



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

**PRESS RELEASE**  
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## **SECP notifies adoption of IFRS Sustainability Disclosure Standards**

**ISLAMABAD**, January 1: The Securities and Exchange Commission of Pakistan (SECP) has notified the adoption of IFRS Sustainability Disclosure Standards in a phase-wise manner in Pakistan.

The IFRS-S1, 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS-S2, 'Climate-related Disclosures', are issued by the International Sustainability Standards Board (ISSB) and recommended for adoption in Pakistan by the Institute of Chartered Accountants of Pakistan (ICAP).

IFRS-S1 requires disclosure of information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital. IFRS-S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities. The standards are designed to meet the needs of existing and potential investors, lenders and other creditors through provision of consistent and complete information that can be used to assess a company's exposure to and management of sustainability related risks and opportunities.

The standards have been notified after an extensive consultation process involving market readiness analysis, information and awareness sessions together with ICAP and a survey together with consultation sessions to get stakeholders' perspective.

The standards will be implemented only on the listed companies in a phased manner on the basis of criteria comprising of total assets, turnover and number of employees. The first phase starts from the annual reporting periods beginning on or after July 1, 2025. The second and third phase start from July 2026 and 2027 respectively. Further, the standards will also be applicable on unlisted-licensed-public interest companies in the third phase, i.e. starting from the year 2027.

Requirement of obtaining assurance on sustainability reporting from the auditor of the company will start from the second year of the reporting.

Adoption of these standards is an important milestone in the ESG regulatory roadmap of SECP and represents SECP's commitment to align capital markets with global best practices, enhance transparency through standardized sustainability reporting, improve risk management and risk mitigation practices, allow more informed decision making by stakeholders and promote a culture of integrating sustainable business practices into business strategies.