

Conference Summary

PICGG ESG 2025 | Key Highlights and Call to Action

12-13 AUGUST, 2025



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Conference Summary

About PICG

The Pakistan Institute of Corporate Governance (PICG) is the country's premier institution set up in 2004 as a not-for-profit company committed to the cause of promoting good corporate governance practices in the country. It is involved in corporate governance training and education, policy advocacy, advisory services, undertaking research and evaluations, conducting surveys as well as publishing guidelines and other research material.

“

OUR VISION

Enable good governance that creates shared prosperity, an ethical society and an inclusive, sustainable economy.

”



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(SECP)

Panel Discussion: International Market Progress

Overcoming Regulatory Disclosure and Reporting Challenges

Capital Market's Vision of Sustainability

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Global State of Progress: Regulatory Developments and Challenges

DAY 2

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Keynote Address: Corporate Perspective – The Business Case

Social Impact & Corporate Governance

Panel Discussion: ESG Integration Opportunities & Challenges

Fireside Chat: Current Risks & the Investors Lens

Panel Discussion: Sustainable Finance & Investments
Unlocking ESG Investment Opportunities

Closing Keynote: Future of ESG & Corporate Sustainability

Post-Conference Reflections ESG for Pakistan Conference 2025 “Achieving Integration”

As we conclude the ESG for Pakistan Conference 2025, I extend my sincere gratitude to all those whose efforts made this event a resounding success. Over the two days event we engaged in substantive dialogue, exchanged strategic insights, and reaffirmed our collective resolve to embed ESG into Pakistan's institutional fabric. This year's theme – Achieving Integration – urged us to move beyond preparedness toward purposeful implementation. From regulatory reform and climate finance to inclusive governance and corporate strategy, the conference illuminated both our progress and the path ahead. To capture these insights, we have compiled this Conference Paper, which outlines key findings and proposed actions as we advance together.

We explored four key dimensions:

- Strengthening the regulatory and capital market ecosystem
- Elevating stewardship, equity, and community resilience through governance
- Benchmarking ESG practices across sectors
- Mobilizing climate finance for resilient growth

PICG also shared its evolving journey – from pioneering ESG certification programs and integration tools to embedding sustainability oversight within board performance evaluation frameworks. These initiatives reflect our belief that ESG is not a compliance obligation – it is a strategic mindset for long-term value creation.

To view recordings of the Conference, you may refer PICG Conference page:
<https://picgconferences.com/>

We acknowledge with gratitude the enduring support of our sponsors, whose dedication to sustainable governance continues to shape and strengthen our collective mission. We are also grateful to our speakers for the depth of insight they shared – captured in this paper – and to our knowledge partners for their ongoing collaboration and support.

As we look ahead, PICG reaffirms its role as a convener and catalyst. We will continue to build capacity, foster collaboration, and design solutions that align ESG with Pakistan's development goals. Let us carry this energy forward with clarity, conviction, and collective resolve.



Shafaq Fauzil Azim

President & CEO, PICG







KEYNOTE ADDRESSES

Topic:

Keynote Address:

ESG and Sustainable Development Progress and Impact for Pakistan



Dr. Shamshad Akhtar

Chairperson
PICG & PSX

Key Highlights:

- ◆ **From Awareness to Integration:** Pakistan is entering a pivotal phase in its ESG journey. Awareness is growing, and the trajectory is promising – but integration remains uneven. Key challenges persist in disclosure standardization, ESG education, and stakeholder alignment. The next frontier is embedding ESG into institutional frameworks, market structures, and everyday decision-making.

To accelerate this shift, we must prioritize strengthening data ecosystems for reliable ESG reporting, building sector-specific ESG literacy across public and private institutions, enhancing assurance capabilities to support transparency and impact assessment, and elevating the social dimension – by promoting inclusive policies, labor rights, gender equity, and community engagement as core ESG pillars.

- ◆ **Social Factors:** Often underrepresented, yet central to long-term sustainability. From fair wages and safe working conditions to equitable access to education and healthcare, integrating social metrics into ESG frameworks ensures that growth is not only green – but just.
- ◆ **ESG as a Strategic Investment Class:** Globally, ESG-linked assets are projected to reach USD 50 trillion by 2025, representing nearly a third of all assets under management. In Pakistan, the investment landscape is evolving, highlighting ESG's role as both an ethical imperative and a financially strategic approach. The Pakistan Stock Exchange recently facilitated the issuance and listing of Government Ijarah Sukuk, including Pakistan's first Agri-Infrastructure Sukuk – strengthening the role of Shariah-compliant financing in sustainable development. Green infrastructure, renewable energy, climate-resilient agriculture, and clean water access are all ripe for investment and innovation. These areas not only offer financial returns but contribute meaningfully to national sustainability goals.
- ◆ **Global ESG Disclosure Standards:** International frameworks like IFRS S1/S2, CSRD, and TCFD are reshaping ESG transparency. Notably, 66% of Asian regulators plan to adopt ISSB-aligned standards, indicating a regional shift toward mandatory ESG reporting. Pakistan must accelerate its alignment to remain competitive and attract global capital.

Call to Action:

Directors are required to act in good faith for the benefit of the company's members as a whole – and in the best interests of employees, shareholders, the community, and the environment. Boardrooms must elevate ESG beyond compliance into a strategic imperative. ESG must shift from policy aspiration to execution – embedded in capital allocation, risk frameworks, board governance, and workforce engagement through ESG governance structures, senior leadership training, and ethical, inclusive corporate cultures.

Growth must not only be green – it must be inclusive. The digital and green transitions must uplift all communities – not just the connected few. This means expanding access to education, digital literacy, and clean energy in underserved areas, while empowering women, youth, and marginalized groups to thrive in the new economy. Inclusive growth isn't optional – it's the foundation of lasting prosperity. By embedding equity into our development strategies, we can build societies that are not only more innovative and resilient, but also more just. Pakistan's diversity is its strength, and our policies must reflect that – ensuring that no one is left behind in this transformation.

Strategic Priorities

We must integrate localized taxonomies, adopt globally credible frameworks, and close the persistent data and capacity gaps that inhibit ESG integration at scale. We should therefore:

- ◆ Invest in interoperable platforms to enable transparent, real-time ESG reporting and impact assessment
- ◆ Enhance cross-sector education and capacity-building to empower stakeholders – from boardrooms to grassroots – to lead with sustainability
- ◆ Invest in digital resilience: Embed climate-proofing in digital infrastructure
- ◆ Scale green finance: Mobilize public-private partnerships to bridge investment gaps
- ◆ Champion inclusivity: Ensure that digital and green transitions uplift all communities – not just the connected few
- ◆ Ensure robust verification mechanisms to foster trust, attract investment, and ensure accountability
- ◆ Foster regional collaboration: Harmonize standards for AI, data governance, and green technologies

Let's transform ambition into action. With strong governance, inclusive leadership, and bold collaboration, we have the power to embed sustainability at the heart of Pakistan's financial future.

Topic:

Closing Keynote: The Future of ESG & Corporate Sustainability



Akif Saeed

Chairperson,
Securities and Exchange
Commission of Pakistan (SECP)

Key Highlights:

- ◆ Sustainability has now become the cornerstone of corporate strategy, capital allocation and regulatory oversight. The global economy is increasingly sustainability driven. Entities that fail to align their strategy with ESG are facing risk of increased scrutiny, divestment and reputation loss.
- ◆ SECP's approach is to collaborate and co-create solutions with market participants and institutions. Therefore sustainability reforms have been introduced in phased wise, collaborative approach.
- ◆ SECP, through amendments to the Code of Corporate Governance, has mandated oversight of ESG risks and opportunities as a fiduciary duty and recognized sustainability as a key governance area. Companies are further encouraged to establish dedicated Sustainability Committees to set targets, monitor progress, and assess the impact of ESG integration.
- ◆ Further, SECP's ESG Regulatory Roadmap has achieved considerable progress within just three years, moving swiftly from advocacy to targeted capacity building, issuance of ESG Disclosure Guidelines, phased adoption of IFRS S1 and S2 standards, launch of the ESG Sustain Portal, and introduction of Green Bond Guidelines alongside sustainability-focused regulatory sandboxes. SECP is also working towards integrating climate risks and opportunities aligned with National Determined Contribution.
- ◆ Inclusive governance and gender diversity is another strategic imperative for companies' long-term resilience and strategies. SECP views that lack of adequate diversity is a missed economic opportunity and therefore, in order to inclusive reforms across regulated sectors in a cohesive manner, SECP has recently issued the draft of the Women Equismart Policy 2025–28. The policy is

anchored on six pillars: women's leadership on boards, gender-disaggregated reporting, women's entrepreneurship, gender-smart products, workplace inclusivity and institutional capacity building. Together, these pillars aim to embed gender-smart reforms across SECP's regulated sectors.

- ◆ Therefore, responsibility of boards is critical for effective ESG integration, ensuring fiduciary oversight, strategic alignment and long-term business resilience that will be catalyst in enhancing investor confidence and corporate reputation.

Call to Action:

- ◆ Companies that will survive and thrive in the coming years will be those that are climate-resilient, socially inclusive and transparent.
- ◆ Corporate sector is expected to align operations integrating sustainability considerations and climate adaptation goals, adopt environmentally responsible supply chains, ensure inclusive workplace practices and design ESG-conscious products and services.
- ◆ Boards must take the lead in embedding sustainability into governance frameworks, strategies, and investment decisions, turning ESG from a compliance cost into a competitive advantage.
- ◆ By actively leveraging SECP's ESG Sustain Portal, companies can amplify visibility, strengthen disclosure practices and build stakeholder and market credibility.
- ◆ SECP is committed to facilitate regulated sectors through progressive reforms enabling ESG integration and transparent reporting to enhance investor confidence, attracting both domestic and international capital seeking sustainable and responsible investment opportunities.

Topic:

Keynote Address: Global State of Progress - Regulatory Developments and Challenges



Jen Sisson

CEO,
International Corporate
Governance Network (ICGN)

Key Highlights:

- ◆ Corporate governance is essential for sustainable long-term business success and value creation.
- ◆ Investors seek clear, stable governance frameworks with strong shareholder rights, opposing trends that weaken these protections, while supporting jurisdictions that raise governance standards to build trust and attract investment.
- ◆ ICGN endorses the International Sustainability Standards Board (ISSB) standards. Pakistan is a leader in mandatory ISSB reporting, with over 36 jurisdictions adopting or aligning with these standards globally.
- ◆ Effective boards must be independent, diverse, and accountable, overseeing strategy and risks transparently. Majority independent directors are best practice, while levels are lower currently in most emerging markets, public companies are making progress toward this goal.
- ◆ Beyond rules and frameworks, investing in director training, assessing skills, and succession planning are vital to maintain effective, independent boards that drive sustainable long-term returns.

Call to Action:

- ◆ Emerging markets should adopt governance best practices in a purposeful phased way, allowing companies to adapt and build transparent foundations that attract investors and enhance market stability.

Topic:

Corporate Perspective: The Business Case



Andrew Bailey

Managing Director,
BASF Pakistan (Private) Limited

Key Highlights:

- ◆ Organizations under OICCI represent a third of Pakistan's tax revenues, and together they are working for sustainable business leadership.
- ◆ Over the past 3 years, Pakistan Climate Conference, organized by OICCI, has been instrumental in building momentum around climate action and ESG in the private sector.
- ◆ Pakistan is one of the top 10 vulnerable countries to climate change: in terms of pollution, disruptions within the energy grid, water scarcity and other issues. Thus, ESG for Pakistan means business continuity, reputational integrity and survival.

- ◆ Foreign investors bring in not just capital, but accountability and standards.

There are five key points in terms of business case for ESG:

- ◆ ESG drives revenue and growth. Unilever's sustainable living brands grow faster than others.
- ◆ ESG reduces risk. Dawlance has built strong sustainability practices into its business.
- ◆ ESG improves energy security. Solar energy in Pakistan is transformative to businesses.
- ◆ Nestle Pakistan represents a major success story through its initiatives.
- ◆ ESG unlocks capital and investor confidence. Meezan Bank is a major participant in launching of Green Sukuk; Standard Chartered mobilized Rs105 billion in green finance.
- ◆ Mobilink Microfinance lent out Rs1.8 billion worth of solar loans.
- ◆ ESG attracts and retains talent. Gen Z and Millennials want to work for companies embodying ESG values. Telenor Pakistan proved that by building DEI into its recruitment.
- ◆ OICCI members are embodying stakeholder capitalism and setting the pace.

Call to Action:

- ◆ Our member organizations are setting the pace in championing and enabling sustainable investments and shared prosperity with due consideration of ESG factors. Local companies can have a look at these success stories and make their own contribution to this effort.
- ◆ We need to make ESG leadership intentional, and business driven.
- ◆ ESG disclosures need to become more streamlined and suited to Pakistan's corporate environment.
- ◆ ESG leadership needs to be driven by innovation rather than compliance.
- ◆ We need to move from policy to practice, from awareness to accountability, from promises to performance.





DISTINGUISHED SPEAKERS

Topic:

ESG Initiatives: State Bank of Pakistan



Saleem Ullah

Deputy Governor,
State Bank of Pakistan

Key Highlights:

As part of its ESG Initiatives State Bank of Pakistan:

- ◆ Finalized Pakistan's **Green Taxonomy** to guide environmentally sustainable investments.
- ◆ Initiated development of a **National ESG Strategy** for cohesive, long-term sustainability goals.
- ◆ Introduced a **Climate Risk Facility** to support farmers impacted by natural disasters.
- ◆ Launched targeted programs to **reduce the gender gap** in financial inclusion from 47% to 30–34% within five years.
- ◆ Strengthened **SME financing**, with a projected increase to **PKR 900 billion** by FY26.
- ◆ Expanded **agriculture sector credit**, aiming for **PKR 3 trillion** in the current fiscal year.
- ◆ Rolled out a **\$20 million pilot facility** to enable partnerships between banks and agricultural service providers.
- ◆ Deepened collaboration with **SECP, PACG**, and other stakeholders to embed ESG principles across the financial sector.

Call to Action:

- ◆ We are moving forward with the Green Taxonomy – once approved by Cabinet, it must be swiftly implemented.
- ◆ The Climate Risk Facility should be activated to support farmers facing climate shocks. SME financing needs to scale up to PKR 900 billion by FY26, and agriculture credit must grow by 20% to reach PKR 3 trillion this year.
- ◆ Reducing the gender gap in financial inclusion to 30–34% over the next five years is a priority.
- ◆ Finally, we must bring all stakeholders together to finalize our ESG roadmap and embed sustainability across the financial system.

Topic:

ESG Initiatives: Securities and Exchange Commission of Pakistan (SECP)



Musarat Jabeen

Executive Director,
SECP

Key Highlights:

- ◆ **Credible ESG Reporting** is essential towards materializing sustainability commitments. Regulators, professional bodies, and international networks are working in unison to accelerate ESG adoption across listed companies, creating momentum that spans policy, practice, and awareness.
- ◆ **SECP Regulatory Interventions** introduced ESG Roadmap in 2022 with recommendary milestone. Starting from advocacy and capacity building in 2023, SECP's ESG Guidelines for companies issued in 2024 is the first step in enhancing transparency in sustainability and climate risk disclosures. Further to building on this momentum, SECP issued directive for phased wise adoption of international sustainability standards (ISSB) IFRS S1 and S2 starting from year July 2025.
- ◆ **ESG Sustain Portal** was launched by SECP in December 2024. It is a comprehensive platform to enable reporting under the ESG guidelines and embeds all the relevant indicators. It provides benchmarking across sectors.
- ◆ **Global Benchmarking** - SECP's landmark ESG Regulatory Roadmap and progressive phased wise adoption of ISSB standards has enhanced credibility of regulatory reforms and strengthened the willingness of the corporate sector to align its business practices with global sustainability benchmarks and investor expectations. The adoption of sustainability standards has placed Pakistan as one of 17 jurisdictions globally that have provided clarity for ESG disclosures for the capital markets.
- ◆ **Sustainability as a Competitive Edge** - ESG is therefore evolving beyond compliance to become a driver of innovation, resilience and access to global capital markets, positioning Pakistani companies for long-term growth.

- ◆ **Future Regulatory Vision** - SECP plans to align ESG Disclosure Guidelines with SBP's green taxonomy. This will aid companies to map their activities with green financing criteria, as well as link it with Pakistan's Nationally Determined Contributions (NDCs) under the Paris Agreement. The revised guidelines are expected by December 2025. Further, in order to enhance transparency ESG Sustain portal shall be fully utilized enabling companies to showcase their disclosure and success stories. Furthermore, assurance framework will also be strengthened in view of evolving international frameworks. Further, SECP will continue to collaborate with relevant stakeholders for targeted sectoral training, advocacy campaigns and ecosystem-wide capability building for integrating ESG considerations into business strategy of regulated sectors.

Call to Action:

- ◆ Pakistan is at a turning point in its sustainability journey. ESG is now a fiduciary responsibility of the Board and must be integrated into its strategy.
- ◆ With ISSB Standards and ESG disclosure guidelines now in place, our businesses have the tools to meet global benchmarks. Therefore, listed companies in particular and other public sector entities need to prepare now for IFRS S1 and S2 through sectors specific capacity building training facilitated by SECP through cooperation with key stakeholders and align their systems and processes accordingly.
- ◆ Companies are encouraged to engage and take advantage of ESG Sustain Portal as means to connect with investors to showcase their sustainability disclosures and success stories.
- ◆ Companies must treat ESG reporting as an investment towards market visibility towards attracting more investments rather than a cost.

Topic:

Capital Market's Vision of Sustainability



Farrukh Sabzwari

CEO,
Pakistan Stock Exchange

Key Highlights:

Climate Risk and Urgency

- ◆ Ranked #1 in Climate Risk Index 2025 for extreme weather impact.
- ◆ 2022 floods affected 33 million people, caused 1,700+ deaths, and led to \$15B in damages.
- ◆ GDP could shrink by 20% by 2050; a \$348B climate financing gap is projected by 2030.
- ◆ Recent monsoon seasons continue to show escalating climate threats.

Green Taxonomy and Sustainable Finance

- ◆ National Green Taxonomy developed by SBP, MoCC, and PSX to guide green investments and prevent greenwashing.
- ◆ Enables transparency, aligns with global standards, and unlocks climate-friendly assets.
- ◆ PSX advocates for incentives and financing tools to support corporate decarbonization.

ESG Integration and Governance

- ◆ SECP and PSX are advancing ESG through governance reforms, reporting standards, and advisory groups.
- ◆ Good governance is the foundation for effective environmental and social outcomes.
- ◆ PSX represents the capital market in SECP's Sustainable Finance Advisory Group, promoting ESG adoption and gender-inclusive finance.

Gender Diversity and Inclusion

- ◆ PSX signed UN Women's Empowerment Principles.
- ◆ 87% of listed firms have female directors; 373 companies disclosed gender pay gap data.
- ◆ Promoting transparency and equity across the market.

Islamic Finance and Ethical Investing

- ◆ PSX launched Pakistan's first Sovereign Green Sukuk (PKR 31.99B) and Agri-Infrastructure Sukuk.
- ◆ Over 50% of listed companies and 80% of trades are Shariah-compliant.
- ◆ Offering Islamic ETFs, REITs, Sukuks, and Modarabas; GoP Ijarah Sukuk platform launched.
- ◆ PSX established a Shariah Focus Group to strengthen Islamic capital market development.

Call to Action:

- ◆ Sustainability is a continuous commitment. By embedding ESG principles, strengthening governance, and leveraging Islamic finance, Pakistan can attract responsible investment, build resilience, and shape a greener, more inclusive future.

Topic:

Overcoming Regulatory Disclosure and Reporting Challenges



Farrukh Rehman

Council Member

ICAP & Partner, A.F. Ferguson & Co

Key Highlights:

- ◆ **SECP's Focus on ESG:** Emphasizing Environmental, Social, and Governance (ESG) factors in corporate reporting.
- ◆ **Voluntary ESG Disclosures:** This includes environmental metrics like GHG emissions, energy and water usage, social metrics such as CEO and gender pay ratios, gender diversity, non-discrimination policies, health and safety protocols; and governance metrics covering board diversity and independence, incentivized pay linked to sustainability, ethics and anti-corruption policies, data privacy, etc.
- ◆ **Mandatory IFRS S1 and S2 Implementation:** Phased adoption starting from July 1, 2025, for the largest companies, extending to all applicable entities by July 1, 2027.
- ◆ **Reporting and Assurance Requirements:** Sustainability reports must be approved similarly to financial statements and included in annual reports. Auditors to provide assurance on sustainability disclosures from the second year.
- ◆ **Use of ISSB Industry-Based Guidance:** Entities to refer to SASB Standards and ISSB guidance for identifying material sustainability risks and opportunities.
- ◆ **Challenges:** Limited availability and quality of ESG data, insufficient technical expertise, difficulty integrating sustainability reporting with existing financial systems, and preparing for assurance requirements.

Call to Action:

To address the challenges, entities should:

- ◆ Establish a dedicated cross-functional task force
- ◆ Conduct a gap analysis comparing current ESG practices with IFRS S1 and S2 requirements
- ◆ Invest in capacity building through training
- ◆ Develop a clear data collection strategy
- ◆ Perform materiality assessments
- ◆ Utilize SECP transition provisions
- ◆ Prepare for assurance by documenting data sources, methodologies, and controls

Topic:

Social Impacts and Corporate Governance



Mohsin Ali Chaudhry

ESG Advisory Lead for Pakistan,
International Finance Corporation

Key Highlights:

- ◆ **Environmental, Social, and Governance (ESG)** factors are essential considerations for companies and investors, focusing on risks, impacts, and opportunities.
- ◆ **Emerging E&S issues** in Pakistan include gender-based violence, child labor, lack of diversity and inclusion, and climate change.
- ◆ **IFC Performance Standards** provide guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way, including stakeholder engagement and disclosure obligations of the client in relation to project-level activities.
- ◆ **Investors care about ESG** factors as they are seen as drivers of systemic risks and opportunities, and there is an increasing interest in supporting global well-being.

Call to Action:

- ◆ **Endorse ESG commitments and policies** at the board level to ensure that environmental and social practices are integrated into the company's strategy.
- ◆ **Implement management systems and risk management frameworks** ensuring an integrated assessment to identify the environmental and social impacts, risks, and opportunities of projects including effective community engagement through sustainability disclosures and consultation with affected communities.
- ◆ **Monitor, guide, and challenge the team** to improve sustainability disclosures for greater transparency and accountability.

Current Risks and the Investors Lens



Maheen Rahman
CEO,
InfraZamin Pakistan

Key Highlights:

- ◆ ESG risks vary by market and must be assessed in context. Pakistan is making notable progress in environmental, social, and governance standards.
- ◆ Key ESG trends and risks are increasingly shaping investor and boardroom priorities, requiring stronger alignment between financial performance and sustainability outcomes.
- ◆ On the environmental front, Pakistan is progressing in renewable and transition energy, while climate mitigation efforts are growing. However, **climate adaptation remains underdeveloped**, particularly in agriculture and allied sectors.
- ◆ **Climate Risk Assessments, including potential climate vulnerabilities, are not being fully conducted in Pakistan.** This is crucial to understand how exposed we are to climate-related shocks and build resilience.
- ◆ Pakistan must strengthen the integration of climate risks into project assessments to ensure resilient infrastructure and sustainable long-term growth.
- ◆ Socially, Pakistan's **Gender Equity Index remains weak** due to cultural barriers. SECP's new gender diversity regulations are a step forward, and the corporate sector must actively address these challenges.
- ◆ The private sector has taken commercial steps in clean energy and waste recycling, but a broader sustainability mindset is still required.
- ◆ Governance frameworks largely meet global standards, but the scope should expand to include unlisted companies and SMEs.
- ◆ **Green Financial Instruments** present a major opportunity for mobilizing sustainable investment and should be scaled further.

- ◆ **Markets move on incentives** – the private sector responds to whichever incentives are provided. These incentives do not always have to be tax-based; global examples from China and across Asia show how targeted policies helped build a “green heart” in climate and sustainability efforts.
- ◆ Boardroom discussions are evolving from compliance checklists to **strategic ESG integration**, though predictable regulatory incentives for investors remain limited.
- ◆ InfraZamin Pakistan partnered with Sunridge Foods to launch a PKR 2 billion Shariah-compliant Agri-Infrastructure Sukuk, backed by InfraZamin's AAA-rated credit guarantee, aimed at mobilizing private capital for sustainable agriculture, food security, and renewable energy development in Pakistan.

Call to Action:

- ◆ **Endorse ESG commitments and policies** at the board level to ensure that environmental and social practices are integrated into the company's strategy.
- ◆ **Implement management systems and risk management frameworks** ensuring an integrated assessment to identify the environmental and social impacts, risks, and opportunities of projects including effective community engagement through sustainability disclosures and consultation with affected communities.
- ◆ **Monitor, guide, and challenge the team** to improve sustainability disclosures for greater transparency and accountability.





**PANEL
DISCUSSIONS**





Panel 1:

International Market Progress

International Market Progress



Michael S Wood
EY MENA Consulting Services Partner

Key Highlights:

- ◆ Short-term political gains is a consideration that hampers long term decision making with respect to ESG and sustainability infrastructure.
- ◆ Reporting is not a solution for global ESG issues. It is a tool for control and part of the solution set, not an end in itself. It plays a pivotal role as a means to enable the capital markets make informed investment decisions.
- ◆ European Union has pushed the regulation envelope too far, leaving marketing adaptability lacking.
- ◆ Agriculture is the sector which faces the most consequences as a result of changing global dynamics. It can be used as a benchmark for integration.
- ◆ Many governments and entities are in the process of adopting TCFD/ISSB recommended disclosures.
- ◆ Pakistan has shown remarkable climate change resilience. It can leverage its inbound and outbound investment avenues to turn climate change and its impact into an opportunity.

Call to Action:

- ◆ There needs to be a sound understanding of climate risks, opportunities, internal processes and limitations for all entities in order to capitalize climate finance opportunities.
- ◆ Leveraging value chain is an important step in this regard. We still have time and the necessary information; we just need to utilize our resources to capitalize on the same.

International Market Progress



Agnes K Y Tai

Director,
Great Glory Investment Corporation

Key Highlights:

- ◆ Asia is moving forward with sustainability commitments; boards are taking climate/nature action.
- ◆ Capacity building is key in ESG integration into strategy and operations. Pakistan can mandate boards ESG training, provide tax or reimbursement incentives, and offer free knowledge via PSX Academy – especially sector-specific cases & guidance.
- ◆ Increase use of GSS+ instruments, blended finance and voluntary carbon markets to achieve the nation's 2050 Net Zero target.

Call to Action:

- ◆ There is no place to hide from global warming impact; take effective action now so your business and children can thrive.

International Market Progress



Dean Hezekiah
Policy & Insights Manager
Asia Pacific, ACCA

Key Highlights:

- ◆ The investment community provides critical resources to fund the sustainability agenda. They decide which ideas to promote by voting with their capital, a crucial role in the creation of sustainable economies and societies.

Call to Action:

- ◆ To investors – Prioritise green investments with tangible impact.
- ◆ To Businesses and Corporations – Align operating and growth strategies with sustainable business practices and prepare for sustainability reporting.
- ◆ To Regulators and Policy Makers – Support capacity building for sustainability (including climate risk) reporting.

International Market Progress



Sadia Khan

Former Commissioner,
Securities and Exchange
Commission of Pakistan

Key Highlights:

- ◆ ESG has moved from a niche concept to a mainstream investment driver in international markets.
- ◆ Institutional investors have a significant role to play in driving ESG integration across the corporate sector.
- ◆ Accurate and reliable reporting is a key consideration for ESG investment support.
- ◆ For accurate ESG integration and reporting, it is important for entities to have proper internal capacities and skill sets.

Call to Action:

- ◆ High quality ESG integration. and reporting is key to attracting institutional investments.

One change that needs to be made to the global ESG landscape (from the panelists):

- ◆ Global economics need to be revamped to ensure sustainability integration.
- ◆ There needs to be a greater emphasis on indexing the social component.
- ◆ There needs to be a global drive towards ESG integration.





Panel 2:
**ESG Integration:
Opportunities and
Challenges**

ESG Integration: Opportunities and Challenges



Saad Amanullah Khan

Director,
Fauji Fertilizer Company

Key Highlights:

- ◆ I welcome this event by PICG as open discussion on ESG will help drive better understanding of this new concept and share opportunities and challenges.
- ◆ To me ESG is clearly a catalyst for new business models and product innovations, but many still see it as a reporting burden, more of checking the box on compliance.
- ◆ FFC is clearly leading the industry and has formally launched ESG which is led by a formal Sustainability Board Committee and a detailed program, aptly name as "THE SONA WAY – Aligning Prosperity with Purpose" is in play – here SONA stands for **STEER, OPTIMISE, NOURISH and ADAPT**.
- ◆ ESG in Pakistan's private sector require a multi-pronged approach, involving policy reforms, capacity building, industry engagement, and strong incentives.

Call to Action:

- ◆ FFC is rolling out new products that focus on sustainability, helping us cut down on fertilizer waste and work more efficiently with better yields. Some of our products in the field includes Sona Boron and Sona Zinc micronutrient-enriched fertilizers that improve nutrient use efficiency, Urea Super Granules for reduced application frequency and lower energy use in production and farming, Enhanced Efficiency Fertilizers (EEFs) designed to minimize nutrient losses and reduce greenhouse gas emissions and Digital precision agriculture tools to maximize efficiency in product use.

ESG Integration: Opportunities and Challenges



Faisal Rabbani
Chief Risk Officer,
Bank Alfalah

Key Highlights:

- ◆ Bank Alfalah embedded Environmental & Social Risk Management (ESRM) framework into its credit evaluation process back in 2015 in collaboration with IFC ensuring ESG integration in risk management.
- ◆ The Bank is fully compliant with SBP's Green Banking Guidelines and ESRM Implementation Manual.
- ◆ Bank Alfalah has internal targets for green financing and the same have been disseminated across various businesses. The bank is also working on own impact reduction and is actively reducing its carbon footprint.
- ◆ The biggest challenge for banking industry is resources, in terms of having the personnel with a combination of ESG and banking knowledge.
- ◆ Convincing customers to be energy efficient has also been a challenge, especially with respect to transition costs impact on their bottom line.
- ◆ The Bank is managing both short-term profitability and long-term ESG goals in a phased manner. Some large customers especially exporters are being compelled by their buyers to meet sustainability goals. In the longer term, this will become more wide spread necessitating sustainability integration by most clients.
- ◆ The political atmosphere around net zero commitments has changed and various international entities have scaled back on their carbon /climate initiatives. However, most banks who have pulled back from Net Zero Banking Alliance have not necessarily given up on their net zero commitments. Climate change is real and it will have an impact on bank's credit portfolio health & long-term profitability if ignored.

Call to Action:

- ◆ We need to continue to build capacity within the banking sector for ESG implementation; that will have an impact on their respective customers as well.
- ◆ Climate risk needs to be constantly monitored by the banks in terms of their own impact and those by their portfolios.
- ◆ ESG due diligence should focus on size and materiality of the transactions.

ESG Integration: Opportunities and Challenges



Zahid Mubarik
SHRM-SCP, GPHR
CEO, HR Metrics

Key Highlights:

- ◆ E&G disclosure is determined by the S because it's the people who drive change either it is environment or corporate governance. By using the human capital disclosure standards, organizations can strengthen overall ESG sustainability disclosure.
- ◆ Chief sustainability officer and board ESG committees do not have a defined set of competencies and key performance indicators, which leads to a fuzzy approach with a disconnect to impact on bottom line.
- ◆ Disclosure framework is constantly evolving. World is moving quickly away from reporting "activities" to reporting "outcomes" for wider stakeholders.
- ◆ Market leader companies need to share and face challenges as well as opportunities. For effective knowledge management within the local industry, there is a need for experience sharing between business industries on structured basis.

Call to Action:

- ◆ Determine global competency framework for Chief Sustainability Officer and Board ESG Committee by reviewing global best practices and ensure selection and placement criteria for these faculties.
- ◆ Communicate result and impact to key stakeholders rather than ESG programs. Performance of ESG faculties should be tied to business outcomes, rather than reporting activities. For example, do not just report workforce cost but ROI as well and do not just report "number of training hours for leadership development" but leadership "trust index" and succession "readiness index" as well.
- ◆ By shifting focus on impact/result/ROI, position ESG as "profit center" rather than "cost center" in the organization. This will pave way for more investment in ESG by the board rather than cost containment.

ESG Integration: Opportunities and Challenges



Maha Qasim
Founder & CEO,
Zero Point Partners

Key Highlights:

- ◆ ESG integration offers significant opportunities for businesses – from building stronger reputations and stakeholder trust to unlocking sustainable investment flows.
- ◆ However, the path is not without challenges – accuracy in data, compliance with evolving standards, and embedding ESG into corporate strategy remains a critical hurdle.
- ◆ Organizations that treat ESG as a long-term business enabler, rather than a compliance burden, are more likely to discover new business models, innovations, and avenues for growth.
- ◆ ESG is no longer a compliance exercise – it is a driver of innovation, investor confidence, and long-term resilience. The real opportunity lies in embedding ESG into strategy, but to unlock its full potential we must address persistent challenges around data quality, capability gaps, and the cultural shift required for meaningful integration.

Call to Action:

- ◆ It is time for organizations in Pakistan to move beyond viewing ESG as a regulatory obligation and start treating it as a driver of competitiveness and long-term resilience. Leadership must commit to embedding ESG in core business models, invest in data and capacity-building, and foster cross-industry collaboration to mainstream sustainable practices. The private sector has both the responsibility and the opportunity to set the pace – let us act now to make ESG integration a pillar of sustainable growth for Pakistan's future.





Panel 3:

**Sustainable Finance &
Investments:
Unlocking ESG Investment
Opportunities**

Sustainable Finance and Investments: Unlocking ESG Investment Opportunities



Ayla Majid
President-ACCA
CEO-Planetive

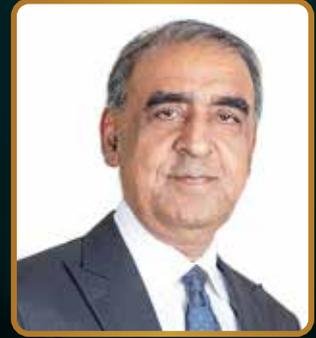
Key Highlights:

- ◆ **Massive Climate Finance Gap & Untapped Private Capital:** Pakistan faces a stark paradox – among the most climate-vulnerable countries but with domestic private climate finance contributing less than 10%, far below the needed scale to meet NDC targets and climate resilience goals.
- ◆ **Critical Role of Economic Policies & Incentives:** De-risking instruments like partial risk guarantees, blended finance structures, clear green taxonomies, and targeted fiscal incentives are proven levers that can unlock large-scale private capital for sustainable and decarbonization investments.
- ◆ **Agriculture Emissions & Investment Barriers:** Agriculture and livestock emissions are significant and growing (~457 Mt CO₂e projected by 2030), yet mitigation policies remain limited. Unlocking private investment requires verified emission measurement, productivity-plus-climate public-private programs, aggregation platforms, and verified outcome-based incentives.
- ◆ **Leveraging Sustainability Reporting for Investment Impact:** ISSB guidelines provide a foundation, but local adaptation and regulatory linkage are needed to ensure sustainability disclosures translate into capital reallocation and real investments aligned with climate goals.

Call to Action:

- ◆ **De-risk Investments:** Partner with multilateral and donors to create blended finance combining concessional and commercial capital for energy, infrastructure, and climate-smart agriculture.
- ◆ **Green Taxonomy & Incentives:** Finalize a clear green taxonomy and introduce tax incentives and streamlined approvals to foster a stable, enabling market environment.
- ◆ **Mobilize Banks:** Mandate financial institutions to adopt portfolio transition plans and climate risk disclosures, with training to assess green projects effectively.
- ◆ **Public-Private Agriculture Programs:** Develop blended finance models linking productivity gains with emissions reductions, using aggregation and verified outcome payments to attract investment.
- ◆ **Link Reporting to Finance:** Tailor ISSB standards locally and link sustainability disclosures to capital costs, offering refinancing and capital relief incentives for green loans.

Sustainable Finance and Investments: Unlocking ESG Investment Opportunities



Muneer Kamal

CEO,
Pakistan Bank Association (PBA)

Key Highlights:

- ◆ The banking sector is impacted by SECP's ESG guidelines for listed companies, shaping disclosure practices.
- ◆ The upcoming 2026 SECP disclosure standards require proactive alignment from financial institutions.
- ◆ The State Bank of Pakistan is advancing green taxonomy, supporting sustainable credit frameworks.
- ◆ Banks play a critical role in influencing customer behavior toward ESG-conscious financial decisions.
- ◆ Adoption of IFRS S1 & S2 standards is essential for consistent and credible ESG reporting.
- ◆ The banking industry has collaborated with BRI to develop a unified sustainability report for banking standards.

Call to Action:

- ◆ Pakistan's banking sector stands at a critical juncture in its ESG journey. With SECP's evolving disclosure guidelines and the 2026 standards on the horizon, financial institutions must proactively align their reporting frameworks. The State Bank's push for green taxonomy and sustainable credit signals a shift toward climate-conscious finance. Banks must lead by example – adopting IFRS S1 & S2 for credible ESG disclosures, shaping customer behavior through responsible products, and embracing collaborative efforts like the unified sustainability report with BRI. The time to act is now: embed ESG into core strategy, drive transparency, and champion a resilient financial future for Pakistan.

Sustainable Finance and Investments: Unlocking ESG Investment Opportunities



Sobiah Becker

Advisor,
GIZ Pakistan

Key Highlights:

- ◆ Mission-Oriented Transformation – Industrial decarbonisation as a pathway to protect exports, attract investment, and boost productivity.
- ◆ Tailored Financing Pathways – Article 6.4 for large corporates; aggregated, programmatic models for SMEs.
- ◆ Framework Synergy – Taxonomy + Article 6 + PPP blended finance as a unified transformation model.

Call to Action:

- ◆ Empower First Movers – Support large corporates in piloting flagship Article 6.4 projects.
- ◆ Aggregate for Inclusion – Create platforms for SME participation via programmatic models.
- ◆ Integrate Frameworks – Align taxonomy with EU standards, embed carbon market revenues into blended finance, and launch industrial decarbonisation clusters within 24 months.

Sustainable Finance and Investments: Unlocking ESG Investment Opportunities



Memosh Khawaja

Founder & Managing Director,
ILMNET

Key Highlights:

- ◆ Policy and incentives have a significant leverage in driving sustainable finance.
- ◆ Banking sector is influenced to follow sustainability guidelines from both SECP and SBP who are active in formulating standards, incentives, and guidelines.
- ◆ PBA will set a banking sector sustainability standard for the banking sector; this initiative is supported by the British International Investment (BII) with advice from the SBP.
- ◆ Global institutional investors have in past been active in the Pakistan capital markets, and their reactivation will depend on alignment of Pakistan capital markets with international sustainability standards. Local institutional investors, driven by regulators, are also expected to follow the same direction. Multilateral investors and other international financial houses are already laying out sustainability criteria in their investments.
- ◆ Carbon markets are an emerging sustainable finance instrument. This idea has moved on from early days of CDM mechanism to a new international rule book being developed.
- ◆ Agriculture sector is critical in the discussion on sustainability, being significant in its contribution to GDP and to GHG emissions and natural resources consumption.

Call to Action:

- ◆ Policy makers have a significant role in building an ecosystem needed for sustainable finance. Taxes and subsidies are needed to drive R&D, innovation, and technology adoption. Additionally, policy is needed to drive capacity building and human resource development to implement sustainable projects.
- ◆ Banking sector should lead corporate action, instead of being forced by regulators, as evidence suggests that investments in sustainability yield significant returns in the long term.
- ◆ Effective use of the green taxonomy will enable international markets to assess Pakistani projects transparently and comparatively, and direct capital to mission aligned activities. This means the financial sector should tag their investments and align lending policies and other regulations to support export related industries.
- ◆ Strong local carbon markets development requires one comprehensive national regulatory and legal framework.
- ◆ Efficient and modern farming and agriculture practices need to be driven by policy and finance to improve national environmental and social sustainability at a significant level.
- ◆ Strong governance, long-term and evidence-based decision making, being bold with collaborative public-private driven activity based on blended finance mechanisms will drive sustainable finance and economic growth.

PICG's ESG Portfolio

ESG Capacity Building

ESG Stewardship for Directors & Executives
(Half day)



A workshop that provides essential knowledge to an organization's strategic leadership about ESG regulatory landscape, best practices, materiality impact measurement, and guidance towards readiness and implementation.

ESG & Sustainability for Board Directors & Executives
(1-2 Days)



A workshop that goes beyond the rhetoric and provides effective ESG Integration for your organization. Topics covered include Materiality, Board Role and Readiness, ESMS, Disclosures, Climate Governance and more.

ESG & ESRM for Banks & Financial Institutions
(1-3 Days)



A detailed, two-tier program aimed at capacity building to enable financial institutions and banks to adopt and implement ESRM, backed by robust processes and structures to ensure long term sustainable operations.

ESG Executive Tracks
(90 minutes per course)



Pakistan's first comprehensive certification program for ESG Practitioners. It provides an opportunity for participants to boost their career trajectory with in-demand skills. Accessible online with flexible schedules, world class content and industry leading collaborations

ESG Advisory Services

ESG Integration Assessment Tool)



Evaluate and enhance your ESG/Sustainability integration. FOCUS -PICG's ESG Integration Assessment (EIA) Tool will be used to assess the level of ESG integration of key ESG processes & principles, identify gaps and propose a comprehensive roadmap to address them

ESG Committee Terms of Reference, Policies and Procedures



Set up the blueprint for your ESG Committee and ensure its effectiveness and fulfillment of purpose. Our expert team is adept at setting out meaningful goals and assessment mechanisms for all Board committees, including those for ESG/Sustainability

ESG Toolkit



A comprehensive tool to start and monitor ESG Integration within your organization

ESG Reporting & Compliance



Development of a comprehensive, world-class ESG Report, underpinned by robust components and processes

Facilitated ESG Materiality Determination



A brainstorming session facilitated by PICG's ESG experts, participated by C-Suite and/or Directors, to determine ESG Materiality levels for the organization, to be later utilized towards ESG strategy, risk management and reporting

Acknowledgements

We extend our sincere appreciation to our sponsors and partners for their support of the ESG for Pakistan Conference 2025 – “Achieving Integration.”

Your commitment to sustainable governance and ESG advancement played a vital role in the success of this national initiative. By enabling meaningful dialogue and cross-sector collaboration, you helped shape a shared vision for a more resilient, transparent, and inclusive future for Pakistan.

We are truly grateful for your contribution and look forward to continued partnership in driving impactful change.

Event Sponsors:



Knowledge Partners:



Resources

- ◆ **Pakistan Green Taxonomy**

https://mocc.gov.pk/SiteImage/Misc/files/2025%20Pakistan%20Green%20Taxonomy_Aug%2014.pdf

- ◆ **Green Banking Guidelines**

<https://www.sbp.org.pk/sme/d/circulars/2017/C8-Annex.pdf>

- ◆ **ESRM Manual**

<https://www.sbp.org.pk/sme/d/circulars/2022/CL12-Annex-3.pdf>

- ◆ **SECP ESG Disclosure Guidelines for listed companies**

<https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/>

- ◆ **SECP Adoption Mandate-Dec 31,2024**

<https://www.secp.gov.pk/document/adoption-of-sustainability-disclosure-standards/?wpdmdl=55109&refresh=68e3672a3f9b81759733546>

- ◆ **ESG Sustain portal**

<https://esgsustain.secp.gov.pk/>

- ◆ **ESG REGULATORY ROADMAP**

<https://esgsustain.secp.gov.pk/wp-content/uploads/2024/07/ESG-Regulatory-Roadmap.pdf>

- ◆ **SUSTAINABILITY ASSURANCE – RISING TO THE CHALLENGE**

<https://listwr.com/63NIEX>

- ◆ **ICAP Sustainability Updates**

<https://icap.net.pk/files/sustainabilityreporting/publications/sustainability-updates.pdf>

- ◆ **Green Bond Guidelines (SECP)**

<https://listwr.com/v7vSF6>

- ◆ **Women EquiSmart Policy 2025-2028**

<https://listwr.com/4tRObY>

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