PICG 20 YEARS
Pakistan Institute of Corporate Governance

THE DIRECTORS QUORUM

Aug 2025

What's making ESG headlines

IFRS
IFRS Foundation
International Accounting Standards Board

ISSB Guidelines on Disclosing information about anticipated financial effects

Source: *IFRS*

The International Sustainability Standards Board (ISSB) published guidelines for companies on how to disclose short, medium, and long-term anticipated financial effects of sustainability-related risks and opportunities under its two sustainability-related reporting standards. It explains how companies are expected to consider sustainability-related risks and opportunities in their financial planning, and asks firms to approach disclosure in a way that is "commensurate with the skills, capabilities and resources available to the company." That would ensure that reporting requirements are proportionate to a company's circumstances and enable companies to develop the necessary skills to improve disclosures over time

Read More

New publication
CLIMATE CLUB
Carbon intensity metrics in the steel and cement sectors of Climate Club members

Carbon Intensity Metrics

Source: *OECD*

The OECD report, developed for the Climate Club—which includes member countries from Europe, Asia-Pacific, North and South America, Africa, and the Middle East—analyzes carbon intensity metrics in the steel and cement sectors. It identifies major challenges in achieving international comparability and reviews existing initiatives, data sources, and trends, revealing significant disparities in carbon intensity across countries and facilities. While the steel sector has seen a gradual decline in emissions over recent decades, cement production has remained largely unchanged. The report highlights the potential for emission reductions through wider adoption of cleaner technologies in steel and underscores the need for innovation to decarbonize cement. It concludes that current data sources are valuable for monitoring progress but remain insufficient for developing detailed, product-specific policies.

Read More

Regional Plastics Outlook for Southeast and East Asia

Source: *OECD*

Southeast and East Asia, particularly the ASEAN Plus Three countries—comprising the 10 ASEAN Member States, Japan, Korea, and China—are central to global efforts to end plastic pollution. The ***Regional Plastics Outlook for Southeast and East Asia*** offers a roadmap to strengthen plastic policy design and implementation. While policy action is gaining momentum, current measures can only slow, not reverse, plastic leakage trends, and lower-middle-income countries may face greater economic impacts during the transition. The report notes that with stronger collective action, the region could nearly eliminate plastic leakage, though

Read More

SGX CENTRE
SGX

Singapore: Extended Timelines for Climate Reporting Requirements

Source: *Singapore Exchange Regulation*

Singapore regulators (ACRA and SGX RegCo) have extended the timelines for mandatory climate reporting to give companies more time to prepare. Non-STI listed companies with a market cap below S$1 billion now have until FY2030 to comply with full ISSB-aligned climate disclosures, while those above S$1 billion (but not in the STI) have until FY2028. The extension of timelines takes into account the uncertain global economic landscape, as well as feedback to better reflect the varying levels of resources and readiness across companies.

Read more

China Launches Pilot Program for Green Foreign Debt Financing

Source: *The State Council, People's Republic of China*

China has launched a pilot green foreign debt financing program across 16 regions to attract global capital into low-carbon and sustainable projects. Led by the State Administration of Foreign Exchange (SAFE), the initiative expands cross-border financing limits and simplifies procedures to encourage foreign investment. It aims to channel more international funds into green industries, supporting China's decarbonization and sustainable development goals. This move is part of China's broader strategy to strengthen global cooperation in climate finance and boost capital flows toward environmentally responsible growth.

Read more

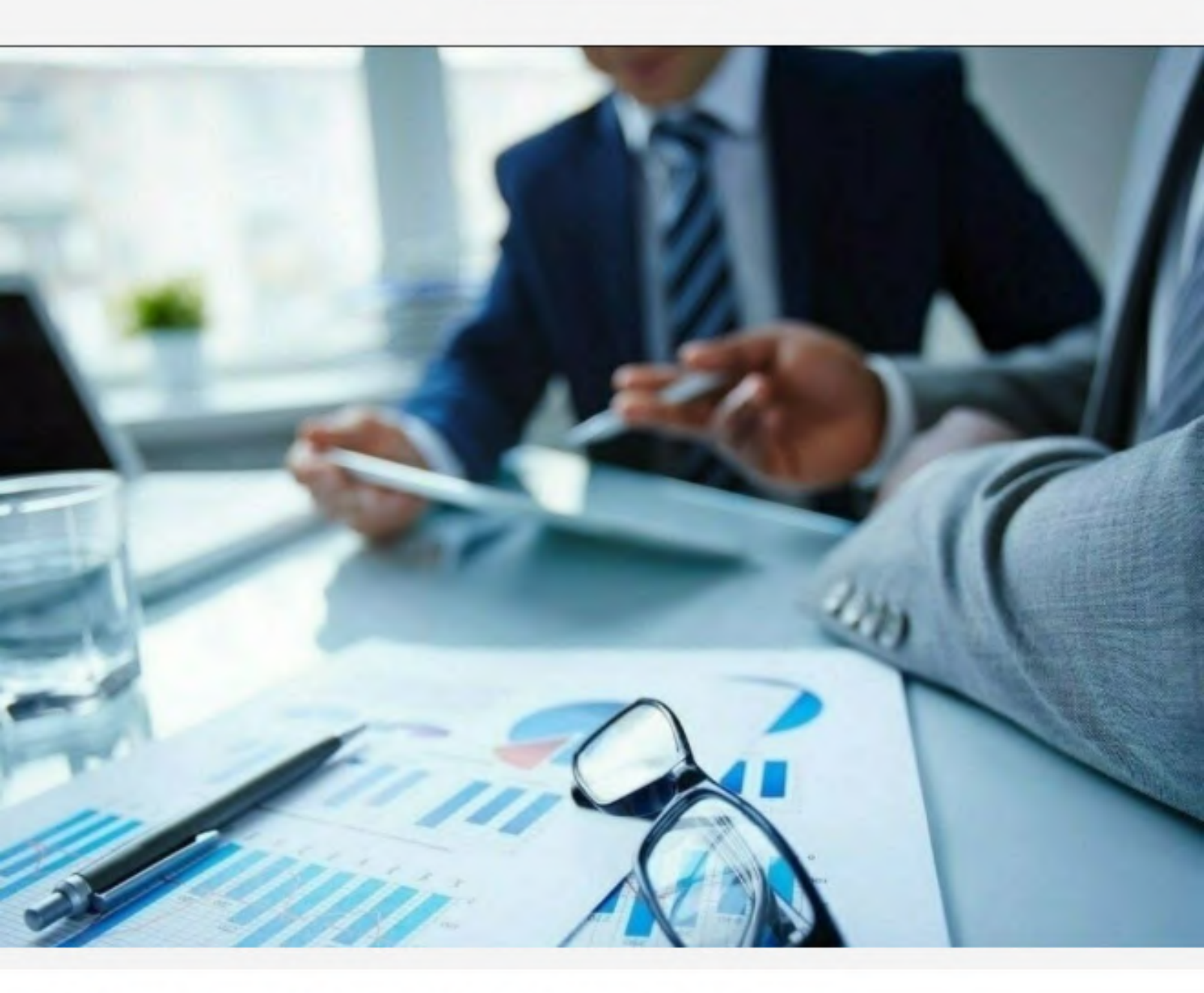
Corporate Governance in store

SECP Accelerated Issuance Timelines for Bonus & Right Shares

Source: *The Securities and Exchange Commission of Pakistan*

The Securities and Exchange Commission of Pakistan (SECP) has issued S.R.O. 231(I)/2020 under Section 512 of the Companies Act, 2017, officially enacting regulations previously published in the Gazette (S.R.O. 33(I)/2020 dated January 15, 2020). These regulations streamline the issuance timelines for bonus and right shares, offering clearer procedural guidance to enhance corporate governance, regulatory compliance, and oversight across Pakistan's corporate sector.

Read More



Pakistan Amendments in NBFC Regulations

Requirements to undertake Digital Asset Management Services (DAMS) by the Digital Asset Management Company (DAMC)

Source: *The Securities and Exchange Commission of Pakistan*

The Securities and Exchange Commission of Pakistan (SECP) has issued S.R.O. 1438(I)/2025 under Section 282B(2) of the Companies Ordinance, 1984, introducing key amendments to the Non-Banking Finance Companies and Notified Entities Regulations, 2008. These updates - previously published in the Gazette (S.R.O. 76(I)/2025 dated January 22, 2025) - establish requirements for Digital Asset Management Services (DAMS) to be undertaken by Digital Asset Management Companies (DAMCs). The revised framework aims to enhance transparency, regulatory compliance, and operational efficiency across Pakistan's non-banking financial sector.

Read More

Asian Corporate Governance Association
ACGA

Value Up, Asia: Aligning governance with shareholder value

Source: *Asian Corporate Governance Association*

The report provides an overview of reform efforts that refocus attention on shareholder value and offers recommendations on necessary ingredients for successful reform. Various stakeholders have a role to play. Asian markets need a whole-hearted effort to Value Up, or risk irrelevance.

Read More

Thought Leadership

Smart, thirsty machines: how to govern AI without draining the planet

By Fatima Ali (Assistant Manager - Advisory PICG)

The conversation around AI often amazes us with futuristic possibilities, but what is less dazzling is the environmental bill that comes with every interaction. AI is, in effect, a resource intensive exercise: data centers need water to cool servers, electricity to keep them running, and minerals to manufacture the underlying hardware. If AI is the brainchild of our century, then its environmental footprint is the messy home that nobody wants to clean up.

We cannot sensibly slow down technological progress, nor can we allow data-center growth to drain our local clean water supplies. The question is not whether we choose AI or sustainability, but how we ensure both can coexist albeit sustainably, equitably, and transparently.

Consider water, for instance. A 2023 study from the University of California, Riverside, and the University of Texas, Arlington, found that training GPT-3 consumed an estimated 700,000 liters of freshwater equivalent to producing 370 BMW cars or 320 Tesla vehicles. Even a single chatbot conversation is not free; Microsoft's water consumption rose by 34% between 2021 and 2022, much of it attributed to AI workloads. Google reported similar jumps, with its Iowa data center alone drawing nearly 1.5 billion gallons of water in 2022 to support AI training. If the irony isn't sharp enough, think of this; while some regions are in the grip of water scarcity, our AI companions are, quite literally, being kept cool by sipping from the same dwindling supply.

In Pakistan, the challenge takes on a sharper edge. The World Bank has already warned that the country could become "water scarce" by 2025. As the state champions digital transformation and cloud adoption, governance cannot afford to lag. Regulators such as SECP and SBP could extend ESG reporting requirements to include water use in digital infrastructure. Boards of listed companies and state-owned enterprises can add oversight questions on the environmental footprint of their digital expansion. Public–private partnerships could ensure that any new data-center development also invests in local water resilience, such as recycling, leak repairs, or replenish groundwater. Just as Pakistan has imported international best practices in financial reporting, it can adopt global benchmarks for data-center disclosure and water stewardship.

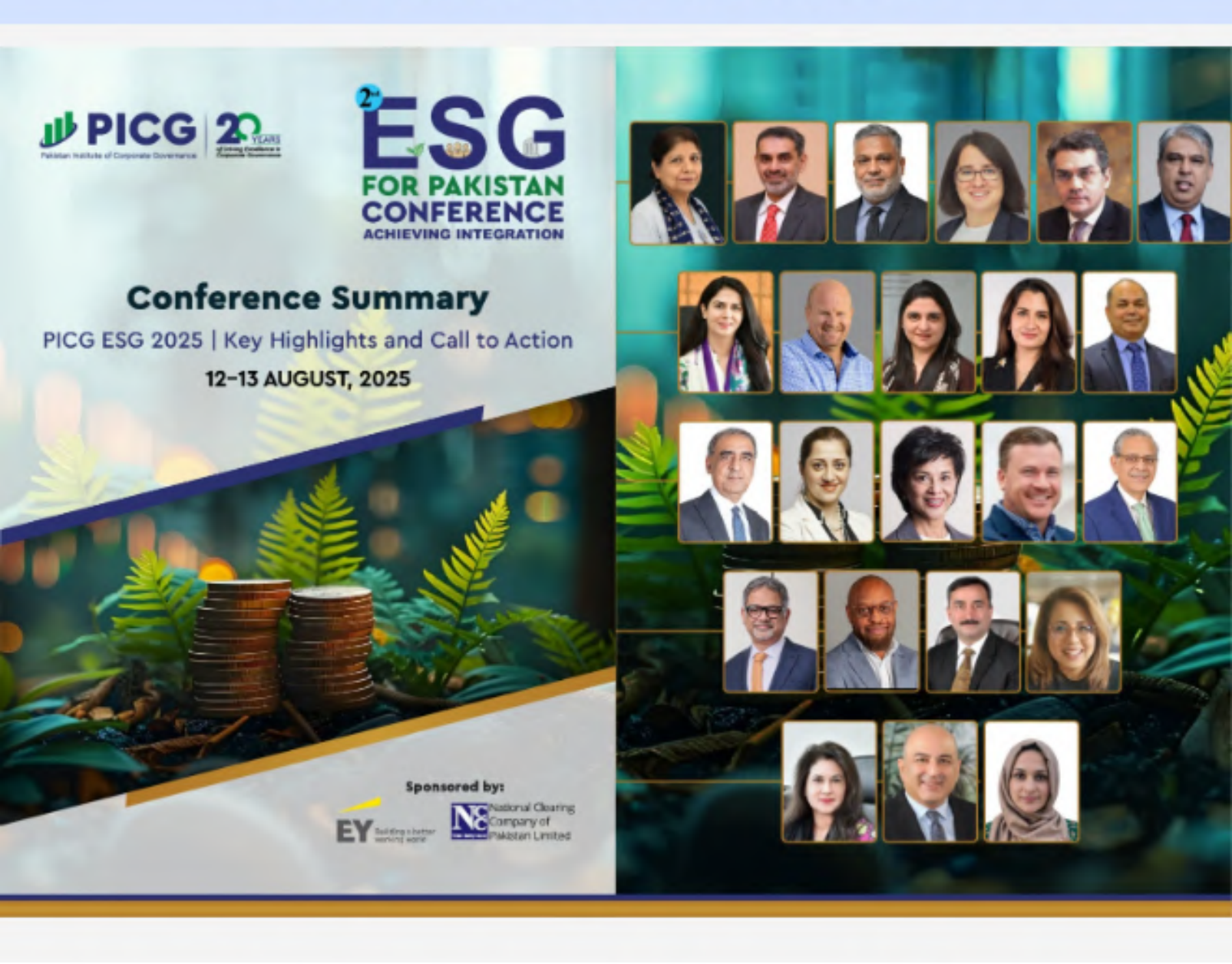
The trick, of course, is to avoid narrow metrics. Some cooling methods save electricity but consume more water, and vice versa. Optimizing for one number, such as power efficiency, while ignoring water security risks starving a community. Policy nudges can help require public reporting of water and energy use by site, tie tax incentives to verifiable savings and local benefits, and create a "digital passport" for large AI models that discloses their energy and water footprint alongside where they were trained. Think of it as a nutrition label for AI - listing the hidden ingredients of energy and water.

AI is too valuable to stumble upon and too resource-intensive to ignore. The technology side is moving fast, with zero water cooling already rolling out, but without oversight, the hidden costs will land on the most vulnerable communities like ours. Pakistan, facing both water scarcity and a digital transformation, has a chance to lead by embedding water conscious AI governance into its corporate and regulatory frameworks. That way, the country keeps the promise of AI without draining its rivers dry and boards everywhere learn that smart machines can thrive without making us thirstier.

Sources:

- Ahmed, S., et al. (2023). *Making AI Less Thirsty:* ***Uncovering and Addressing the Secret Water Footprint of AI Models***. University of California, Riverside & University of Texas, Arlington. [2304.03271] Making AI Less "Thirsty": Uncovering and Addressing the Secret Water Footprint of AI Models
- Strubell, E., Ganesh, A., & McCallum, A. (2019). ***Energy and Policy Considerations for Deep Learning in NLP***. MIT & UMass Amherst. [1906.02243] Energy and Policy Considerations for Deep Learning in NLP
- World Bank (2019). ***Pakistan: Getting More from Water***. World Bank Document

What's on at PICG


PICG 20 YEARS
2nd ESG FOR PAKISTAN CONFERENCE
ACHIEVING INTEGRATION
Conference Summary
PICG ESG 2025 | Key Highlights and Call to Action
12-13 AUGUST, 2025
Sponsored by:
EY
National Clearing Company of Pakistan Limited

PICG's 2nd ESG for Pakistan Conference 2025: Achieving Integration

The ESG for Pakistan Conference 2025, hosted by the Pakistan Institute of Corporate Governance (PICG), concluded with a strong call to action: move beyond preparedness and embrace purposeful ESG integration. Over two dynamic days, participants engaged in strategic dialogue on regulatory reform, climate finance, inclusive governance, and corporate strategy. The theme, Achieving Integration, underscored the urgency of embedding ESG into Pakistan's institutional framework.

Key focus areas included:

- Strengthening the regulatory and capital market ecosystem
- Advancing stewardship, equity, and community resilience
- Benchmarking ESG practices across sectors
- Mobilizing climate finance for sustainable growth

PICG also showcased its ESG journey - from certification programs and integration tools to embedding sustainability into board evaluations - reinforcing that ESG is a strategic imperative for long-term value creation.

For a summary of the conference and access to the conference paper, please refer to the website: https://picgconferences.com/

Launch of Shareholder's Agahi Portal

A New Era of Shareholder Empowerment

The Pakistan Institute of Corporate Governance (PICG) and the Central Depository Company (CDC), under the strategic guidance of the Securities and Exchange Commission of Pakistan (SECP), have jointly launched the Shareholder's Agahi Portal - a pioneering digital platform aimed at enhancing investor awareness and empowerment across Pakistan.

The launch event commenced with an opening address by Dr. Shamshad Akhtar, Chairperson Pakistan Stock Exchange (PSX) and PICG, followed by Welcome Address by Chairperson SECP, Mr. Akif Saeed, and the Governor, State Bank of Pakistan, Mr. Jameel Ahmad. The portal was formally inaugurated by the Chief Guest, Senator Muhammad Aurangzeb, Honorable Finance Minister of Pakistan, in the presence of the Chief Executive Officers of CDC Mr. Badiuddin Akber and PICG Ms. Shafaq Fauzil Azim, alongside distinguished representatives from the capital markets and banking sector.

What's Inside:

- Shareholder Rights & Education: FAQs, tutorials, webinars, and online courses
- Investor Information: Track meetings, announcements, and e-voting
- Resource Library: Access news, research, guidelines, and more
- Bilingual Access: Available in both Urdu and English

Launched during SECP's & PBA's workshop "Unlocking Capital Market Potential for Banks", Shareholder Agahi is a major step forward in promoting transparency, investor awareness, and strong corporate governance.

Watch the portal tutorial: https://www.youtube.com/watch?v=O7iCRiKJ37A
Visit : https://www.shareholderagahi.com/

Ghanchi, Aman
feroz Rizvi (Unverified)
Kamal Mannoo (Guest)
Talha bin Hamid - PICG
Abbasi, Abdul-Rahim
Asad Jalal (Unverified)
Zulfikar (Unverified)
Tariq, Ali
Shahzad, Muhammad

Directors Orientation Workshop: Unilever Pakistan

In August 2025, PICG conducted an online Directors' Orientation Workshop (DOW) for Unilever Pakistan. The session offered tailored, industry-specific guidance to strengthen corporate governance practices. It covered key areas including board members' understanding of corporate governance principles, their roles, authority, and fiduciary responsibilities - whether as directors or part of the senior management team - whilst fulfilling Board Orientation requirements set by SECP.

ESG Stewardship Workshop - EFU Life Assurance Ltd

In August 2025, PICG successfully hosted a customized online ESG Stewardship Workshop for (EFU Life Assurance Ltd). Designed to address organization-specific priorities, the session focused on Environmental, Social, and Governance (ESG) principles. It provided targeted insights and practical guidance to help participants strengthen ESG integration, with an emphasis on long-term sustainability and responsible corporate governance.

PICG
Pakistan Institute of Corporate Governance

Copyright (C) 2025 Pakistan Institute Of Corporate Governance. All rights reserved.
You are receiving this email because you opted in via our website.

Our mailing address is:
Pakistan Institute Of Corporate Governance