



For Immediate Release

PRESS RELEASE

Transparency a must for CSR activities: SECP

ISLAMABAD, December 26: The Corporate Social Responsibility (CSR) is fast becoming an integral part of businesses all over the world and in Pakistan a large number of businesses are doing commendable work in this area. The SECP believes that transparency and corporate accountability are essential in carrying out the CSR activities.

Mr. Tahir Mahmood, the SECP Commissioner, Company Law Division, expressed these views while speaking at a roundtable discussion on CSR Voluntary Guidelines, 2012, on Wednesday in Islamabad.

He reaffirmed the SECP's commitment to facilitate stakeholders' engagement for strengthening accountability and transparency in reporting framework.

The discussion was attended by distinguished representatives of public companies, professional institutions, research institutions and NGOs involved in the CSR projects.

The SECP representatives informed the participants that in May 2012, the SECP has in principle granted approval for introducing corporate social responsibility (CSR) guidelines for public companies which is a significant step towards streamlining reporting requirements and corporate accountability of the CSR activities.

It was stressed that ownership of strategic policy for planning, execution and reporting CSR activities shall rest with Board of Directors so that the CSR policy permeates through the business structure for effective implementation. The guidelines provides for forming a CSR consultative committee, ideally led by a CSR expert, for purpose of ensuring transparent, specialized supervision and reporting progress. The guidelines call for obtaining independent assurance of CSR projects and the report of assurer thereof forming part of the CSR report of company.

The participants appreciated the SECP's efforts and intent for introducing guidelines. Further, queries were raised regarding inclusion of areas of interest of the CSR activities,

constitution of CSR consultative committee, medium of dissemination of reports to stakeholders, method of allocation of resources and way forward for the SECP.

The aforesaid queries and comments from stakeholders were explained in detail. Further, participants and SECP's representative debated on the need of defining criteria for independent assurer, framework for independent assurance, involvement of shareholders in the CSR spending and formation of a unified CSR forum. Deliberations were made for forming a unified CSR forum, with SECP acting as a facilitator in formation of said forum, that shall have the mandate of raising awareness amongst businesses regarding CSR issues and proposing improvement in current CSR regulatory framework in view of international best practices.

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Imran Ghaznavi | Head, Media and Corporate Communications Department/Spokesperson

Securities and Exchange Commission of Pakistan

NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad – 44000 Pakistan

Direct # +92 51 9206513 Fax # +92 51 9206515 Cell: _+92 333-5116666

Email: imran.ghaznavi@secp.gov.pk

www.secp.gov.pk