



Securities and Exchange Commission of Pakistan

Islamabad, the 31 December, 2024

ORDER

In exercise of the powers conferred under section 238 of the Companies Act, 2017 (XIX of 2017) read with section 249 thereof the Securities and Exchange Commission of Pakistan hereby directs that the requirements of sustainability disclosure standards issued by International Sustainability Standards Board (ISSB), i.e. IFRS S1- "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 – "Climate-related Disclosures", referred to as "Sustainability Disclosure Standards" shall be followed by the companies as specified below in a phase manner:

Phase-I -

Listed companies fulfilling any two criteria (i) to (iii) below shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2025:

- i) Annual turnover greater than Rs. 25 billion in last two consecutive financial years as per their financial statements; or
- ii) Number of employees (permanent and contractual) greater than 1,000 as at last financial year-end; or
- iii) Total assets greater than Rs. 12.5 billion as at last financial year-end.

Phase-II -

Listed companies fulfilling any two criteria (i) to (iii) below shall shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2026:

- i) Annual turnover greater than Rs. 12.5 billion in last two consecutive financial years as per their financial statements; or
- ii) Number of employees (permanent and contractual) greater than 500 as at last financial year-end; or
- iii) Total assets greater than Rs. 6.25 billion as at last financial year-end.

Phase-III -

Listed companies (other than those falling in Phase-I and Phase-II above) and non-listed Public-Interest-Companies which are licensed or registered with the Commission shall comply the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2027.

- (2) All the companies are encouraged to earlier adopt the Sustainability Disclosure Standards.

**SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN**

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2. Sustainability Report.- The report containing disclosures under the Sustainability Disclosure Standards shall be approved in the manner laid down for approval of financial statements in section 232 of the Companies Act, 2017. The report shall be located after directors' report in the annual report except in the first year of compliance where reporting shall be made within nine months from the close of the financial year, as applicable:

Provided that disclosure of Scope 3 emissions shall be applicable from second year of reporting by respective companies.

3. Assurance of sustainability-related financial information.- (1) The auditors of the company shall provide assurance on the reporting under the Sustainability Disclosure Standards from the second year of reporting in accordance with the format notified by the Commission.

(2) The assurance shall be provided by the auditor in accordance with the requirements of the relevant International Standards on Auditing as adopted by the Institute of Chartered Accountants of Pakistan.

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(Asif Iqbal)
(Director)