

Government of Pakistan
Securities and Exchange Commission of Pakistan

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NOTIFICATION

Islamabad, the 12th June, 2024

S.R.O. 920 (I)/2024. - In exercise of the powers conferred by section 512 read with section 156 of the Companies Act, 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan, hereby makes the following amendments in the Listed Companies (Code of Corporate Governance) Regulations, 2019, the same having been previously published in the official Gazette vide S.R.O. 71(I)/2024, dated January 17, 2024 and S.R.O. 410 (I)/2024 dated March 15, 2024 respectively for public consultation, namely:

AMENDMENTS

In the aforesaid Regulations, -

1. In regulation 10, in sub-regulation (4), -
 - (i) In clause (xiv) the word “and” at the end shall be omitted;
 - (ii) In clause (xv) for the full stop at the end, the expression “; and” shall be inserted; and
 - (iii) after clause (xv), amended as aforesaid, the following new clause shall be added, namely,
 - “(xvi) anti-harassment policy to safeguard the rights and well-being of employees, incorporating the mechanism as prescribed under the Protection Against Harassment of Women at the Workplace Act 2010 and the respective provincial laws on the protection against harassment of women at workplace for the time being in force, if applicable, including;
 - (a) Code of Conduct for protection against harassment at the workplace;
 - (b) Formation of an Inquiry Committee to enquire into complaints in this regard;
 - (c) Designation of a competent authority; and
 - (d) Display copies of the Code of Conduct in English as well as in language understood by the majority of employees at a conspicuous place.”.

2. 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 is also encouraged to adopt 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 principal as well as emerging sustainability risks and opportunities relevant to the company and its business, including climate-related risks and opportunities, assess their potential financial and operational impacts and implement strategies for management and mitigation thereof.
- (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.
- (6) The directors report shall provide adequate disclosures regarding the assessment of sustainability related risks, how these are managed or mitigated, and measures taken to promote DE&I in the Company;” and

3. 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