

Government of Pakistan
Securities and Exchange Commission of Pakistan

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Islamabad, the 15th March, 2024

NOTIFICATION

S.R.O. 410 (I)/2024.- The following draft amendments to the Listed Companies (Code of Corporate Governance) Regulations, 2019, proposed to be made by the Securities and Exchange Commission of Pakistan, in exercise of the powers conferred by section 512 read with section 156 of the Companies Act, 2017 (XIX of 2017), is hereby published for information of all persons likely to be affected thereby and notice is hereby given that objections or suggestions, if any, received within fourteen days from the date of its publication in the official gazette may be taken into consideration by the Commission, namely:-

DRAFT AMENDMENTS

In the aforesaid Regulations, -

1. After regulation 10, the following new regulation shall be inserted, namely,

“10A.- Role of the Board and its members to address Sustainability Risks and Opportunities. -

- (1) The board is responsible for governance and oversight of sustainability risks and opportunities, which includes the environmental, social and governance considerations, within the company by setting the company’s sustainability strategies, priorities and targets to create long term corporate value. The Board shall also encourage adoption of SECP’s ESG Disclosure Guidelines.
- (2) The board ensures that policies to promote diversity, equity and inclusion (DE&I) are in place to encourage gender mainstreaming, gender equality and the participation of women on the board, management and workforce of the company.
- (3) The board takes appropriate measures to proactively understand and address the sustainability risks and opportunities relevant to the company and its business, including climate-related risks and opportunities.
- (4) The board ensures that the company’s sustainability and DE&I related strategies, priorities and targets as well as performance against these targets are periodically reviewed and monitored.
- (5) In order to effectively discharge its sustainability related duties, the board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee. The committee shall monitor and review sustainability related risks and opportunities of the company, ensure DE&I practices are in effect at various board committees, oversee compliance of relevant laws pertaining to relevant

sustainability related considerations and its appropriate disclosures. The committee shall submit to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.”; and

2. in regulation 35, in sub-regulation (1), -

- (i) in clause (vi) for the full stop at the end, the expression “; and” shall be inserted; and
- (ii) after clause (vi), amended as aforesaid, the following new clause shall be added, namely: -

“(vii) policies for promoting DE&I and protection against harassment at the workplace”.

[File No. SMD/SE/2(321)/2022]


(Bilal Rasul)
Secretary to the Commission