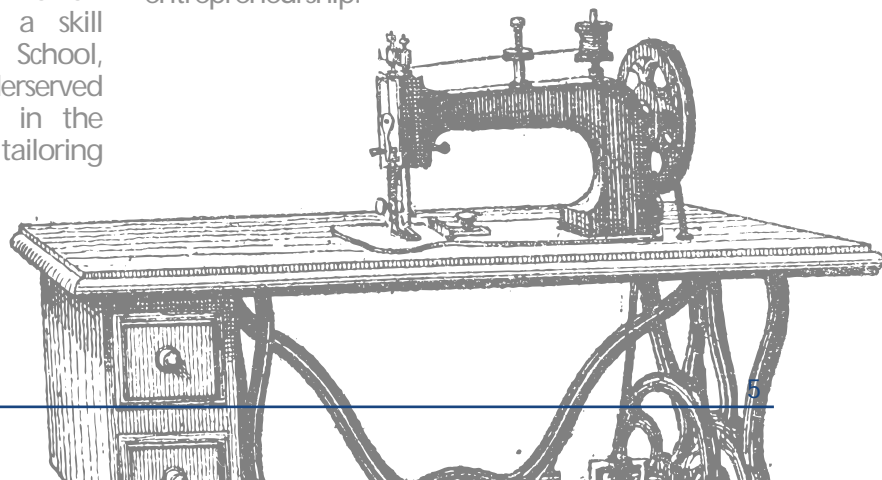
In another effort, KMBL partnered with Sindh Graduates Association (SGA) and started a skill development program at Roshan Tara School, Mirpurkhas. A group of women from underserved communities of Mirpurkhas were enrolled in the program and completed a three-month tailoring course.

Continuing its skills development program in Sahiwal, KMBL completed another batch of tailoring course in collaboration with Society for Human Development (SHD). A group of women, struggling to support their families by earning sustainable livelihoods, completed a comprehensive tailoring course.

On account of International Day of Rural Women, KMBL reached out to women in a remote village of Swat, KPK and organized a tailoring course in collaboration with Institute of Rural Management (IRM) under its vision of women empowerment through skills development. Taking a step forward, KMBL also provided sewing kits to these women to start their home-based ventures. In a remarkable success, more than 70% of these women started tailoring in their communities.

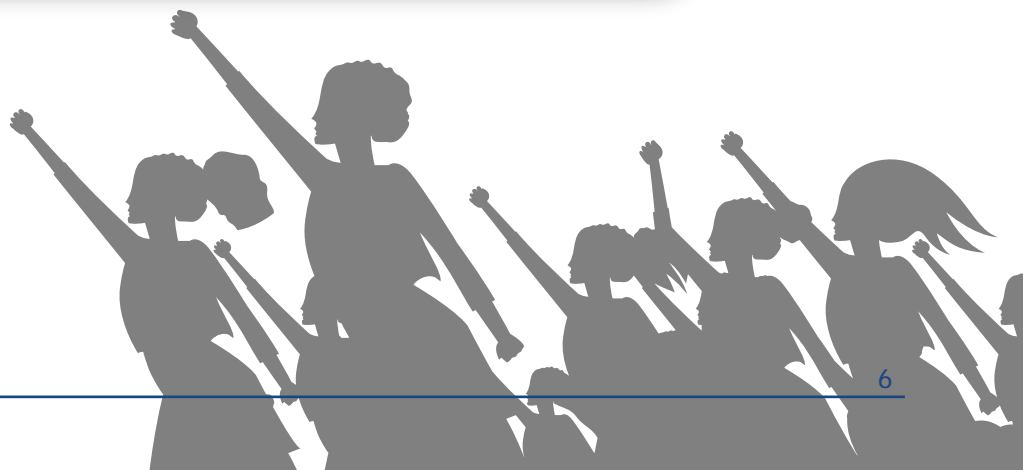
In addition to the skill development courses, KMBL also organized sessions on financial literacy for the participants as well. The main objective of these sessions were to impart knowledge and understanding of financial concepts, banking/financial products, and services, and to develop skills and attitudes towards budgeting, savings, investment, debt management, financial negotiation, rights, and obligations.

While striving to enable women in rural communities to be independent and generate sufficient incomes to support their families, KMBL is making direct contribution to United Nation's #SustainableDevelopmentGoals #4 and #8, by substantially increasing the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.





SKILL DEVELOPMENT PROGRAM FOR WOMEN, RAWALPINDI





SESSIONS ON FINANCIAL LITERACY IN RAWALPINDI AND MIRPURKHAS




khushhali
MICROFINANCE BANK

INVESTING IN THE YOUTH OF PAKISTAN

SDGs Contributed



Investing in the Youth of Pakistan

If Pakistan's large young population is prepared for the transition to adulthood, the country will turn its youth bulge into a demographic dividend – making the potential for progress unlimited. Thus, Pakistan's young people will have to be educated, trained and connected opportunities for gainful employment, entrepreneurship and engagement if they are to contribute to economic growth and sustainable development.

According to UNICEF, Pakistan is facing a serious challenge to ensure all children, particularly the most disadvantaged, attend, stay and learn in school. While enrollment and retention rates are improving, progress has been slow to improve education indicators in Pakistan. Currently, Pakistan has the world's second-highest number of out-of-school children (OOSC) with an estimated 22.8 million children aged 5-16 not attending school, representing 44% of the total population in this age group. Household wealth has an impact on enrolment in schools. Pakistan's poorest children are three times more likely to drop out, compared to children from the country's wealthiest households.

Millions of children in Pakistan are unable to pursue education primarily because of financial circumstances. KMBL is trying to bridge this gap by supporting the students from underserved communities, particularly in remote rural areas of Pakistan, to at least continue their education.

Under its ambitious CSR initiative; Education for Khushhali, KMBL is identifying schools in the remote areas of Pakistan through a comprehensive CSR need-assessment where students are in dire need of educational support. KMBL is then supporting these students with books, stationary, uniforms and school bags in hope that these students would be able to continue their education.

This year, KMBL identified multiple schools in Haripur, Mardan, Lalamusa, Patoki, Gujranwala and Vehari. Following a comprehensive need assessment, KMBL volunteers from the respective branches, led by the area managers, visited the schools to encourage and appreciate the students. KMBL's volunteers also presented books, stationary, uniforms and school bags to the students in an effort to support them in pursuit of their education.

From Government Girls Primary School Toru, Mardan (KPK), to Govt Special Education School Vehari (Punjab), Education for Khushhali supported around six hundred students in seven government institutions. Through such generous initiatives, KMBL is fulfilling its social commitments and making direct contributions to Sustainable Development Goals #4 and #8, by facilitating access to completely free, equitable and quality education, for both, primary and secondary level boys and girls, while trying to reducing the proportion of the youth, who are deprived of employment, education or training.





GOVERNMENT PRIMARY SCHOOLS OF LALA MUSA, KAMOKI AND PINDI BHATTIAN



GOVERNMENT PRIMARY SCHOOLS OF DOBANDIBALA & AKHOONBHANDI, HARIPUR



STRIVING FOR A CLEAN AND GREEN PAKISTAN

SDGs Contributed



Striving for a Clean and Green Pakistan

Pakistan's environment has been degrading over the years. Poor waste management, polluted rivers, contaminated air and declining forest cover are some of the key issues yet to be addressed. The extent of urban air pollution in Pakistan—South Asia's most urbanized country—is among the world's most severe, significantly damaging human health, quality of life, and the economy and environment of Pakistan. The harm from Pakistan's urban air pollution is among the highest in South Asia, exceeding several high-profile causes of mortality and morbidity in Pakistan. Improved air quality in Pakistan can have notable economic and health benefits.

Striving for a clean and green Pakistan, Khushhali has taken a number of noteworthy initiatives, over the years, for the protection and conservation of our environment. This year KMBL also took several initiatives, including; tree plantation drives and cleanup campaigns, in line with its commitment to contribute towards the global cause of environmental protection.

In another effort towards Environmental awareness and protection, Khushhali partnered with District Administration Ishkoman, Ghizer District Gilgit Baltistan and initiated a cleanliness drive in this picturesque valley famous for hosting tourists from around the world. The main objective of the campaign was to sensitize the public regarding the pollution caused by littering. To improve the collection and disposal of waste and to avoid littering, KMBL also provided waste bins that were installed in Gahkuch Market.

In order to sensitize the students and to encourage their participation towards the environmental protection, KMBL organized plantation drives at Women University of Swabi and Shaheed Benazir Bhutto Women University, Peshawar. University

faculty, administration and students participated in the plantation drive and planted hundred of trees in the vicinity of their universities. These plantation drives not only sensitized the students but also increased the vegetation cover on the campus.

Continuing its flagship campaign, Plant Khushhali, over the years, KMBL initiated the plantation drive from Narowal, Sialkot Area. KMBL volunteers from respective branch, under the leadership of the Area Manager, enthusiastically participated in the plantation drive and planted several trees in Punjab Housing Society, Narowal. Continuing the effort, plantation drives were organized in Okara, Hyderabad and Dadu. KMBL believes that these plantation drives will improve the environment in these cities but will also help in fighting the climate change by reducing the CO₂ from the atmosphere and providing oxygen in return.

In another initiative, KMBL partnered with HANDS Pakistan to plant an urban forest in Kandhkot, northern Sindh. Several cities of Sindh particularly Kandhkot, Sukkur, Larkana, Dadu, Karachi and Hyderabad have been gripped by heatwaves for the last few years now. Thousands of people have been directly affected by the extreme heat and the situation is getting worse with each passing year. Khushhali urban forest has been planned in Kandhkot in hopes of improving the environment as well as reducing the urban temperature since urban forests prove to be an excellent heat sinks.

Through these ambitious initiatives, KMBL is also making direct contributions to Sustainable Development Goals #11, #13 and #15 by reducing the adverse per capita environmental impact of cities, while improving education and awareness along with human and institutional capacity on climate-change mitigation, adaptation, impact-reduction and early-warning.



ANNUAL PLANT KHUSHHALI CAMPAIGN, SINDH UNIVERSITY DADU CAMPUS



ANNUAL PLANT KHUSHHALI CAMPAIGN, OKARA



ANNUAL PLANT KHUSHALI CAMPAIGN, NAROWAL



INSPIRING AN INCLUSIVE SOCIETY FOR PERSONS WITH DISABILITIES

SDGs Contributed



Inspiring an Inclusive Society for Persons with Disabilities

Persons with disabilities are more likely to live in poverty than persons without disabilities due to barriers in society such as discrimination, limited access to education and employment and lack of inclusion in livelihood and other social programmes. National data on income poverty disaggregated by disability remain scarce, but available data show that the proportion of persons with disabilities living under the national or international poverty line is higher, and in some countries double, than that of persons without disabilities.

According to United Nation's report on Disability and Development, Persons with disabilities face persistent inequality in social, economic and political spheres and are disadvantaged in all areas covered by the SDGs. Although gaps between persons with and without disabilities vary among countries, in some countries the gaps reach more than 20 percentage points in income poverty, 15 percentage points in the ability to afford a meal with protein every second day, 50 percentage points in experiencing good health, in literacy rates and in employment-to-population ratios. Persons with disabilities are also at a disadvantage in terms of accessing and affording essential services including water and sanitation, energy, and the Internet. Besides these gaps, persons with disabilities are underrepresented in political participation.

Mobility is the first and most critical hurdle faced by a physically challenged individuals, as it severely affects the lifestyle, education, livelihood and career of that person. Therefore, Khushhali Microfinance Bank Limited (KMBL) is working in partnership with multiple organizations, across Pakistan, to improve the mobility of PWDs by means of; prosthetics, assistive devices and other equipment. In partnership with CHAL Foundation,

Khushhali Microfinance Bank has provided prosthetics to five patients from marginalized communities of Swabi, KPK. The idea behind this initiative is to improve the mobility of these patients and to facilitate their reintegration into the society.

In another initiative, KMBL is providing wheelchairs to people from underserved communities who cannot afford to purchase by themselves. This year, KMBL partnered with HANDS Pakistan and Saaya Association of Persons with Disabilities and distribute wheelchairs in Muzaffargarh and Multan. Similarly, KMBL distributed wheelchairs for PWDs in Karachi in collaboration with Ladies Fund and Dawood Global Foundation. Overall, more than 100 wheelchairs were distributed among PWDs belonging to lower segments of the society.

KMBL is committed to promote full and equal participation of individuals with disabilities in all segments of the society, to enable accelerated development. KMBL salutes the courage and resilience of the 'Persons with Disabilities' and promises to continue its efforts for their inclusion in the society.

Through these initiatives, KMBL is making direct contributions to Sustainable Development Goals #8 and #10 by empowering and promoting the social, economic and political inclusion of everyone particularly the Persons with Disabilities and by facilitating their reintegration in the society.

#10 by empowering and promoting the social, economic and political inclusion of everyone particularly the Persons with Disabilities and by facilitating their reintegration in the society.



DISTRIBUTION OF WHEELCHAIRS IN MUZAFFARGARH



DISTRIBUTION OF WHEELCHAIRS IN MUZAFFARGARH



DISTRIBUTION OF WHEELCHAIRS IN MULTAN



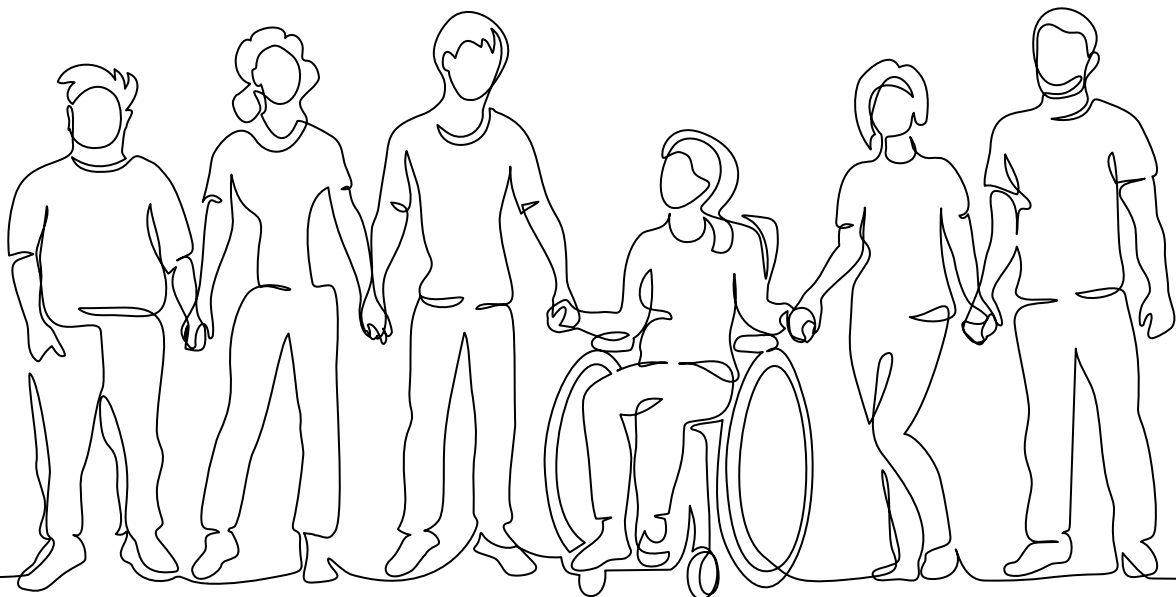
DISTRIBUTION OF WHEELCHAIRS IN KARACHI



SPONSORSHIP OF PROSTHETICS AT CHAL REHABILITATION CENTER, SWABI



SPONSORSHIP OF PROSTHETICS AT CHAL REHABILITATION CENTER, SWABI





SUPPORTING THE UNDERSERVED COMMUNITIES

SDGs Contributed



impacts on people particularly in the developing countries like Pakistan. The country is not only suffering from a severe shortage of water, there is also a growing concern over the quality of drinking water available for domestic use. The situation is further aggravated by heat waves and droughts driven by climate change. A high percentage of population in urban cities of Pakistan is dependent on unsafe water sources which is ultimately the cause of rising waterborne diseases.

Supporting the Underserved Communities

Being a responsible corporate citizen, KMBL recognizes its responsibility to empower and progress in partnership with the communities where KMBL operates. Therefore, KMBL continues to take initiatives for the prosperity of the people particularly in the marginalized and underserved communities across Pakistan.

One of the major issues being faced by people in Pakistan is water scarcity and KMBL is trying to address this issue by means of water coolers & filters, hand pumps, solar pumps and water filtration plants. While survival of humans is highly dependent on water, water scarcity has multidimensional health and socioeconomic

Helping our communities across Pakistan to access drinking water is one of our ambitions and we are striving to provide this basic necessity to as many people as we can. Access to clean water changes everything; it's a stepping stone to good health and development. Khushhali Microfinance Bank through its CSR program 'Drinking Water for Khushhali' aims to help our communities in accessing safe drinking water.

This year again, KMBL has taken multiple initiatives in different cities of Pakistan to help the people in accessing safe drinking. KMBL installed water coolers with filters in multiple schools, hospitals and healthcare centers of Farooqabad, Patoki, Dera Ghazi Khan, Multan and Sukkur.

WOODEN SUSPENSION BRIDGE REPAIRED IN TIRAH VALLEY



These drinking water facilities will ensure that safe drinking water is available for public, especially the children in schools and patients in hospitals or healthcare centers.

In another effort, KMBL installed solar powered water pumps in the water stressed villages of Kagia Chachro, Tharparkar and Basti Murad Chahal, Cholistan. These villages were identified during the CSR need assessment as the people were struggling to find water for consumption and domestic use. KMBL installed water pumps and constructed tanks for the storage of water. Since the villages were located in a remote rural area and electricity is usually unavailable. Therefore, solar systems were also installed to provide continuous water to these communities to fulfill their needs and to improve their lives. More than 200 homes with almost 700 people are getting water from these solar powered facilities regularly.

With these initiatives, KMBL is making direct contributions to the Sustainable Development Goal #6, by facilitating equitable access to safe and affordable drinking water for all, through hand-pumps, filtration plants and water coolers.

In another effort, KMBL repairs Wacha-Wana suspension bridge in Tirah Valley to restore transportation infrastructure in the Khyber Tribal District. This bridge will restore the accessibility to this remote region, for facilitating socio-economic rehabilitation of almost 10,000 residents of the Tirah Valley, who were impacted by geopolitical instability and militancy, over the past decades. Thousands of resident families of this valley had lost their homes and livelihoods because of geopolitical instability. However, recently, the peace and stability have been restored in the valley and people are now returning to their homes after decades of displacement.





TRAUMA CENTER MAKHDOOM AALI, BASTI MALOOK, MULTAN



DRINKING WATER COOLERS WITH FILTERS INSTALLED IN GOVERNMENT SCHOOLS OF DG KHAN



DRINKING WATER COOLERS WITH FILTERS INSTALLED IN GOVERNMENT SCHOOLS OF DG KHAN



SOLAR POWERED DRINKING WATER FACILITY, THARPARKAR



SOLAR POWERED DRINKING WATER FACILITY, THARPARKAR



ELEMENTARY SCHOOL CHAK NUMBER 344WB, DUNYAPUR LODHRAN



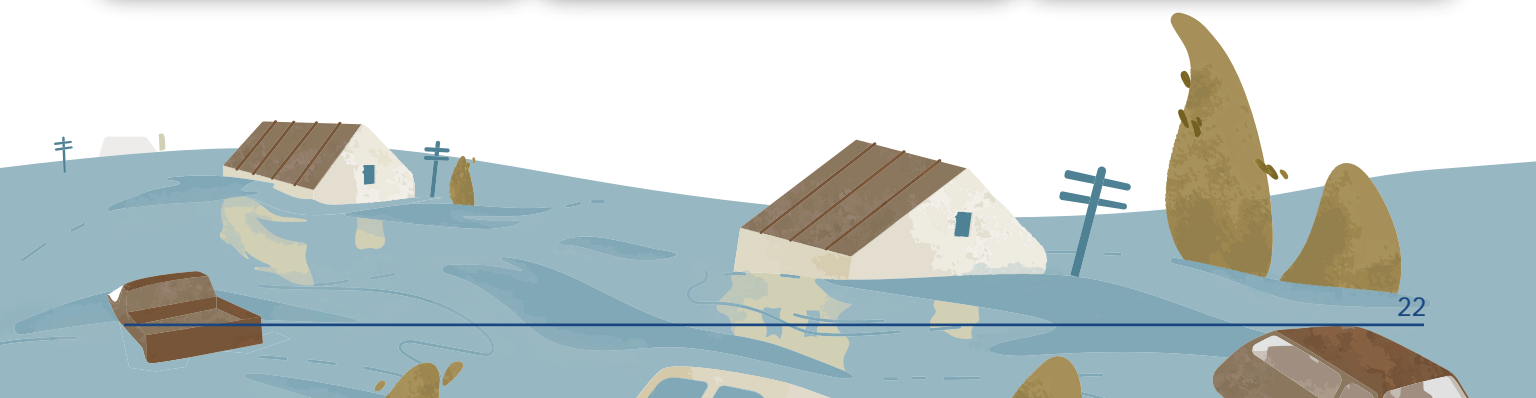
KHUSHHALI FLOOD RELIEF INITIATIVE



GOVERNMENT GIRLS HIGH SCHOOL, JACOBABAD



PPHI CHILDCARE AND MATERNAL HEALTH CENTER, JACOBABAD



SDGs Contributed



Khushhali Flood Relief Initiative

The terrible storms, floods and landslides brought on by this year's high monsoon rains in Pakistan have affected more than 33 million people. Homes, farms and vital infrastructures such as roads, bridges, schools, hospitals and public health facilities were destroyed. The devastating floods in Pakistan have resulted in economic losses to the country's fragile economy. Hundreds of thousands of families have been displaced because of damages to the homes, infrastructure and inundation of land. People are forced to take shelter in relief camps setup on across the province and wait for help to arrive.

While the widespread socioeconomic impacts of the floods were witnessed by the World, climate change has been denounced for devastating flooding in Pakistan, which has left nearly 1,400 people dead. While Pakistan contributes less than 1 percent of global carbon emissions but has been consistently

ranked as the top 10 most vulnerable countries on the Climate Change Performance Index (CCPI) to extreme weather events. The calamity has reignited debate about global warming – particularly carbon emissions by the world's most industrialized nations – as developing countries bear the brunt of its consequences.

While the unprecedented flood left behind a tale of destruction, NGOs and charities came forward to help the people in desperate times. In this time of crises, Khushhali stood with the people in the flood affected areas and initiated its flood relief program Dera Ghazi Khan where KMBL volunteers distributed food packages among the flood affectees. Continuing the efforts, KMBL volunteers from Tibbi and Taunsa reached out to the displaced families in the camps and distributed cooked meals among hundreds of families.

In another initiative, KMBL in collaboration with 'Team Help the Khairpur', distributed tents and sheets in village Manghanwari, Taluka Kingri, District Khairpur. Medical camp were also organized extending free checkups and medicines to a large number of people including women and children. As the flood water slowly receded, KMBL mobilized team of volunteers from Jhudo, Kunri, Mirpurkhas, Kot Ghulam Muhammad, Umarkot, Dadu, Hyderabad and Dera Murad Jamali. These volunteers took part in relief and rehabilitation efforts in the respective affective areas and distributed food packages among hundreds of families.

DISTRIBUTION OF FOOD PACKAGES IN MIRPURKHAS, KUNRI, UMARKOT, DADU & NOSHERO FERUZ





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