

Corporate Practices Shaping Livelihoods in Pakistan: A Landscape Analysis



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ACKNOWLEDGEMENTS

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ABOUT THE PAKISTAN BUSINESS COUNCIL (PBC)

The Pakistan Business Council (PBC) is a research-based business advocacy platform established in 2005, now supported by over 100 private sector local and multinational businesses with significant investment in and long-term commitment to sustainable growth of the country. PBC's major objectives are to advocate policies that lead to creation of jobs, value-added exports and reduction in import reliance through improved competitiveness of manufacturing, services and the agriculture sectors. It also promotes formalization of the economy. Further information on the PBC is available at www.pbc.org.pk.

ABOUT THE CENTRE OF EXCELLENCE IN RESPONSIBLE BUSINESS (CERB)

In 2017, the PBC established its first outreach initiative, the **Centre of Excellence in Responsible Business** (CERB), whose research captures good business practices to help stimulate the economy by providing opportunities for inclusive livelihoods and guidance on sustainably using the country's limited resources. CERB provides insight and advisory on key elements of responsible business, and acts as a platform for companies to network, build capacity, and collaborate with peer companies. Further information on CERB is available on www.cerb.pbc.org.pk.

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1. EXECUTIVE SUMMARY

The World Bank defines human capital as the knowledge, skills, health, and experience gained throughout individuals' lives, which are essential for productivity and economic growth. Today, companies recognise that workforce well-being, skills, and inclusion are central to productivity, resilience, and long-term growth. These include workplace safety, access to learning and progression, fairness of treatment, and equality of opportunity.

Globally, frameworks such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (RBC), the UN Guiding Principles on Business and Human Rights (UNGPs), and the Sustainable Development Goals (SDGs) have reinforced expectations for how companies manage their social impact. In particular, SDGs 3 (Health and Well-being), 4 (Quality Education), 8 (Decent Work), and 10 (Reduced Inequalities) provide a structured lens through which businesses can contribute to stronger livelihood outcomes.

The Centre of Excellence in Responsible Business conducted the Creating Livelihoods Survey to evaluate Pakistan's leading companies across 40 criteria within the 'social pillar'. Based on responses from 72 companies across various sectors, the findings offer a snapshot of how leading companies in Pakistan are translating human capital commitments into practice.



The survey assesses factors including:

EMPLOYEE HEALTH AND SAFETY

WORKFORCE TRAINING AND SKILLS DEVELOPMENT

FAIR WORK AND LABOUR PRACTICES

DIVERSITY, EQUITY, AND INCLUSION

SUPPLY CHAIN RESPONSIBILITY

Drawing from the overall survey responses, companies were categorised as either foundational, progressing, or leading. The average maturity level was 67%, indicating that companies are progressing overall. In terms of performance against the SDGs, companies performed best on SDG 4; however, only 56% demonstrated performance on SDG 10. (See Figure 1). Figure 2 highlights the prevalence of practice for each indicator.

ASSESSMENT TIER OVERVIEW

How respondents are distributed across score ranges

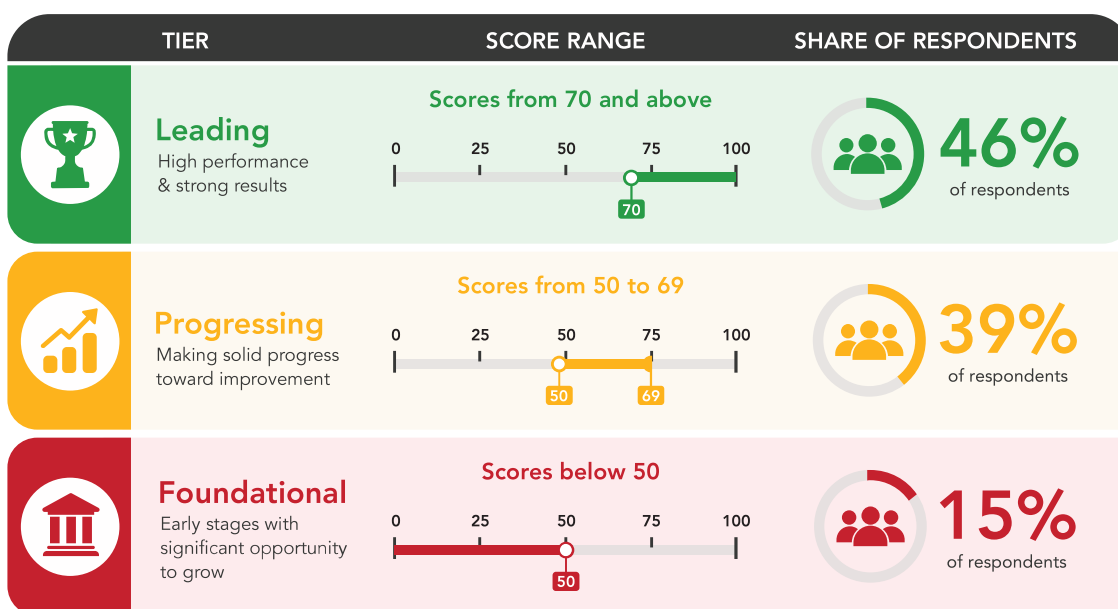


Figure 1. Assessment Tier Overview

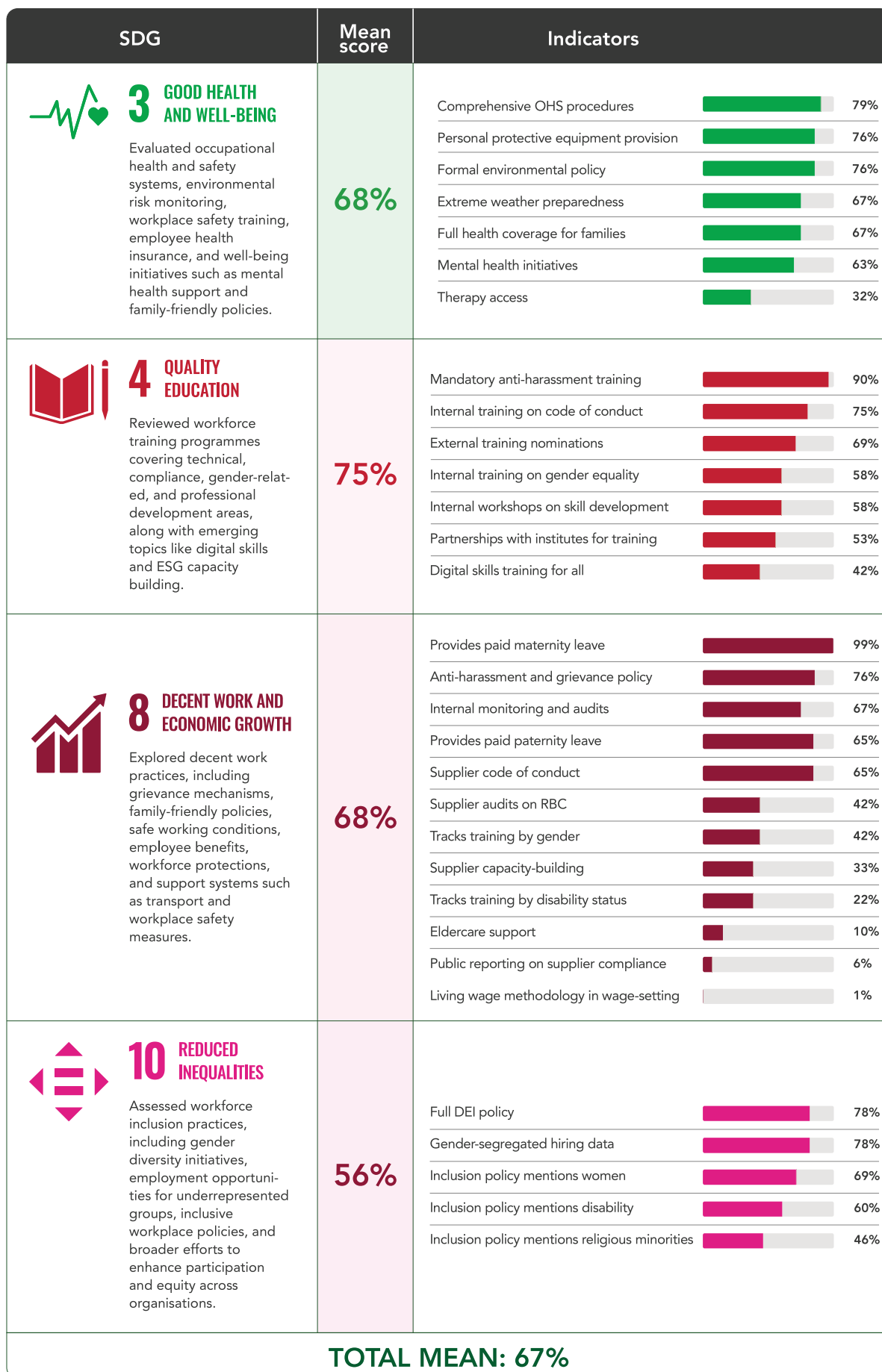


Figure 2. SDG Performance and Indicator Scores

FINDINGS AND RECOMMENDATIONS

The findings suggest that Pakistan's corporate sector has made meaningful progress in establishing the building blocks of responsible business practices. However, the transition from policy-driven approaches to outcome-driven systems remains incomplete. The findings can be divided into two types: cross-cutting themes and SDG contribution.

A. Cross-cutting themes

Policy vs Practice Gap

The findings suggest that while the foundation of policy frameworks is well established, the next phase of corporate maturity lies in strengthening execution, expanding accountability systems, and ensuring that commitments translate into measurable, real-world outcomes.



78% of companies have comprehensive DEI policies in place, reinforcing commitments to fair and inclusive workplaces.



over **TWO-THIRDS** of companies require codes of conduct from their suppliers, making supplier governance relatively strong.

However, a clear gap emerges between policy adoption and effective implementation.



While many companies set expectations through formal commitments, fewer follow through with robust monitoring mechanisms such as supplier audits, capacity building, or human rights due diligence.



Notably, a substantial proportion of firms either lack comprehensive risk assessments or limit them to internal operations, highlighting incomplete supply chain oversight.



Companies themselves attribute these shortcomings to capacity-related constraints, including limited resources and technical expertise, rather than a lack of intent.

Progress on health, safety, and training but gaps remain in future readiness.

Companies perform relatively well on foundational aspects of employee well-being and development. Most companies implement formal health and safety programs and offer employee health insurance. Furthermore, they train staff on workplace conduct and anti-harassment policies in line with regulatory standards. However, gaps remain in adopting best practices. Only 33% of companies provide mental health support and 43% offer digital skills training, leaving the workforce vulnerable to future risks in well-being and skills readiness.

Maturity patterns across companies

The findings indicate corporate sustainability maturity is uneven rather than linear. Companies that perform well in one area, such as having strong DEI policies or robust occupational health and safety systems, do not necessarily show similar progress in other domains, such as human rights due diligence or supply chain oversight. This inconsistency suggests that sustainability practices are often driven by external pressures, such as regulatory requirements from the Securities and Exchange Commission of Pakistan and sector-specific guidelines, such as the State Bank of Pakistan's frameworks, including Green Banking and Banking on Equality, or by internal leadership priorities, rather than a cohesive, enterprise-wide strategy. Additionally, maturity is not determined by company size, as even larger firms can lack comprehensive systems.



Overall, most companies are at a progressing stage, having moved beyond basic policy adoption but not yet achieving fully integrated, outcome-driven systems, highlighting that the next phase requires stronger implementation, measurable frameworks, and expanded accountability across value chains.

Decent work practices are established internally but weaker in supply chains.

Within their own operations, many companies have policies and processes for managing labour, including grievance mechanisms, family-friendly policies, and workplace protections. However, across supply chains, companies have limited oversight. While many companies require supplier codes of conduct, fewer conduct audits, provide capacity-building support or conduct human rights due diligence.

Inclusion efforts are growing, but outcomes remain uneven.

Most initiatives focus on gender, while disability and other underrepresented groups receive less attention. Few companies systematically track diversity outcomes or connect inclusion to leadership pipelines.

Sector Specific variations

In general, these are shaped by differences in:



**REGULATORY
EXPOSURE**



**MARKET
PRESSURES**



**SUPPLY CHAIN
COMPLEXITY**

Export-oriented sectors such as textiles show stronger implementation driven by international buyer requirements, while financial services demonstrate robust policy frameworks due to regulatory and investor pressure. The Energy and other manufacturing sectors prioritise safety and technical training, and domestically oriented sectors lag in extending practices beyond internal operations.



Across all sectors, a key gap is the limited investment in future-ready skills, particularly digital capabilities, underscoring the critical role of external accountability and evolving market expectations in driving more integrated and mature responsible business practices.

Local and Multinational Companies

Local and multinational companies exhibit distinct approaches to practice.

Multinationals lead on indicators driven by group reporting frameworks



SUPPLIER
AUDITS



DIGITAL
TRAINING



GENDER
DATA

Domestic companies lead on indicators driven by talent-market responsiveness



HYBRID
WORKING



FLEXIBLE
HOURS



EXTERNAL
PROFESSIONAL
TRAINING

B. Contribution to the SDGs

The SDG deep dives show that while companies in Pakistan have established strong foundations, implementation gaps persist across all four areas.



3 GOOD HEALTH AND WELL-BEING

Around **79%** of companies report formal OHS systems and **76%** have environmental policies,

yet only

21% provide access to therapy, indicating limited focus on long-term mental health support.



4 QUALITY EDUCATION

While training is widespread, with **94%** of companies conducting code of conduct training and over **70%** offering professional and external training opportunities,

only

42% provide digital skills training to all employees, highlighting gaps in future-ready capabilities.



8 DECENT WORK AND ECONOMIC GROWTH

The survey indicates that most companies have formal internal processes. **88%** of companies have grievance mechanisms, and **85%** offer maternity leave.

Yet supply chain accountability remains weak, with only

43% conducting supplier audits and **33%** building supplier capacity.



10 REDUCED INEQUALITIES

Regarding inclusion, **67%** of companies provide gender equality training, and **49%** offer disability inclusion training.

Fewer firms systematically track diversity outcomes or promote leadership pathways, indicating that inclusion efforts remain focused on policy and awareness rather than measurable structural change.

To move forward, companies can focus on looking inward. Policies should be audited for awareness, accessibility, and effectiveness. Human capital must also be prioritised at the board level, with strategies that integrate learning, inclusivity, and well-being alongside financial goals.

At a broader level, policy-makers, educators, and other stakeholders must work to drive corporate performance forward in three key areas:



• **Strengthening implementation and accountability** to ensure that companies move beyond policy adoption towards robust monitoring systems and transparent reporting.



• **Future-proofing the workforce** by expanding access to digital skills, technical training, and long-term workforce development.



• **Extending responsibility across value chains and inclusion agendas** by strengthening oversight across supply chains and embedding inclusive practices into hiring, leadership pipelines, and broader workforce systems.

ABBREVIATIONS

CERB	Centre for Excellence in Responsible Business
DEI	Diversity, Equity, and Inclusion
EHS	Environment, Health and Safety
ESG	Environmental, Social, and Governance
HRDD	Human Rights Due Diligence
ILO	International Labour Organization
OHS	Occupational Health and Safety
PBC	Pakistan Business Council
RBC	Responsible Business Conduct
SDGs	Sustainable Development Goals
SECP	Securities and Exchange Commission of Pakistan
TVET	Technical and Vocational Education and Training
UNICEF	United Nations International Children's Emergency Fund
WBCSD	World Business Council for Sustainable Development
WHO	World Health Organization

2. USING THIS REPORT

This report is designed as a practical resource for companies operating in Pakistan. It brings together data-driven insights, best practices, and priority action areas to support capacity building and peer learning. The research aims to establish a baseline of corporate social practice across Pakistan's large formal sector, diagnose the gap between policy adoption and operational implementation, and classify companies by maturity level, providing sector-specific guidance accordingly.


















SDG	RELEVANT TARGETS	AREAS COVERED
3 GOOD HEALTH AND WELL-BEING 	 3.8 (Access to healthcare)  3.9 (Reduce exposure to hazardous conditions)	 <p>Assessed occupational health and safety systems, environmental risk monitoring, workplace safety trainings, employee health insurance, and well-being initiatives, including mental health support and family-friendly policies.</p>
4 QUALITY EDUCATION 	 4.3 (Access to technical & vocational education)  4.4 (Skills for employment)	 <p>Examined workforce training programmes, including technical, compliance, gender-related, and professional development trainings, as well as emerging areas such as digital skills and ESG-related capacity building.</p>
8 DECENT WORK AND ECONOMIC GROWTH 	 8.5 (Decent work & equal pay)  8.7 (Labour rights)  8.8 (Safe working environments)	 <p>Explored decent work practices, including grievance mechanisms, family-friendly policies, safe working conditions, employee benefits, workforce protections, and support systems such as transport and workplace safety.</p>
10 REDUCED INEQUALITIES 	 10.2 (Social & economic inclusion)  10.3 (Equal opportunity)	 <p>Assessed workforce inclusion practices, including gender diversity initiatives, employment opportunities for underrepresented groups, inclusive workplace policies, and broader efforts to improve participation and equity within organizations.</p>

Figure 3. SDG Framework, Relevant Targets, and Areas Covered

The report is based on the data from the Creating Livelihoods Survey, which can be found in Appendix A. The survey questions were designed to align with relevant targets from the Sustainable Development Goals (SDGs), specifically SDG 3 (good health and well-being), SDG 4 (quality education), SDG 8 (decent work and economic growth), and SDG 10 (reduced inequalities). Overall, 72 companies provide a broad range of data on industries and organizational culture to complement the complexities of livelihood creation in Pakistan.

2.1 METHODOLOGY AND SAMPLE

The Creating Livelihoods Survey was conducted by CERB between October 2025 and January 2026, drawing seventy-two valid responses from companies operating in Pakistan. The survey instrument covered company demographics, employee health and well-being, employee education and training, decent work practices, workplace inclusion, supply chain conduct, human rights risk management, and environmental and climate resilience practices.

40 practice indicators were derived across the four SDG domains. Each company's score on each domain is the percentage of indicators present. The composite Maturity Index is the equal-weighted mean of the four domain scores. Tier classifications use cutoffs at 50% and 70%: Foundational below 50%, Progressing 50-69%, and Leading 70% and above. The full indicator list is set out in Appendix A.

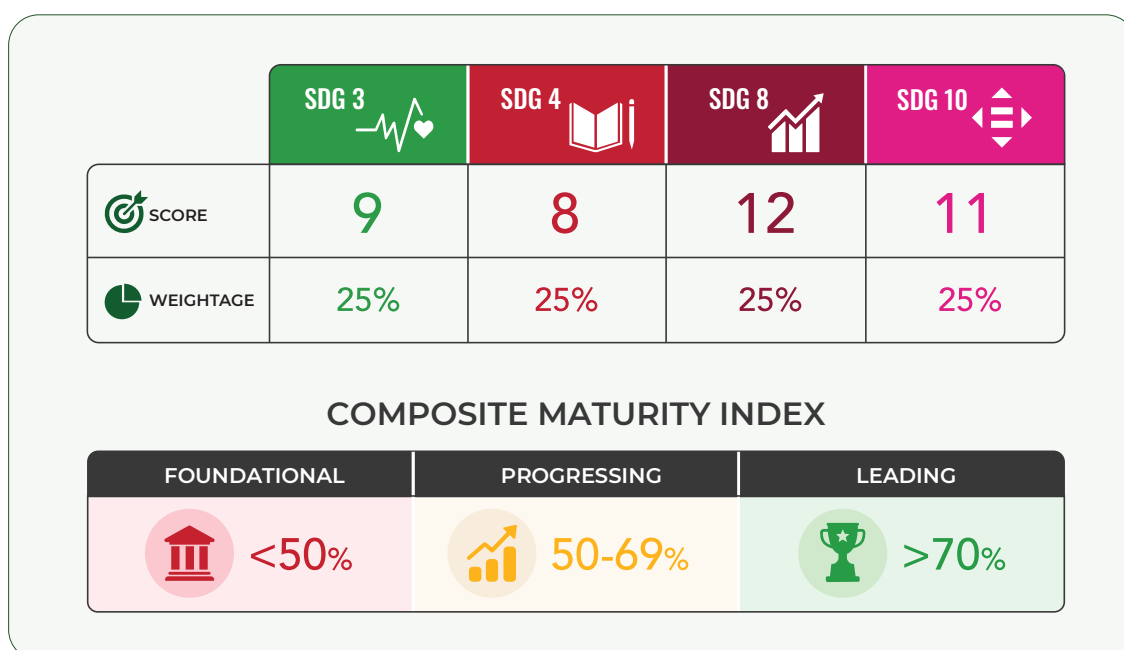


Figure 4. Composite Maturity Index Methodology

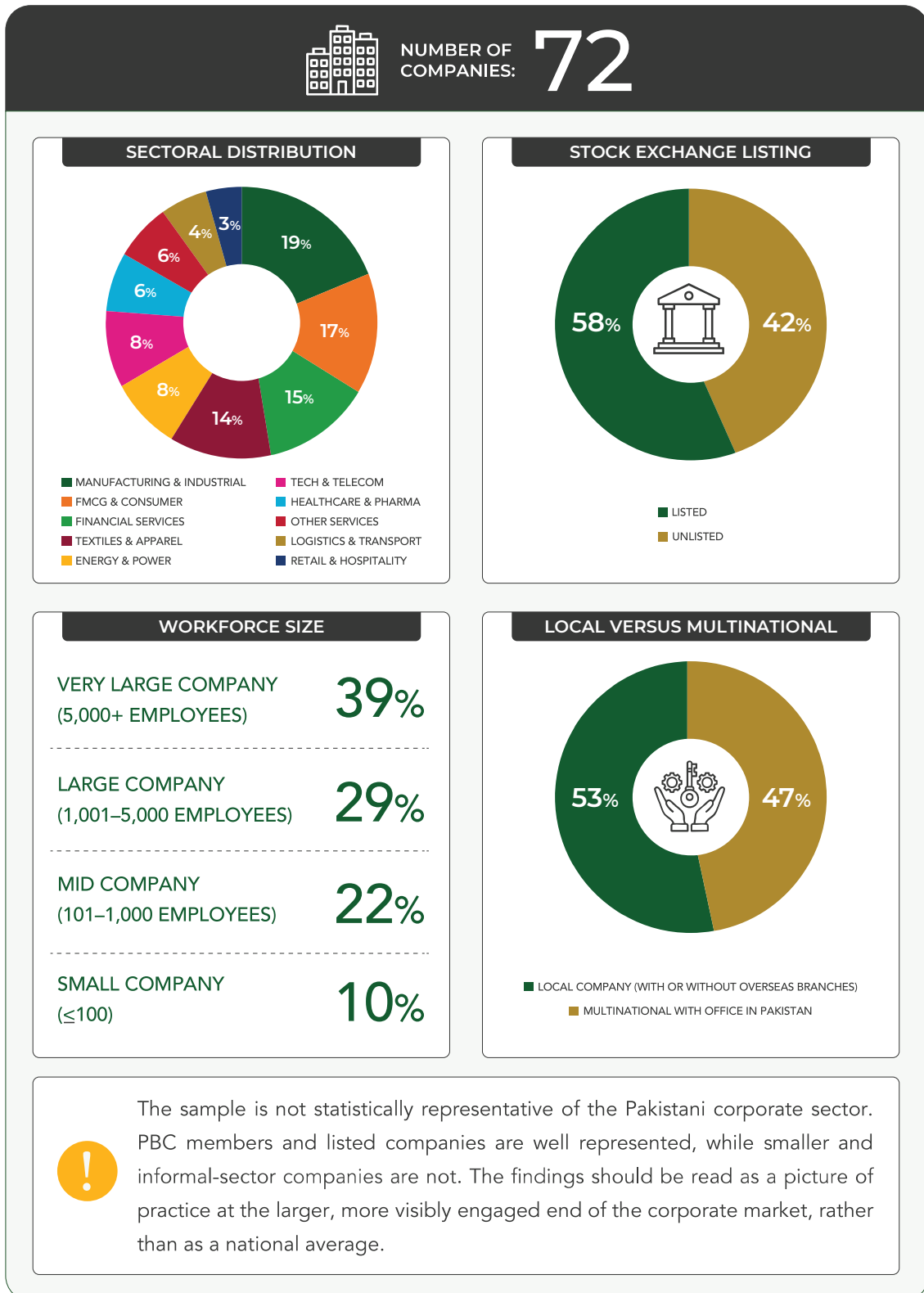


Figure 5. Characteristics of Respondent Companies

3. INTRODUCTION: UNDERSTANDING LIVELIHOODS

Economic growth or stagnation depends on the workforce's knowledge, health, and inclusion in productive activities. Human capital encompasses the knowledge, skills, health, and capabilities individuals develop throughout their lives and apply in their work. From a business standpoint, it is widely acknowledged in economic research as the key factor driving long-term productivity, innovation, and growth.

Globally, and across Pakistan's corporate sector, there is now a growing recognition that long-term business success is no longer driven by profit alone. Organisations are increasingly acknowledging the importance of human capital in advancing productivity. This requires employee well-being, inclusion, learning and development, and fair work practices to strengthen workforce resilience, improve retention, and build sustainable operations. Investing in people is now seen not only as a social responsibility, but also as a strategic business priority.

For those employed in the formal economy, the employer is the most powerful institution shaping their human capital after they leave school. The workplace plays a pivotal role in shaping human capital by determining which skills to invest in, the type of physical work environment, health protection, minimum or living wages, and the level of inclusivity. In this sense, corporate practice is human capital policy, implemented through procurement decisions, training budgets, and board-level strategies across the private sector. The International Labour Organisation's (ILO) concept of decent work links this to holistic outcomes from the employee perspective, guiding legal policy frameworks to include factors such as the quality of work, fair income, workplace safety, social protection, learning opportunities, and equality of treatment. In this sense, human capital can shape livelihood outcomes by influencing people's ability to live healthy, secure, and dignified lives, both inside and outside the workplace.

Investing in human capital is increasingly an international standard of responsibility to which companies operating in a globalised economy are held. The OECD's Responsible Business Conduct framework urges companies to align their activities with societal needs across global supply chains, covering human rights, labour, and the environment, among other areas. The United Nations Guiding Principles on Business and Human Rights (UNGPR) is a voluntary framework that guides companies in preventing and addressing human rights risks linked to business. Its three pillars, the state's duty to protect, corporate responsibility to respect, and access to remedy, define the complete accountability chain for corporate practices.

The three concepts guide companies but measuring progress holistically is vital. Linking corporate performance to the UN Sustainable Development Goals (SDGs) transforms isolated metrics or indicators into a universal language that fuels financial value, compliance, and resilience. With SDGs, companies can align performance to a country-level roadmap, which is guided by the overarching aim of the SDGs – signifying the ‘Leave No One Behind Agenda’ standing for an explicit commitment to eradicate poverty, end discrimination, and drastically reduce inequalities.

This broader perspective of human capital aligns closely with the SDGs, particularly SDG 3 (good health and well-being), SDG 4 (quality education), SDG 8 (decent work and economic growth), and SDG 10 (reduced inequalities). By focusing on specific metrics, companies can align progress on the SDGs. The United Nations Conference on Trade and Development (UNCTAD) has identified baseline metrics which apply universally to all entities, regardless of industry or size, providing a reliable reporting methodology that directly feeds into national assessments. The social pillar focuses on workforce safety, employee rights, demographic equality, and training frameworks. In addition, the GRI Guidelines have identified metrics that can feed into national assessments. By using these metrics, companies can measure and report on their performance.

The case for investing in the practices catalogued in this report extends well beyond corporate citizenship considerations. There are three channels through which workforce, training, supply chain, and inclusion practices translate into measurable business outcomes for Pakistani companies.



HUMAN CAPITAL

Pakistan's skilled mid-career workforce is increasingly addressable by foreign employers. Remote-first hiring by companies in the Gulf, Europe, North America, and Singapore has shifted the wage and benefits frontier upward for Pakistan's strongest engineering, financial, legal, and operational professionals. Companies that compete only on salary will find themselves losing ground. A fuller proposition includes career investment through external training and certifications, mental-health and wellness support, hybrid working, structured upskilling, and family-friendly policies that support returning parents. The training and family-friendly indicators in this report are, in this sense, retention indicators as much as employee-welfare indicators.

Pakistan is in the middle of a youth bulge that will define the workforce for the next two decades. Approximately sixty-four percent of the population is under the age of thirty (UNDP, Pakistan National Human Development Report 2017). Female labour force participation is approximately twenty-four percent (ILO modelled estimate, 2024), among the lowest rates in the region. These two facts together mean that companies most successful at converting young people, and particularly young women, into productive long-term employees will compound an advantage that companies relying on a narrowing pool of older male workers cannot. The youth pipeline indicators (paid internships, traineeships, apprenticeships) and the family-friendly indicators (childcare, transport, parental leave) are therefore as much workforce-strategy indicators as they are benefits indicators.



REGULATORY DEVELOPMENTS AND THE COST OF CAPITAL

Two regulatory shifts are now influencing the cost of capital for Pakistani companies. Domestically, the Securities and Exchange Commission of Pakistan's evolving sustainability disclosure framework requires listed issuers to report against a structured set of human capital, supply chain, and governance indicators, many of which map directly onto the practice indicators in this report. Internationally, the EU Corporate Sustainability Due Diligence Directive (Directive (EU) 2024/1760) imposes due-diligence obligations on European companies' value chains. Following amendments under the Omnibus I package in 2026, the Directive will apply to the largest in-scope companies from 26 July 2029, and indirectly to their global suppliers.

Pakistani companies that can answer the questions European counterparties will increasingly ask, including those about supplier audits, human-rights risk assessments, grievance mechanisms, and wage-setting at the bottom of the supply chain, will be better positioned in international trade and financing relationships. Building this capability while the requirements are still emerging is a structural advantage for companies thinking ahead.



THE DOMESTIC REGULATORY ENVIRONMENT

Pakistan's regulatory environment for labour, health and safety, harassment, anti-discrimination, parental leave, and sustainability disclosure has tightened materially since 2020. The Maternity and Paternity Leave Act 2023 introduced new federal floors for establishments under federal administrative control, alongside the existing provincial maternity benefits regimes that apply to most other employers. Provincial occupational safety regimes have been revised. The Protection Against Harassment of Women at the Workplace Act, as amended in 2022, requires every organisation to constitute an inquiry committee as the statutory grievance mechanism, and the Federal Ombudsman Secretariat for Protection Against Harassment at the Workplace (FOSPAAH) has expanded its oversight of compliance, including mandatory anti-harassment training. For listed companies, the SECP's adoption of IFRS S1 and S2 sustainability disclosure standards introduces a substantive new layer of reporting obligation, with the trajectory pointing toward tighter requirements over successive reporting cycles. These developments together create enforceable obligations that the corporate sector is in the process of working through. Companies that align practice with the applicable regulatory framework early reduce both the compliance lift required later and the reputational exposure that comes with being seen to lag the regulatory trajectory.

4. CROSS-CUTTING INSIGHTS: FROM POLICY TO PRACTICE

4.1 THE POLICY AND PRACTICE GAP

The survey findings show that most companies in Pakistan’s corporate sector have established formal policy frameworks across key areas of responsible business. However, these commitments are not consistently translated into operational practices. While policies signal intent, fewer companies have developed the systems required to implement, monitor, and measure. This gap is most visible in three areas: diversity and inclusion, supply chain governance, and human rights due diligence. Taken together, Figures 5, 6, and 7 show that many companies are in a transitional phase. They have moved beyond informal practices and adopted formal policies, but accountability mechanisms to translate commitments into measurable outcomes are still lacking.

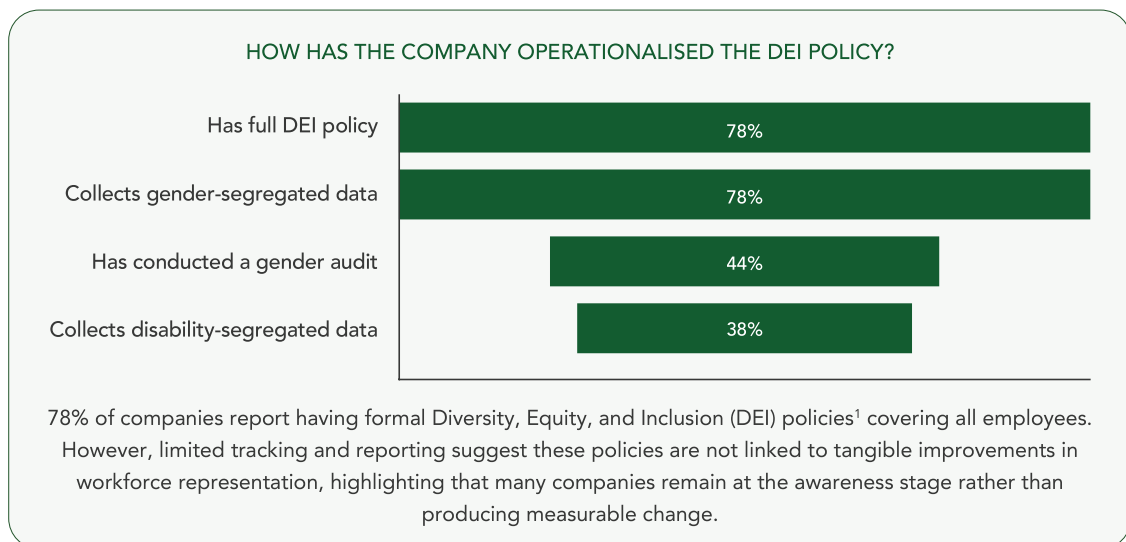


Figure 6. DEI Policy Operationalisation

¹DEI policies create fair, respectful, and inclusive work environments. They often include components such as equal opportunity in terms of hiring, training, and promotions, pay equity, and accommodation or flexibility for all employees, with a focus on disabilities or varied needs, for example, reduced work hours during pregnancy or sickness. These policies also include anti-harassment rules and training on unconscious biases. Overall, DEI policies shape the work culture and are extremely important for reducing systemic barriers.

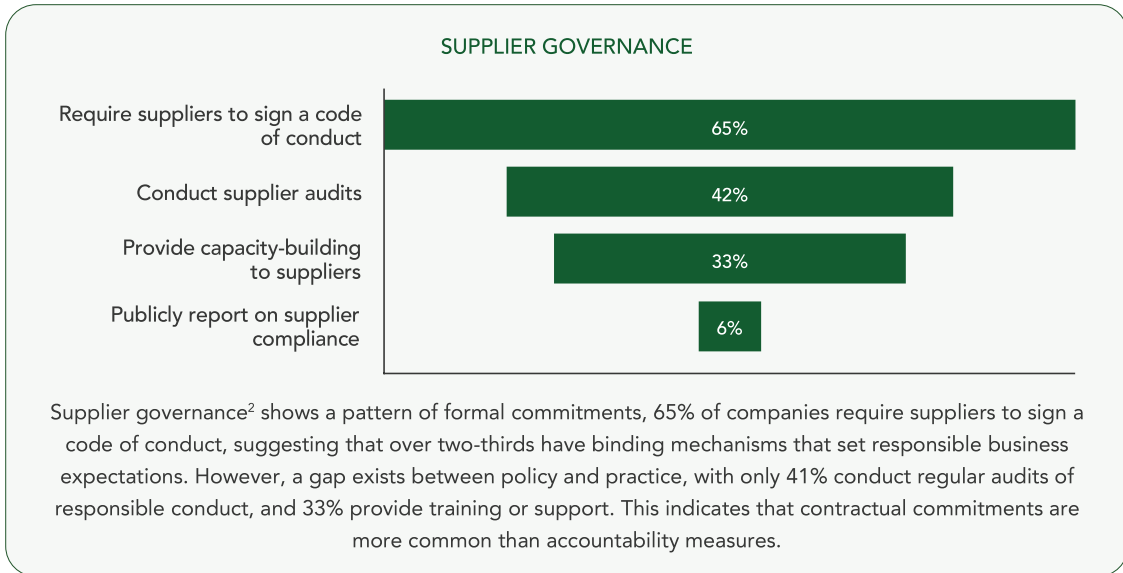


Figure 7. Supplier Governance Practices

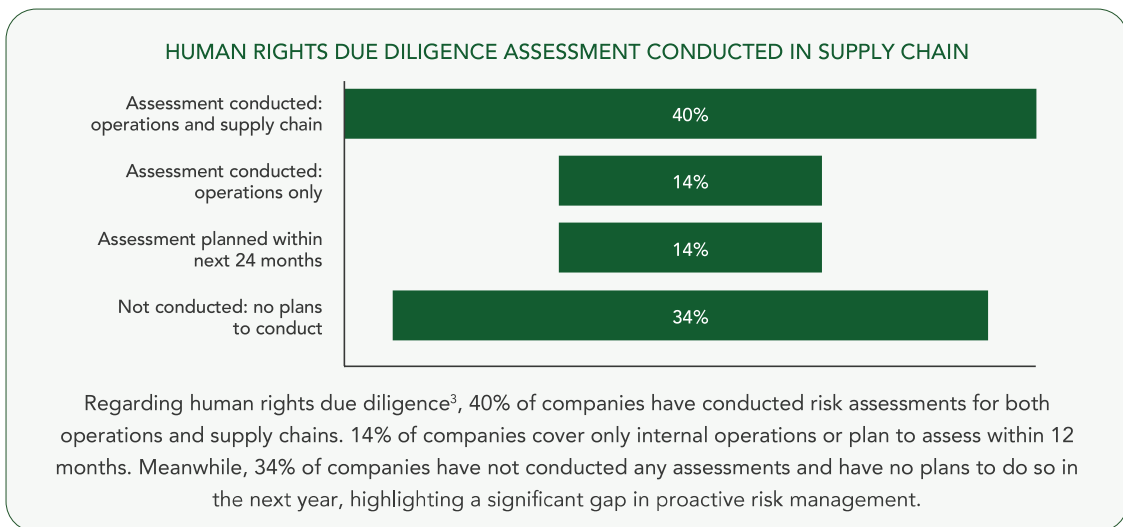


Figure 8. Human Rights Due Diligence Assessment Coverage

²Supplier Governance refers to the systems, policies, and processes an organization uses to manage, monitor, and oversee its suppliers. It ensures that suppliers comply with contractual requirements, ethical standards, legal regulations, sustainability expectations, and performance criteria. Strong supplier governance helps companies reduce risk, improve quality, enhance transparency, and align the supply chain with broader ESG and responsible business objectives.

³Human Rights Due Diligence (HRDD) refers to the ongoing process through which a company identifies, prevents, mitigates, and accounts for how it addresses actual and potential human rights impacts across its operations and value chain. It involves assessing risks, integrating findings into management systems, taking action to prevent or address harms, tracking the effectiveness of responses, and communicating transparently with stakeholders. HRDD is a core expectation of the UN Guiding Principles on Business and Human Rights (UNGPs) and is increasingly being mandated by global regulations.

4.2 MATURITY PATTERNS ACROSS COMPANIES

The average score across the 72 companies is 67%, with individual scores ranging from 13% to 95%. Most companies cluster in the middle to upper part of the index. A smaller group sits at the foundational end, where there is the most room for development.

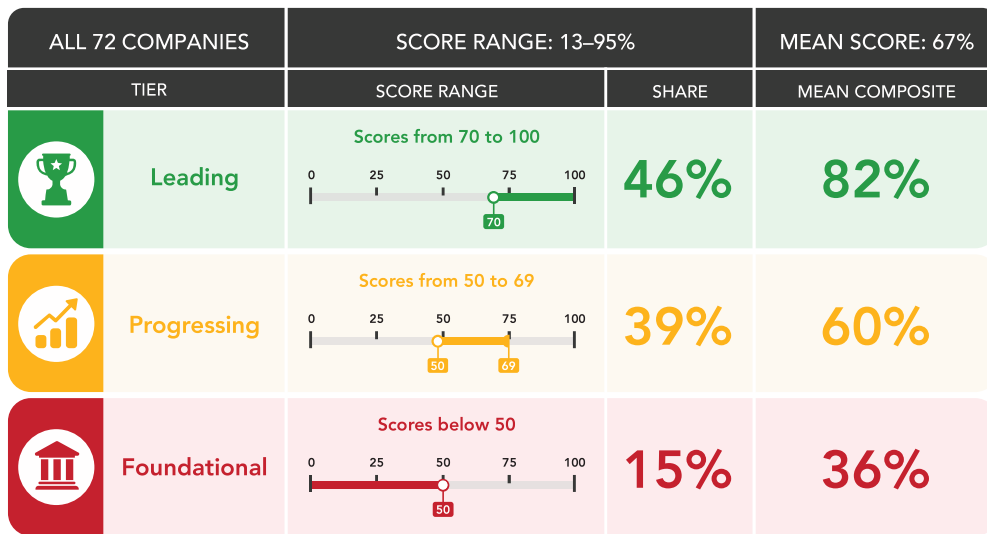
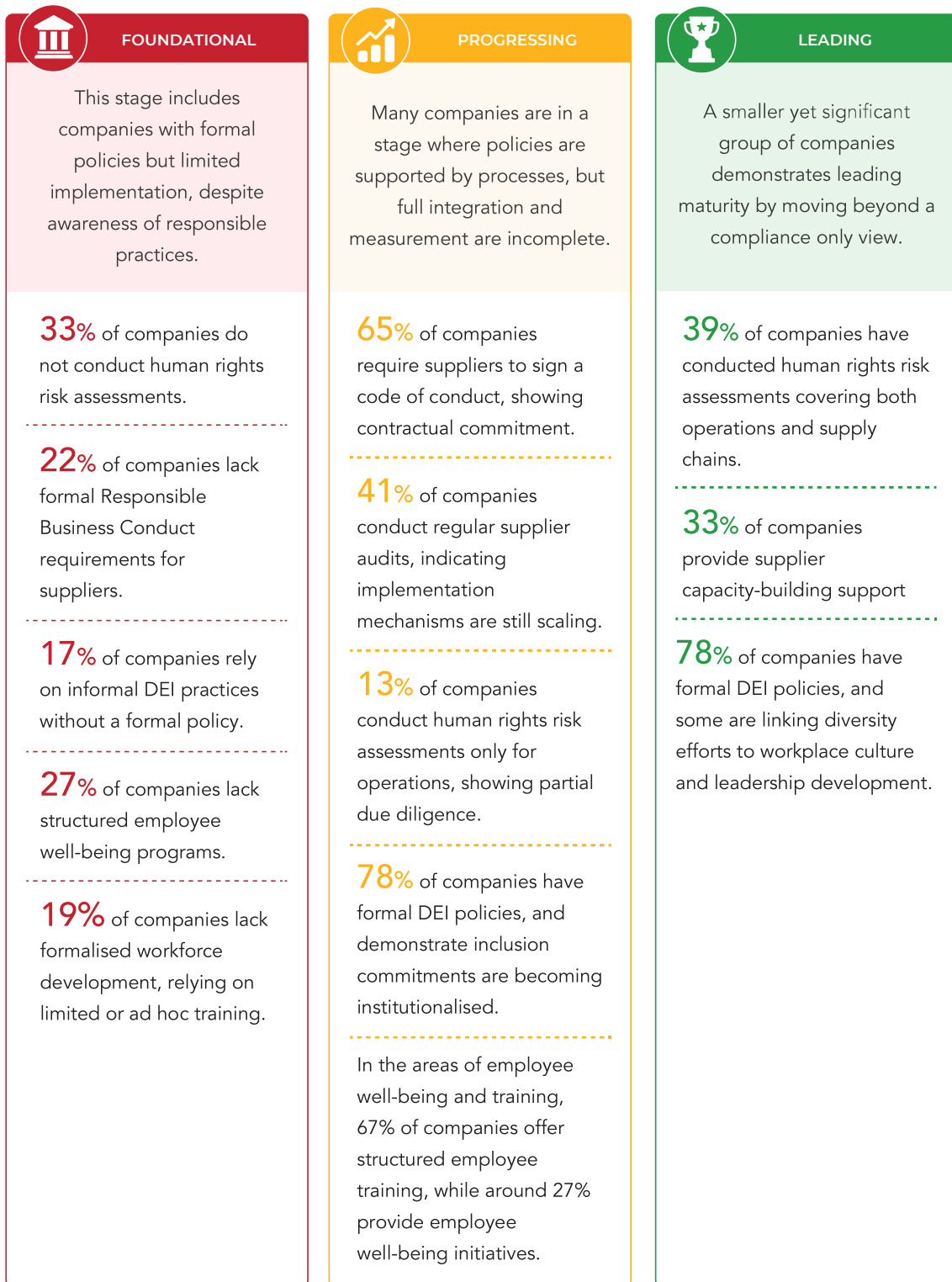


Figure 9. Maturity Tier Distribution



An important insight is that maturity is non-linear. Strong performance in one area doesn't mean equivalent maturity elsewhere. For example, a company might have a DEI policy but not conduct a human rights risk assessment. Data also shows some companies have strong occupational health and safety systems but lack structured value-chain oversight.

This unevenness indicates that sustainability practices often evolve in response to regulatory pressure, such as SECP guidelines for listed companies⁴, sector norms such as Green Banking and Banking on Equality guidelines from the State Bank of Pakistan⁵, or leadership priorities, rather than through a fully integrated strategy. Moreover, it is essential to note that maturity does not rely solely on size. The data showed that some large firms lack comprehensive policies and systems.

Among the 72 companies, the corporate sector mainly operates at an intermediate maturity level. Most have moved past basic policy adoption but haven't fully integrated outcome-driven systems. The challenge is shifting from policy creation to improving implementation, embedding measurable systems, and extending accountability across value chains.

4.3 SECTORAL PATTERNS

The survey findings reveal notable differences in how responsible business conduct is adopted across sectors. While policy commitments are relatively widespread across the corporate landscape, the level of implementation and integration varies significantly depending on industry structure, regulatory exposure, and supply chain complexity.

External pressure from international buyers drives stronger implementation in gender training, labour standards, and supplier compliance. Sectors like textiles and apparel, with strong links to global value chains, show higher adoption of responsible business. These companies face international buyer demands, audits, and sustainability reports, speeding up policies on labor standards, supplier conduct, and inclusion. They also engage more in gender and compliance training aligned with buyer and international standards.

⁴The Securities and Exchange Commission of Pakistan (SECP) promotes Diversity, Equity, and Inclusion (DEI) by mandating at least one female director on boards, encouraging gender disaggregated reporting, removing administrative barriers for women, and proposing stronger board-level oversight of DEI and ESG matters. Recent reforms also enable gender-focused financial products and allow companies to establish dedicated sustainability committees that include female representation, reinforcing SECP's commitment to equitable and inclusive corporate governance.

⁵The State Bank of Pakistan promotes responsible and inclusive finance through its Green Banking Guidelines and Banking on Equality framework. The Green Banking Guidelines require banks to integrate environmental and social risk management, support green financing, and reduce their own carbon footprint. Meanwhile, the Banking on Equality policy aims to close the gender gap in financial inclusion by encouraging women-friendly products, gender disaggregated data, women champions at customer touchpoints, and increased female representation in the financial sector.

Regulatory and investor pressure is driving stronger policy formalisation and ESG integration in the financial and corporate sectors. Companies in the financial services sector, a major survey group, demonstrated advanced governance approaches. Regulatory oversight, governance requirements, and ESG disclosure have encouraged formal policies on diversity, ethics, and employee well-being. These firms also prioritize structured HR systems, well-being initiatives, and professional development.

High-risk sectors focus more on safety and training than on supply chain and ESG systems. In sectors such as energy, power, and infrastructure, responsible practices often focus on safety, training, and capacity building. Due to operational risks and specialised skills, companies focus on health and safety, employee well-being, and technical training. However, supply chain oversight may be less developed than in export industries with complex global value chains. By contrast, sectors with more domestic operations or fragmented supplier ecosystems often show slower progress in translating policy commitments into operational practices. In these sectors, responsible business initiatives may exist but are more likely to remain internally focused rather than extending across supply chains or broader workforce ecosystems.

Across sectors, a key cross-cutting gap is the limited focus on future-oriented skills, particularly digital and technological training, which remains underdeveloped despite increasing automation and the growing relevance of ESG reporting requirements.

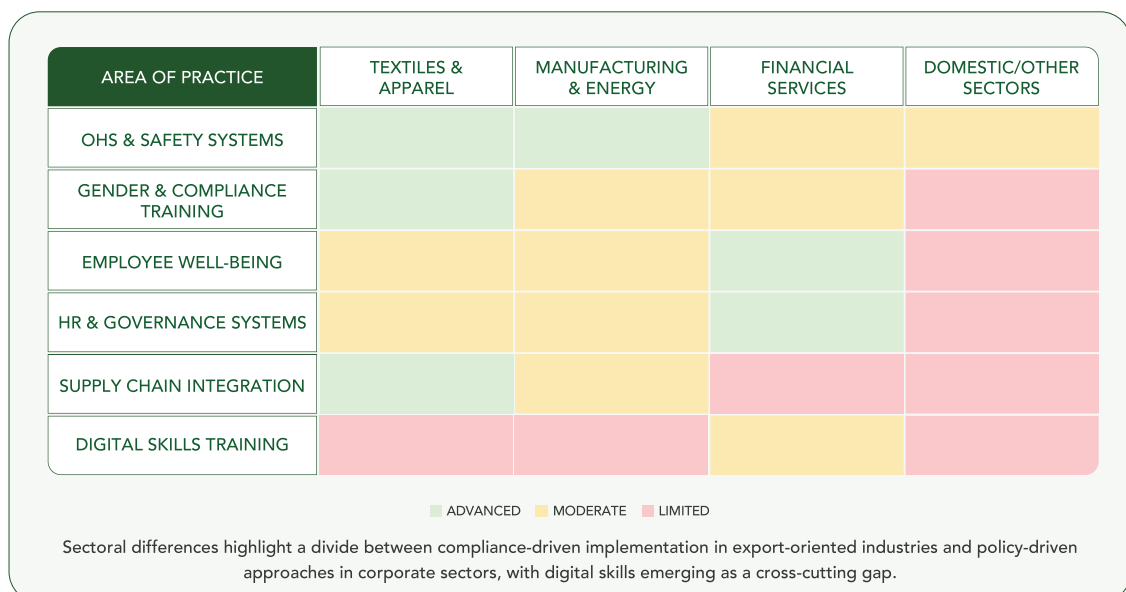


Figure 9. Sectoral Maturity Comparison by Area of Practice

4.4 LISTED AND UNLISTED COMPANIES

Listed companies outperform unlisted companies on disclosure-adjacent indicators, where regulatory reporting expectations require performance. Interestingly, unlisted companies lead on a small number of indicators, where management discretion under concentrated ownership tends to move faster than formal processes at listed companies.

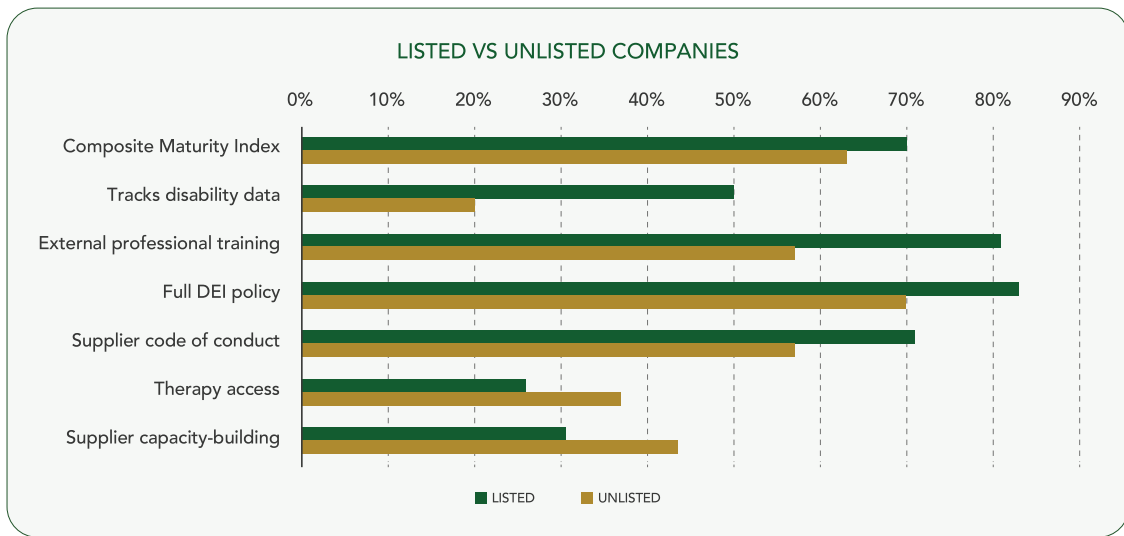


Figure 10. Listed vs Unlisted Company Performance

4.5 MULTINATIONAL VS LOCAL COMPANIES

Both multinational and local companies have scored 67%. However, a closer analysis of specific indicators shows that multinational firms generally excel in practices mandated by group reporting frameworks. In contrast, local companies tend to be more proactive in practices that directly address the local talent market.

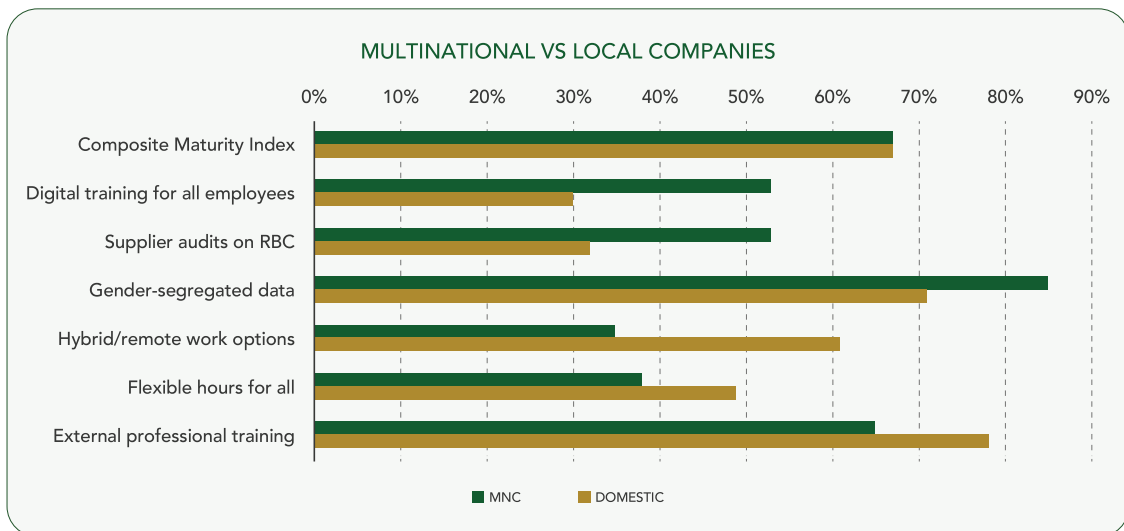


Figure 11. Multinational vs Domestic Company Performance

5. SDG DEEP DIVES

5.1 SDG 3: GOOD HEALTH & WELL-BEING

A. What the Survey Explored



SDG 3 focuses on ensuring healthy lives and promoting well-being for all. Within the corporate context, this extends beyond healthcare access to include safe working environments, occupational health protections, and workplace policies that support the overall well-being of employees.

Dimensions Explored

Environmental, Health, & Safety Systems

Companies were asked about the presence of Environmental, Health, and Safety (EHS) monitoring systems, including mechanisms for tracking workplace incidents, managing occupational risks, and ensuring compliance with safety regulations. The survey also examined whether companies monitor environmental discharges and operational impacts that could affect workers' health and surrounding communities.

Workplace Safety Training & Risk Management

To understand how companies prevent workplace incidents, the survey examined whether organisations provide safety training programmes, risk assessments, and structured safety protocols for employees and their suppliers.

Employee Well-being & Mental Health Support

Recognising the growing importance of psychological well-being, the survey assessed whether companies provide mental health support mechanisms, such as counselling services, employee assistance programmes, stress management initiatives, or broader employee wellness programmes to their employees and their families, as well as the supply chain.

Family Friendly Policies & Employee Benefits

The section also explored whether companies offer workplace policies that support employee well-being beyond immediate health concerns. This includes the provision of family-friendly policies⁶ such as paid leave, flexible work arrangements, caregivers' leave, and employee benefits designed to support work-life balance and overall well-being.

Together, these dimensions provide insights into how companies are approaching employee health not only as a matter of compliance and safety, but also as an important component of decent work practices that support livelihoods in Pakistan.

⁶Family friendly policies are workplace measures that help employees balance work responsibilities with family needs. These policies typically provide support through time, financial resources, and services such as:

• Paid parental leave • Flexible work arrangements • Breastfeeding breaks • Affordable, quality childcare • Social protection measures

These policies strengthen employee well being, productivity, gender equality, and business performance. Read more on CERB's website: <https://cerb.pbc.org.pk/family-friendly-policies/>

B. What the Data Shows



- Strong compliance with formal Occupational Health and Safety (79%) and PPE provision (76%).
- Only 32% of companies provide therapy or counselling, and just 7% offer all three types of support—physical, mental, and wellness.
- Mental health support is mainly delivered through ad hoc campaigns rather than structured programmes.

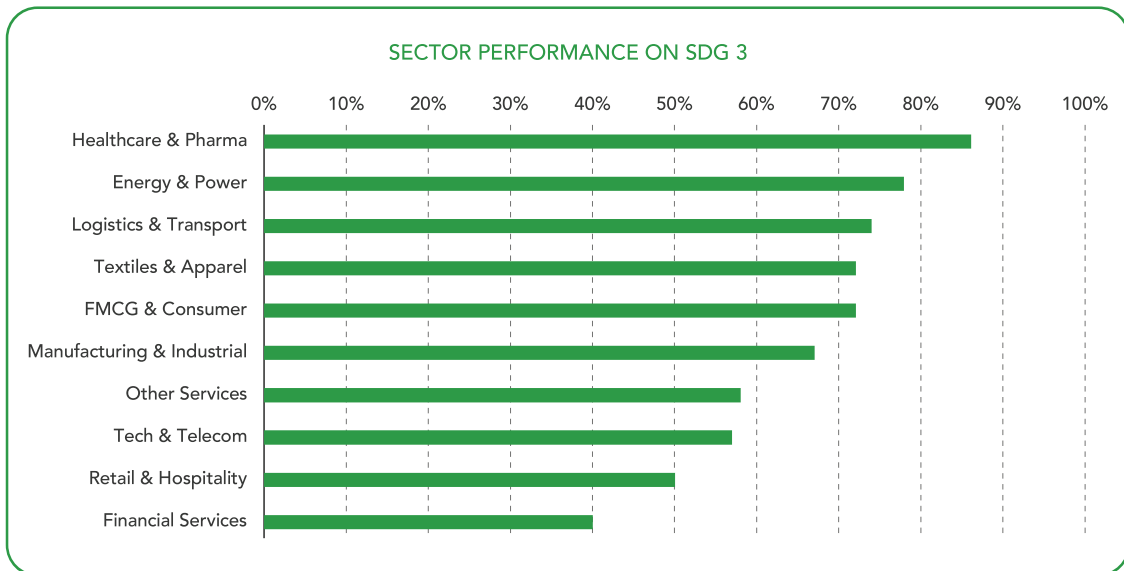


Figure 12. Sector Performance on SDG 3

PRACTICE INDICATORS	%
Comprehensive OHS procedures with risk assessments	79%
Personal protective equipment provision	76%
Formal environmental policy	76%
Full health coverage for employees and families	67%
Extreme weather preparedness protocols	67%
Mental health and well-being initiatives	63%
Regular health and safety training	61%
First aid training and emergency response plans	60%
Therapy or counselling access for employees	32%

The performance of Occupational Health and Safety (OHS) measures varies across sectors, with the industrial, manufacturing, and energy sectors leading due to stricter regulations and stronger safety cultures. Office-based sectors like financial services tend to score lower, reflecting a focus mainly on physical hazards. However, as workplace wellness expands to include ergonomic, mental health, and safety considerations, tailored frameworks are necessary.

In Pakistan, mental health initiatives are still developing, with only 32% of companies offering therapy or counselling, though international best practices suggest integrating mental health into broader wellness programs. Additionally, around 67% of companies are prepared for extreme weather events, suggesting a gap between OHS and disaster planning. Taken together, extreme weather risks need to be embedded into formal OHS systems.

Access to healthcare is a key part of employee well-being. While 80% of companies provide some form of health insurance, only 56% offer comprehensive physical coverage, indicating that healthcare benefits are becoming more widespread in corporate practices. This trend is especially significant in Pakistan, where private healthcare usage is the norm. Furthermore, if the well-being parameter is looked at holistically, in terms of companies which offer comprehensive physical and mental health counselling, only 7% of companies offer all three benefits.

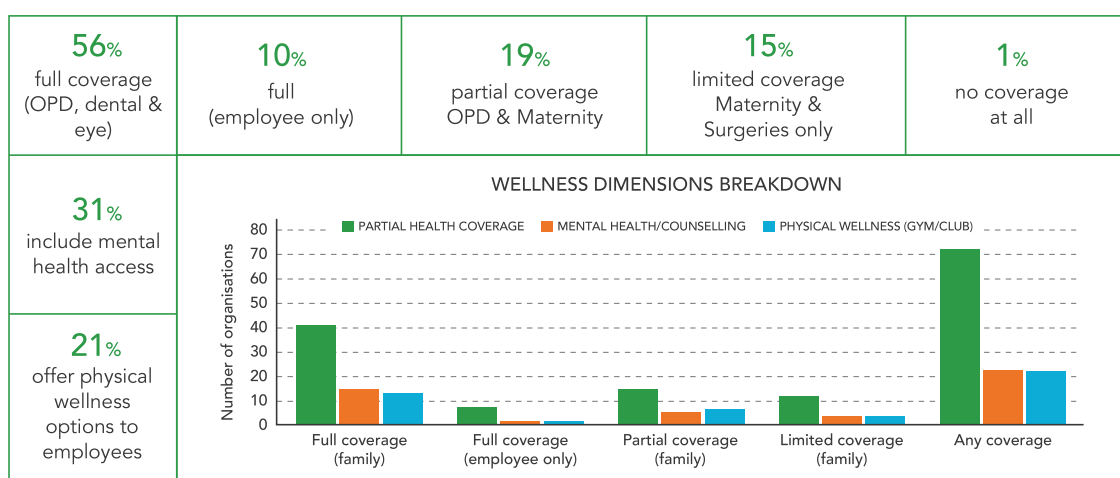


Figure 13. Wellness Dimensions Breakdown and Health Coverage Among Respondents

Level of Maturity

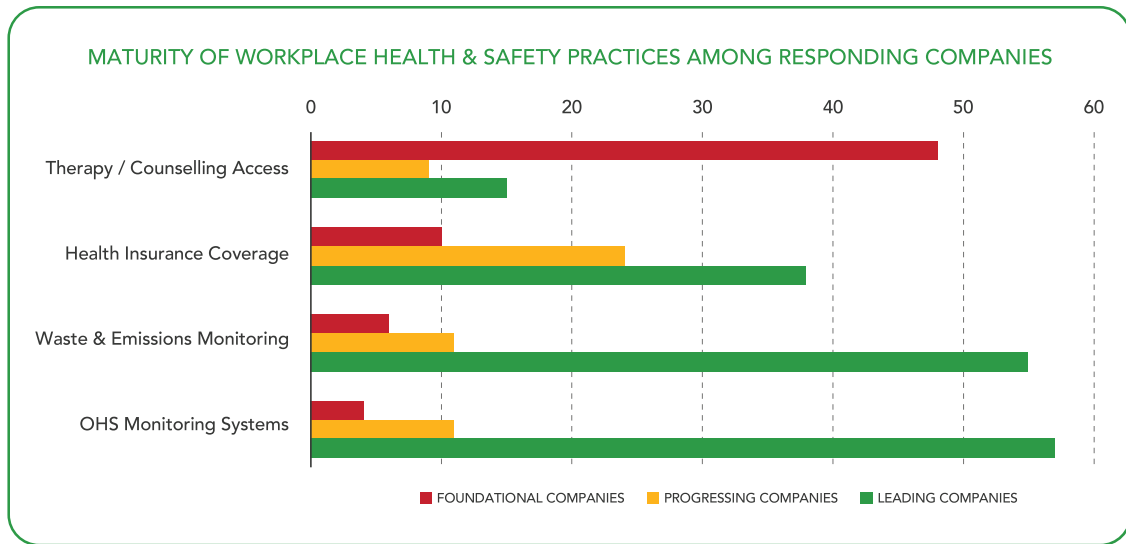





Figure 14. Maturity of Workplace Health and Safety Practices

Analysing data from companies with only a foundational policy, those with a policy and a monitoring framework, or those that publicly report data reveals that while many have basic health and safety systems in place, significant gaps persist between their policy commitments and full implementation. Closing these gaps is essential for enhancing workplace well-being throughout Pakistan’s corporate sector.

C. Gaps and Action Areas

Taken together, these findings suggest that Pakistan's corporate sector has made meaningful progress in establishing workplace safety governance frameworks, particularly in areas such as occupational health and safety systems and employee benefits. However, the next phase of progress will likely depend on strengthening implementation mechanisms, monitoring systems, and value chain accountability, particularly in areas such as mental health, environmental risk monitoring, and supply chain safety standards.

		
<p>EXPANDING MENTAL HEALTH SUPPORT SYSTEMS</p>	<p>INSTITUTIONALISING WELL-BEING WITHIN WORKFORCE STRATEGIES</p>	<p>STRENGTHENING ENVIRONMENTAL HEALTH MONITORING</p>
<p>Many organisations focus on health campaigns, wellness activities, or occasional programmes rather than on structured mental health support.</p>	<p>Companies can improve by embedding well-being across HR policies, leadership development, and employee engagement. Integrating these into broader strategies helps ensure consistency, measurability, and alignment with long-term goals.</p>	<p>Although 76% of companies have formal waste and emissions policies, 15% recognise environmental impacts but lack monitoring systems. Implementing structured environmental monitoring can improve understanding of risks to employees and communities. Improving these systems and promoting transparent reporting can foster safer, more sustainable workplaces.</p>



RECOMMENDED BEST PRACTICES

The World Health Organization (WHO) and the International Labour Organization (ILO) highlight that workplace health strategies should go beyond mere compliance with safety regulations. They advocate for integrated frameworks that focus on overall health and well-being, combining occupational safety with mental health support, preventive care, and environmental risk surveillance. Top companies showcase the adoption of comprehensive risk management systems that address physical, chemical, and psychosocial⁷ hazards, supported by ongoing monitoring and mechanisms that encourage worker participation.

Moreover, WHO and ILO guidance highlights that mental health should be institutionalised through manager training, early identification systems, and access to confidential support services, rather than through one-off well-being initiatives. Progressing or foundational companies must extend health considerations across the value chain, requiring suppliers to adopt workplace health standards and monitoring systems, recognising that operational and supply chain activities directly affect worker health outcomes.

⁷Psychosocial hazards are workplace factors that can harm mental and emotional well-being. They arise from how work is designed, organized, or socially managed. They are a key concern in EHS and linked to SDG 3



ACTIONS FOR COMPANIES

1. Review parental leave policies to ensure they align with statutory requirements.
2. Implement eldercare support as an official workplace policy.
3. Incorporate climate resilience measures for outdoor and field workers into Occupational Health and Safety (OHS) frameworks.

COMMON DISCLOSURE REQUIREMENTS FOR SDG 3

Companies can use the GRI Guidelines and the UNGC to support SDG-aligned reporting, helping them track and communicate these efforts.

GRI DISCLOSURE	PILLAR	INDICATOR/TOPIC
GRI 403-1	S	Occupational health & safety management system
GRI 403-2	S	Hazard identification, risk assessment, & incident investigation
GRI 403-5	S	Worker training on occupational health & safety
GRI 403-9	S	Work-related injuries (TRIR, LTIFR, fatality rate)
GRI 403-10	S	Work-related ill health & occupational disease rates
GRI 306-1	E	Waste generation & hazardous waste management
GRI 303-2	E	Water quality & management of water-related impacts
GRI 413-1	S	Community health programmes & local impact assessments

Figure 15. Common Disclosure Requirements for SDG 3

References:

(www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_protect/%40protrav/%40safework/documents/publication/wcms_856976.pdf)

(<https://blueprint.unglobalcompact.org/sdgs/sdg03/>)

(<https://www.who.int/activities/promoting-healthy-safe-and-resilient-workplaces-for-all>)

5.2 SDG 4: SKILLS, LEARNING & EMPLOYABILITY

A. What the Survey Explored



SDG 4 focuses on ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all. Within the corporate context, this goal is closely linked to workforce development, employee training, and the creation of learning opportunities that enhance workers’ skills and long-term employability. The survey explored how companies support employee learning and skills development across several key areas.

Dimensions Explored

Employee Training & Professional Development

Companies were asked whether they provide structured training programmes designed to build employees’ professional and technical skills. This includes internal training initiatives, leadership development programmes, and opportunities for employees to participate in external courses or certifications.

Learning & Career Development Opportunities

The survey also examined whether organizations offer structured career development pathways for employees. This includes mentorship programmes, leadership pipelines, and systems that support internal promotions and long-term career progression.

Training on Responsible Business Practices

Recognising the growing importance of responsible business conduct⁸, the survey explored whether companies provide training on topics such as environmental responsibility, workplace ethics, diversity and inclusion, and responsible supply chain practices.

Capacity Building Beyond the Workplace

Companies were also asked whether they engage in initiatives that extend learning opportunities beyond their internal workforce. This includes internships, partnerships with educational institutions, vocational training programmes, and skills development initiatives that support youth employment or community development.

⁸Responsible Business Conduct (RBC) refers to how companies operate ethically and responsibly to minimise harm and contribute to social, environmental, and economic well-being.

These practices are guided by global frameworks such as the OECD Guidelines for Multinational Enterprises, which promote responsible behaviour in areas like human rights, labor, environment, and anti-corruption.

OECD Guidelines: https://www.oecd.org/en/publications/oecd-due-diligence-guidance-for-responsible-business-conduct_15f5f4b3-en.html

B. What the Data Shows



- 94% conduct code of conduct training; anti-harassment training is nearly universal.
- Digital skills training reaches only 42%, the biggest future gap, driven by AI and automation.
- Only 44% support long-term education like certifications or university courses.

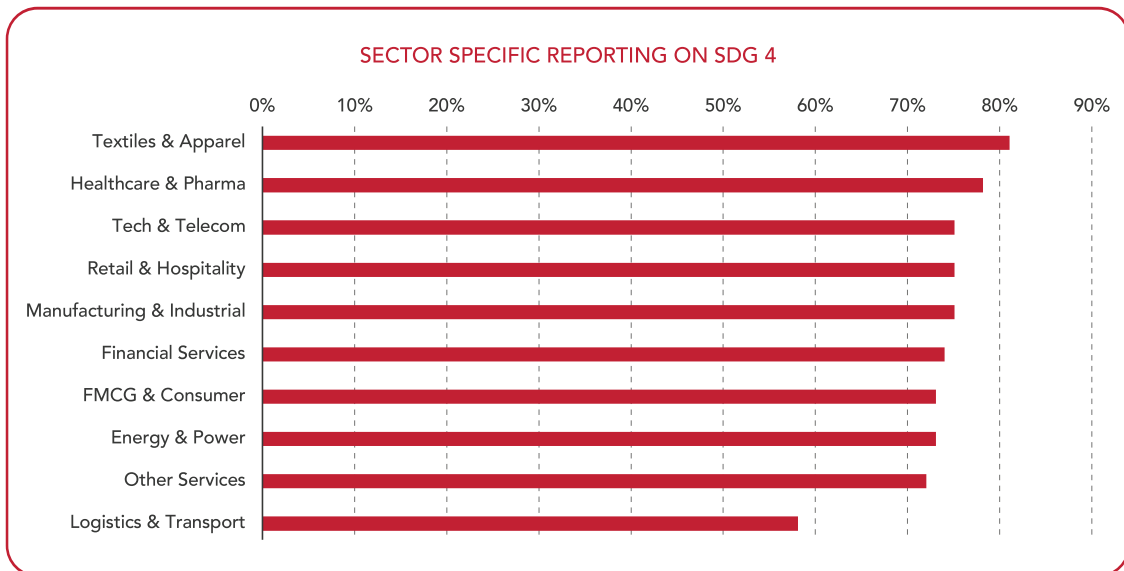


Figure 16. Sector-Specific Reporting on SDG 4

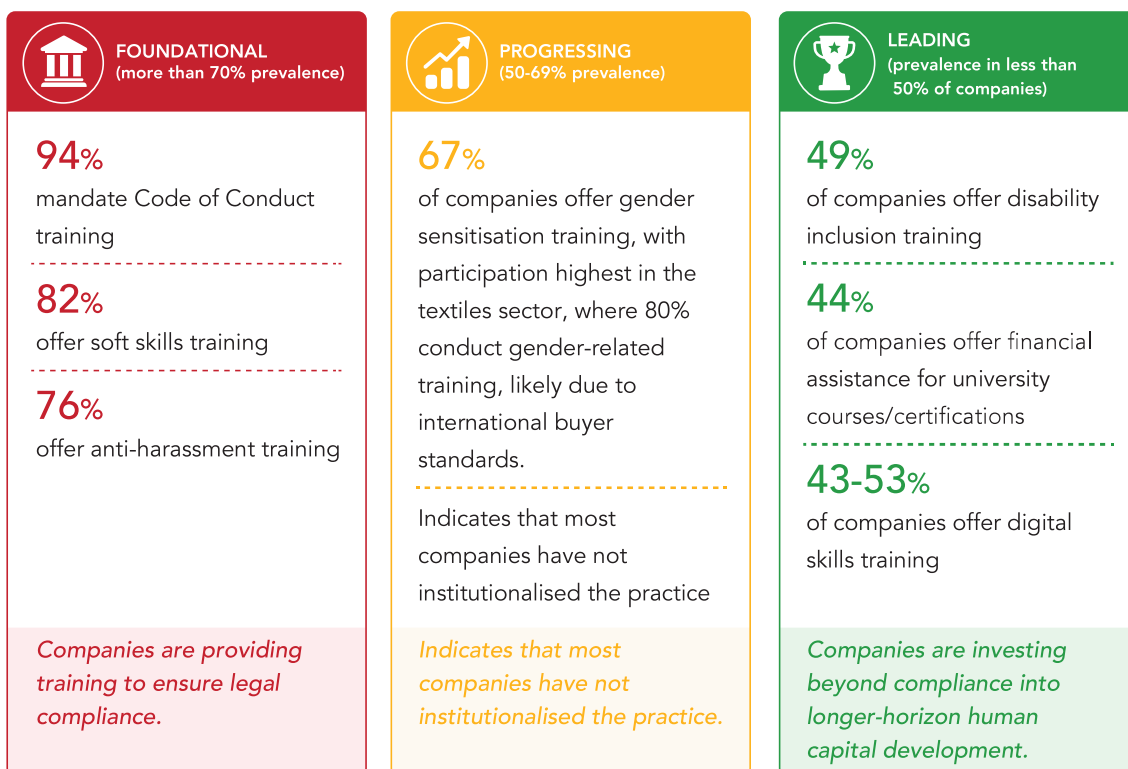
PRACTICE INDICATORS	%
Mandatory training on anti-harassment	90%
Mandatory training on code of conduct	75%
External training nominations	69%
Mandatory training on gender equality	58%
Internal workshops on skill development	58%
Partnerships with institutes for training	53%
Digital skills training for all employees	42%
Tracks training participation by gender	42%



Figure 17. Training for Upskilling Underrepresented Groups

Figure 18. Tracking Training and Development Hours

The survey results reveal that companies in general prioritise training and workforce development. When asked about the training options provided, 94% have mandatory internal training on their code of conduct, and 76% offer anti-harassment training, often driven by Pakistan's legal requirement. Furthermore, soft skills training is common: 82% cover communication, teamwork, and leadership and 74% host internal workshops to build skills. 76% of companies send employees to external training and conferences, 58% institute partnerships, while only 44% offer financial assistance for university training and courses.



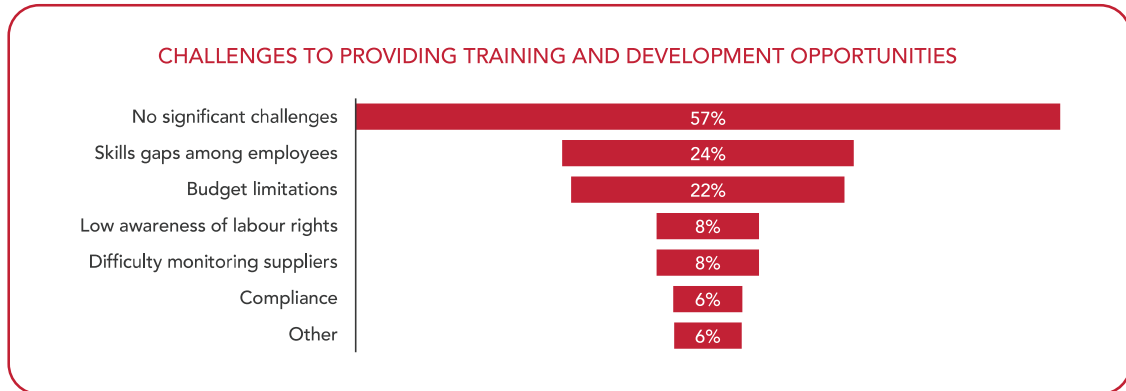


Figure 19. Barriers to Expanding Workforce Training

C. Gaps and Action Areas

While many companies have established training programmes and professional development opportunities, the data also highlights several areas where workforce development efforts can be strengthened. Addressing these gaps will be important for ensuring that corporate training initiatives support long-term skills development and workforce resilience.



EXPANDING DIGITAL SKILLS DEVELOPMENT

The survey reveals a gap in digital skills development, 52% of companies offer basic training to all employees, 44% to select staff, and some not at all. As automation and AI reshape workplaces, limited digital training could lead to future skills gaps. Expanding digital literacy programs and making training accessible is essential for workforce adaptation.



STRENGTHENING INCLUSION-FOCUSED TRAINING

The survey shows some companies are implementing diversity and inclusion training, but adoption is uneven. 67% of companies offer gender equality training; however, this is more concentrated in banks and textiles, as there is a push for compliance from regulators or buyers. Furthermore, only 48% report disability inclusion training. DEI sensitization training is essential to create inclusive workplaces.



SUPPORTING LONG-TERM EDUCATION & SKILLS DEVELOPMENT

44% of companies provide long-term workforce education. Many offer short-term training, but few support certifications or university courses. Expanding access to these could enhance skills and support long-term careers.



RECOMMENDED BEST PRACTICES

The International Labour Organisation and World Bank emphasise that workforce development must shift toward lifelong learning systems aligned with labour market demand, particularly in response to digital transformation and automation.

Global best practice involves industry-aligned training systems (TVET) that are demand-driven, regularly updated, and co-developed with employers to reduce skills mismatches. A key priority for companies should be integrating digital technologies, AI, and transferable skills (e.g., problem-solving, adaptability) into training programmes, ensuring workers remain employable in rapidly evolving labour markets.

Best practice also emphasises inclusive training systems, particularly for women and underserved groups, by addressing barriers such as cost, mobility, and access to information, and by embedding gender-responsive design in training delivery. Moreover, it is essential to track training hours in disaggregated ways, such as by gender, disability status, and role within the company, to help organisations understand who has equitable access to professional development opportunities and to identify any gaps that may require targeted interventions.



ACTIONS FOR COMPANIES

1. Establish board-level oversight of human capital (includes workforce skills strategy)
2. Introduce structured digital and future skills training programmes for all employee levels
3. Establish partnerships with academic institutions and TVET providers for workforce development pipelines

COMMON DISCLOSURE REQUIREMENTS FOR SDG 4

Companies can use the GRI Guidelines and the UNGC to support SDG-aligned reporting, helping them track and communicate these efforts.

GRI DISCLOSURE	PILLAR	INDICATOR/TOPIC
GRI 404-1	S	Average training hours per employee per year
GRI 404-2	S	Programmes for upgrading employee skills & transition assistance
GRI 404-3	S	Percentage of employees receiving regular performance reviews
GRI 413-1	S	Community education access & partnership programmes
GRI 205-2	G	Ethics & anti-corruption training coverage
GRI 2-23	G	Policy commitments (incl. workforce development strategy)

Figure 20. Common Disclosure Requirements for SDG 4

References:

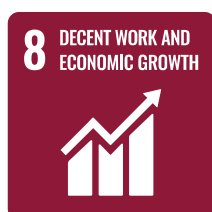
(<https://digitalforwomen.worldbank.org/training-skills-information>)

(<https://www.unesco.org/en/articles/new-report-unesco-world-bank-and-ilo-says-technical-and-vocational-education-and-training-must>)

(<https://ilostat.ilo.org/ilo-data-highlights-need-for-disability-disaggregated-labour-force-surveys-and-investment-in-data-systems/>)

5.3 SDG 8: DECENT WORK & ECONOMIC GROWTH

A. What the Survey Explored



SDG 8 focuses on promoting sustained, inclusive, and sustainable economic growth, productive employment, and decent work for all. Within the corporate context, this goal is closely linked to fair labour practices, responsible supply chains, and employment conditions that support workers' rights, safety, and economic security.

Together, these areas provide insights into how companies contribute to promoting decent work and responsible employment practices within Pakistan's corporate sector.

Dimensions Explored

Labour Standards & Workplace Governance

The survey examined if companies have formal policies and governance to promote fair labour practices, including codes of conduct, anti-harassment policies, and systems for ethical behaviour and compliance.

Worker Voice & Grievance Mechanisms

The survey examined whether companies have formal grievance mechanisms, which allow workers to report concerns like harassment, discrimination, or rights violations and ensure complaints are addressed systematically.

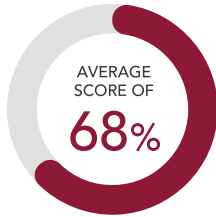
Family-Friendly Workplace Policies

The survey also checked if companies have policies supporting employees' work-life balance and caregiving, like parental leave, flexible hours, childcare support, and other family-friendly policies to help employees balance work and personal life.

Responsible Supply Chain Practices

Companies were asked if they require their suppliers to follow codes of conduct, undergo supplier audits, or participate in training and capacity-building initiatives to improve labour standards among their suppliers.

B. What the Data Shows



- Maternity leave coverage is nearly universal (99%).
- Grievance mechanisms are common but only 39% conduct social audits.
- Supply chain accountability is weak: supplier audits (42%) and capacity-building (33%).
- Living wage adoption is virtually absent (1%)

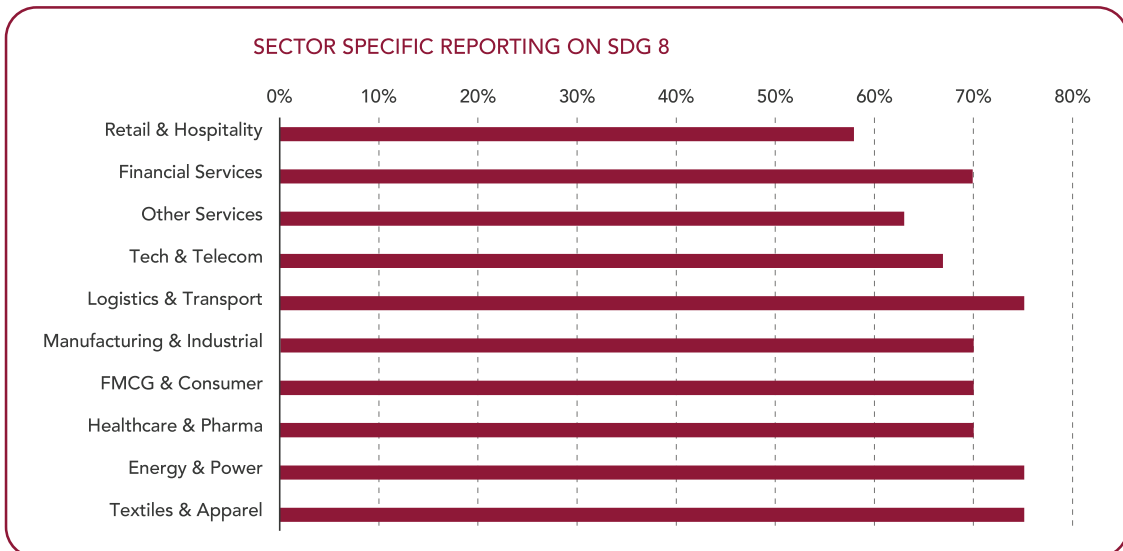


Figure 21. Sector-Specific Reporting on SDG 8

PRACTICE INDICATORS	%
Provides paid maternity leave	99%
Anti-harassment and grievance policy	76%
Grievance mechanism for all employees	74%
Regular internal monitoring and audits	67%
Provides paid paternity leave	65%
Supplier code of conduct	65%
Supports upskilling for vulnerable groups	61%
Supplier audits on RBC issues	42%
Supplier capacity-building	33%
Eldercare support	10%
Public reporting on supplier compliance	6%
Living wage methodology in wage-setting	1%

The survey findings indicate that many companies have established internal policies and governance mechanisms that support decent work within their organisations. These include workplace codes of conduct, grievance mechanisms, family-friendly policies, and responsible supply chain practices.

Internal labour governance appears relatively well established among the responding companies. A large majority report having formal workplace policies for anti-harassment, grievances, hiring, and health and safety. These policies are generally required either by regulation or by industry norms and investor expectations. The SECP requires all listed companies to disclose gender pay gap data in their annual reports, and the data reveal that companies are reporting it.

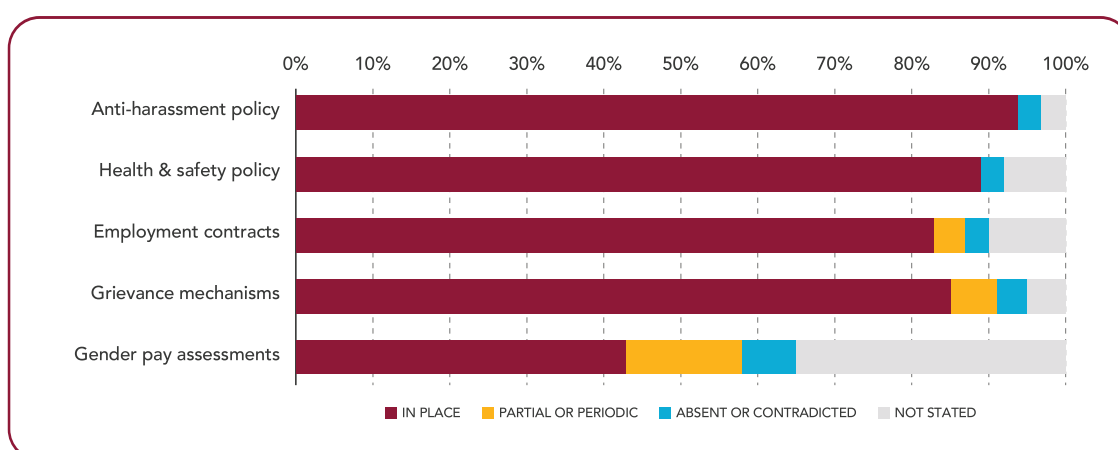







Figure 22. Family-Friendly Workplace Policy Adoption

CATEGORY	BENEFITS	ADOPTION
 LEAVE ENTITLEMENTS	Paid maternity leave, paid paternity leave, gender-neutral parental leave, paid adoption leave, compassionate leave, eldercare leave	10 – 97%
 FLEXIBLE WORKING	Flexible hours, hybrid or remote work, compressed work weeks	9 – 65%
 CARE GIVING	On-site childcare, subsidised childcare, partnerships with providers, lactation room	10 – 35%
 WELLBEING & SUPPORT	EAP, wellness or mental health programmes	18 – 32%
 RETURN TO WORK	Phased return-to-work, career re-entry programmes, written family-friendly policy	25 – 28%

Family-friendly workplace policies are common. 43% of companies offer flexible hours to all employees, with 28% offering it to some departments. Hybrid and remote work follow similar patterns. Childcare support and subsidised transport are often provided, especially for women. Extending these benefits to all employees, especially childcare, promotes fair distribution of caregiving and supports parental leave goals.

Wage-setting across the responding companies is primarily market-driven, with the large majority using benchmarking against prevailing pay rates, often combined with internal job grading. The legal minimum wage serves as a floor for a significant minority, though only a small number rely on it as their sole reference point. Living-wage calculations remain a minority practice, adopted by fewer than one in five companies. As cost-of-living pressures intensify and international procurement standards increasingly reference living-wage benchmarks, this gap is likely to attract greater scrutiny from buyers, investors, and employees in the years ahead.

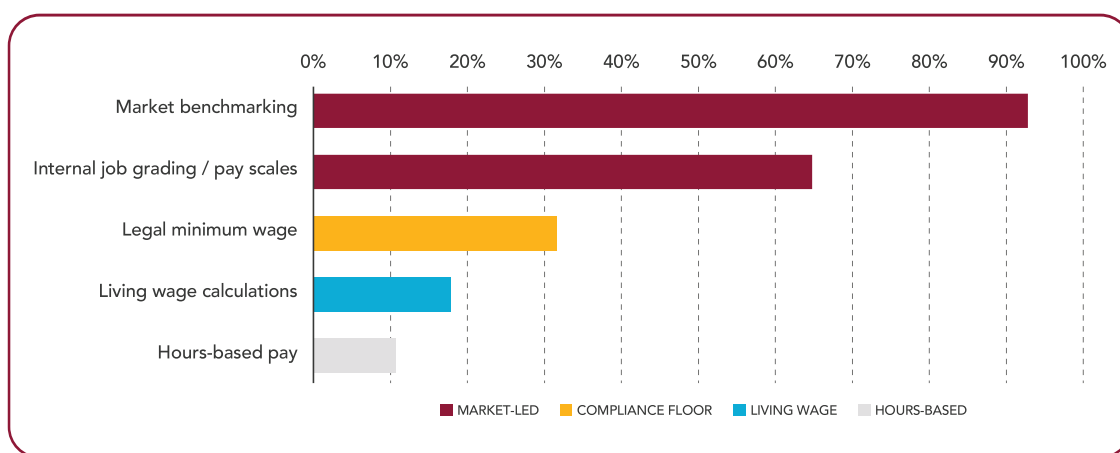


Figure 23. Wage-Setting Methodologies Among Respondents

When asked how companies guarantee the effective implementation of workplace policies, 93% indicated they have an internal review process, and roughly half also rely on third-party verification. Nonetheless, a gap persists in reviewing policies and practices. Only 39% of companies conduct social audits, covering areas like gender and accessibility, while 14% plan to introduce such audits, and 22% do not have any social audit practices in place.

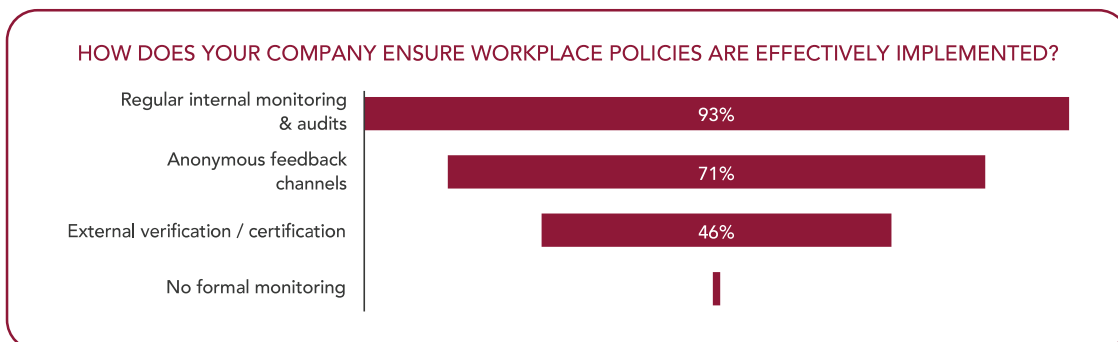


Figure 24. How Companies Implement Workplace Policies

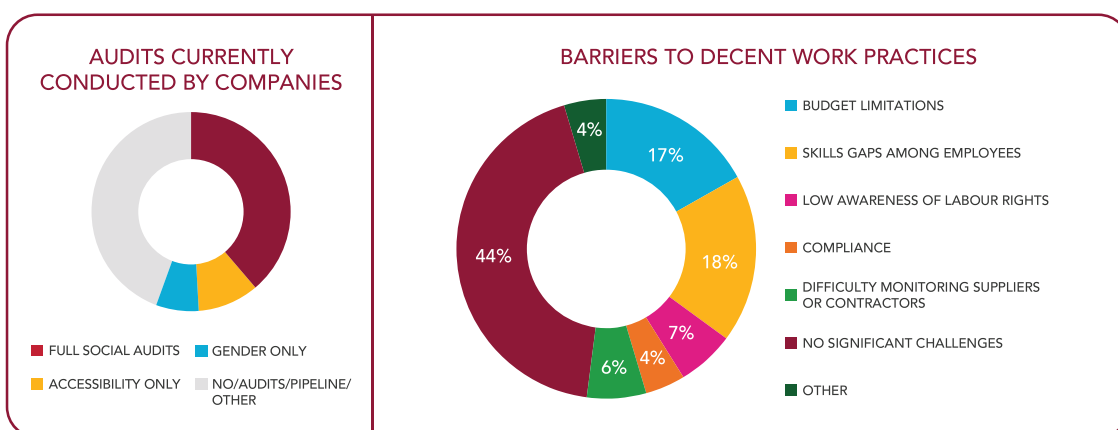


Figure 25. Audits Currently Conducted by Companies

Figure 26. Barriers to Decent Work Practices

At the same time, companies report several operational challenges that affect the implementation of workplace policies and decent work initiatives. Among the responding companies, 44% report facing no major barriers to implementing labour and workplace policies, while others highlight practical constraints such as limited budgets for implementing workplace initiatives and challenges related to employee participation or engagement.

Regarding supply chain improvements, 65% of companies require suppliers to follow codes of conduct, but fewer have systems in place to monitor compliance. Only 43% audit suppliers, and 33% offer training or capacity-building. Furthermore, only 20% of companies currently undertake due diligence on human rights practices in the supply chain. This gap shows that while companies communicate responsible labour practices, their monitoring and enforcement remain underdeveloped. Enhancing engagement, auditing, and training can help ensure decent work standards across value chains.

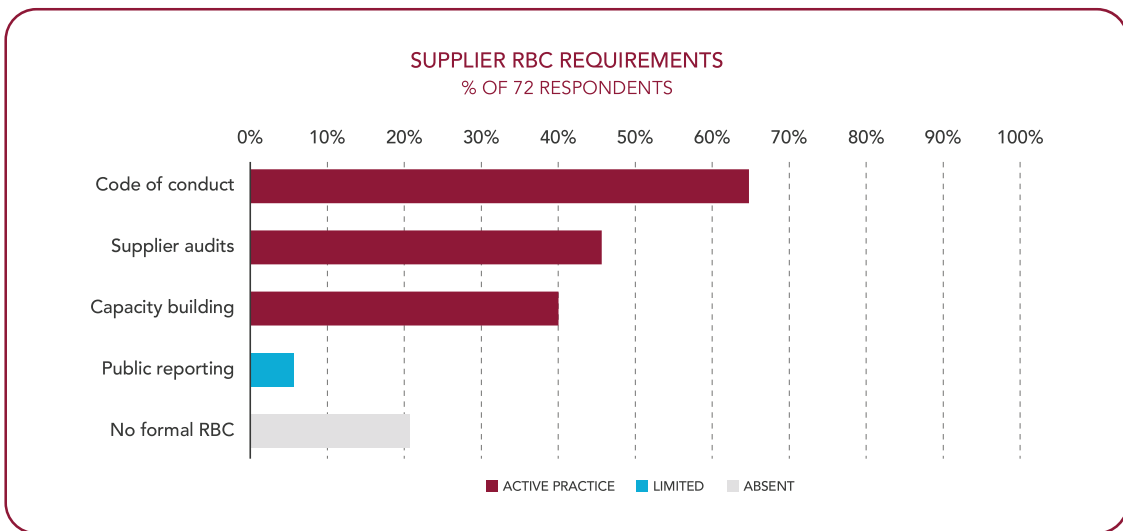


Figure 27. Supplier RBC Requirements

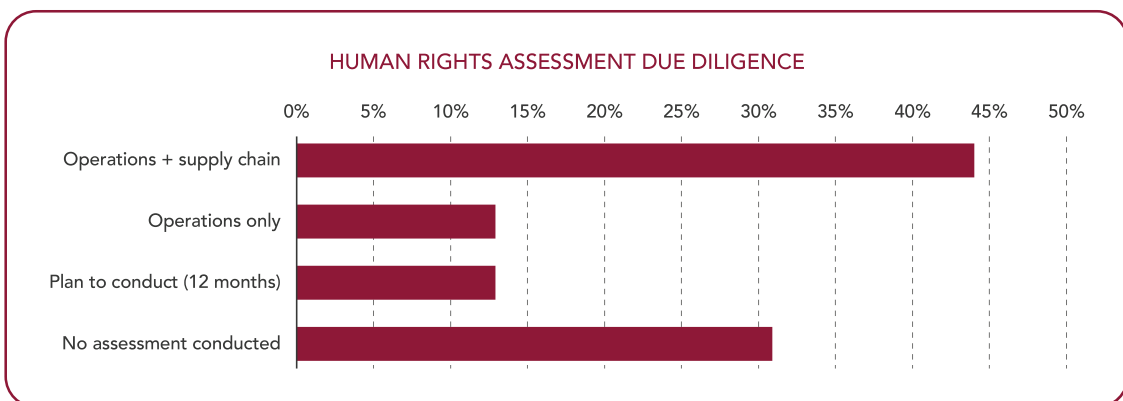


Figure 28. Human Rights Due Diligence Assessment Coverage

C. Gaps and Action Areas

While the survey findings indicate that many companies have established internal policies related to decent work, the data also highlights several areas where implementation and coverage can be strengthened.



STRENGTHENING GRIEVANCE MECHANISMS

Although 56% of companies have formal grievance systems, many rely on informal processes or lack structured reporting.

Strengthening confidential mechanisms and transparency can build trust and accountability.



ADDRESSING STRUCTURAL BARRIERS TO WOMEN'S WORKFORCE PARTICIPATION

Only 43% of companies offer transport for all employees, and 35% for women; such support is rare. Expanding safe commuting could improve workforce participation, especially in areas with poor transit.



STRENGTHENING SUPPLY CHAIN LABOUR STANDARDS

While 65% of companies require suppliers to follow codes of conduct, only 43% conduct audits, and 33% offer training or support. This gap indicates that supplier monitoring remains underdeveloped. Strengthening supplier engagement programmes, audit systems, and training initiatives can help companies ensure that decent work standards are upheld throughout their value chains.



RECOMMENDED BEST PRACTICES

Moving forward, companies can strengthen their contributions to decent work by focusing on effective implementation of monitoring systems and inclusive workplace policies that address structural barriers to workforce participation is essential. According to the ILO, decent work involves fair wages, safe conditions, social protection, and worker voice, supported by enforceable standards and grievance systems.

Best practices require companies to implement robust mechanisms like grievance redressal, worker representation, and compliance monitoring. Family-friendly policies, such as flexible work, childcare, and caregiving support, are vital, especially in Pakistan, where female labour participation is low. Companies should adopt human rights due diligence, including supplier audits, capacity building, and stakeholder engagement, rather than relying solely on codes of conduct.



ACTIONS FOR COMPANIES

1. Issue a supplier code of conduct
2. Conduct a human rights risk assessment
3. Develop a supplier audit cycle
4. Develop a documented living wage methodology
5. Extend supply chain audits to include capacity-building and disclosure

COMMON DISCLOSURE REQUIREMENTS FOR SDG 8

GRI DISCLOSURE	PILLAR	INDICATOR/TOPIC
GRI 401-1	S	New employee hires & employee turnover rate
GRI 401-2	S	Benefits provided to full-time vs part-time employees
GRI 402-1	S	Minimum notice period for operational changes (labour rights)
GRI 407-1	S	Freedom of association & collective bargaining risk areas
GRI 408-1	S	Operations at risk for child labour
GRI 409-1	S	Operations at risk for forced or compulsory labour
GRI 204-1	G	Proportion of spending on local suppliers

Figure 29. Common Disclosure Requirements for SDG 8

References:

(<https://www.unesco.org/en/articles/new-report-unesco-world-bank-and-ilo-says-technical-and-vocational-education-and-training-must>)

(<https://www.unicef.org/documents/family-friendly-policies-redesigning-workplace-future>)

(<https://unglobalcompact.org/what-is-gc/our-work/social/labour>)

5.4 SDG 10: INCLUSION & REDUCED INEQUALITIES

A. What the Survey Explored



Goal 10 focuses on reducing inequalities and promoting inclusive participation in economic and social life. Within the corporate context, this includes efforts to create equitable employment opportunities, promote diversity and inclusion within the workforce, and ensure that marginalised groups have access to meaningful economic participation.

Dimensions Explored

Workforce Diversity & Inclusion

Companies were asked about initiatives promoting diversity and inclusion in the workplace, including programmes to boost participation of women and underrepresented groups, and policies for equitable hiring, promotion, and practices.

Gender Equality in the Workplace

Recognising persistent gender disparities in labour markets, the survey examined corporate initiatives supporting women's participation and advancement, such as gender equality policies, leadership programmes, and practices promoting equal opportunities.

Disability Inclusion

The survey examined if companies have made workplaces more accessible and inclusive for persons with disabilities through initiatives like disability inclusion training, accessibility measures, and recruitment efforts to improve employment opportunities.

Inclusive Workplace Policies

The survey also examined broader policies aimed at creating respectful and inclusive workplace environments. These policies help ensure that employees from diverse backgrounds can participate fully in the workplace without facing discrimination or exclusion.

B. What the Data Shows



- DEI policies are common (78%), but disability inclusion, leadership pipelines, and supply chain diversity are underdeveloped
- Only 18% track ethnicity-disaggregated data; 38% track disability-disaggregated data
- Less than 20% have inclusive supply chain practices in place

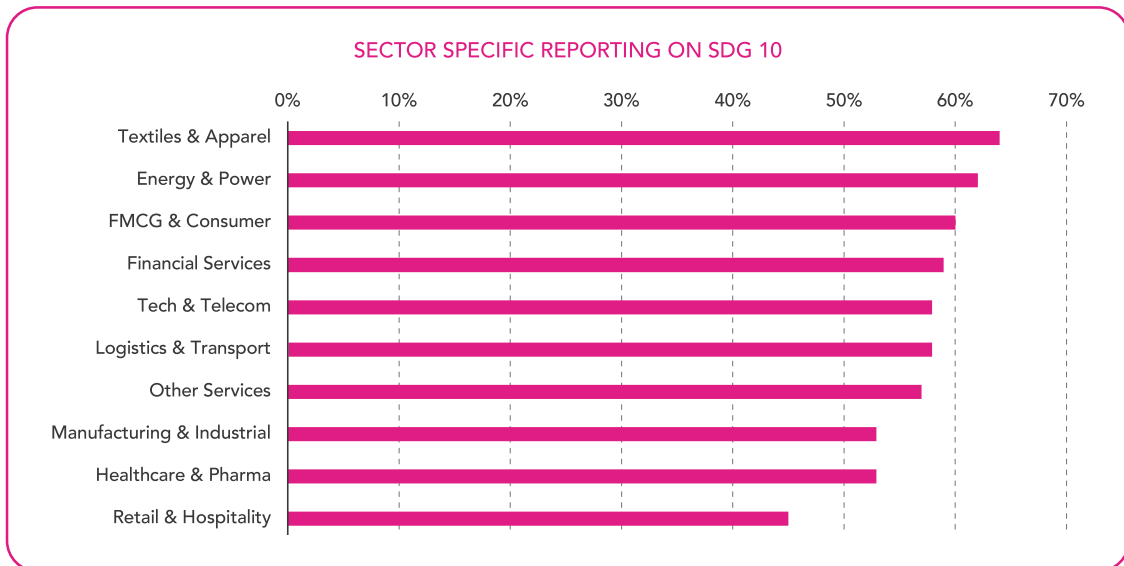


Figure 30. Sector-Specific Reporting on SDG 10

PRACTICE INDICATORS	%
Full DEI policy	78%
Gender-segregated hiring / promotion data	78%
Gender audit conducted	44%
Accessibility audit conducted	28%
Disability-segregated hiring / promotion data	38%
Human-rights risk assessment (operations + supply chain)	35%
Gender-neutral parental leave policy	21%
Ethnicity-segregated hiring / promotion data	18%

The survey findings suggest that many companies have begun integrating diversity and inclusion considerations into workplace policies and training initiatives. However, the scope and depth of these efforts vary across organizations, with most initiatives currently focused on awareness and policy development rather than structural changes in workforce composition or leadership representation.

The policy foundations for gender inclusion are broadly in place as 78% of companies have a formal DEI policy. However, only 45% collect gender-segregated data on hiring and promotion. Taken together, the measurement gap limits accountability for outcomes.

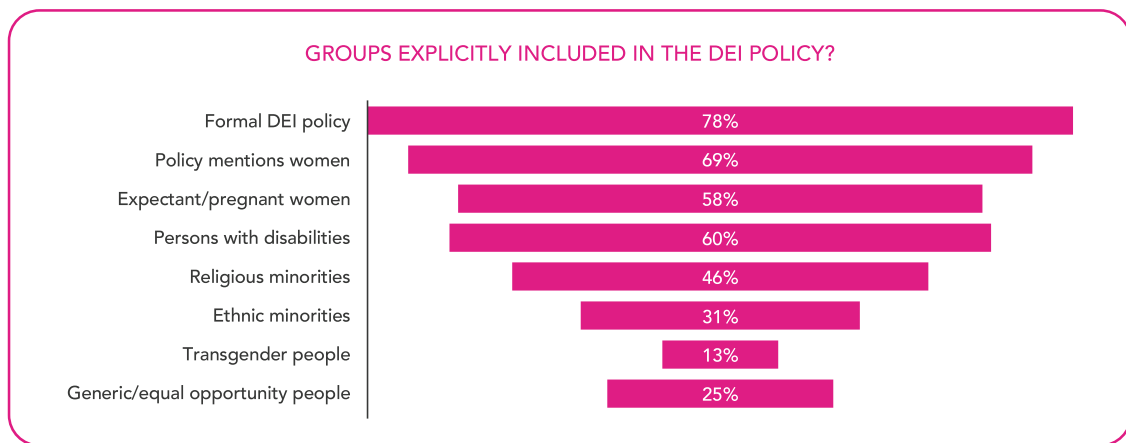


Figure 31. Groups Explicitly Included in DEI Policies

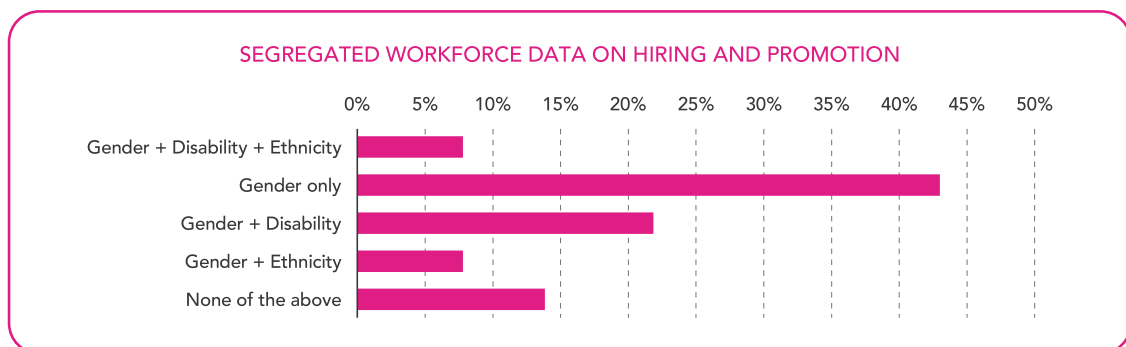


Figure 32. Segregated Workforce Data on Hiring and Promotion

When asked whether there were any specific initiatives in place to support the economic inclusion of disadvantaged or underrepresented groups within the workforce or supply chain, only 36% of companies reported having a supplier diversity policy. And currently less than 20% of companies have practices in place for inclusive supply chains.

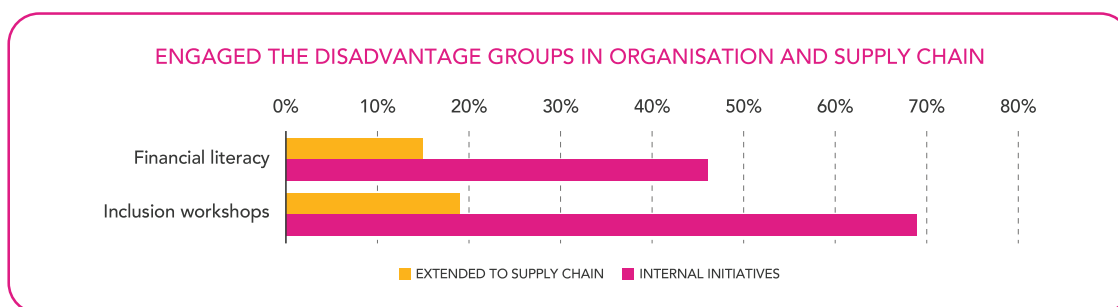





Figure 33. Engagement of Disadvantaged Groups in Organisations and Supply Chains

These findings align with broader global guidance from organizations such as the United Nations and the International Labour Organization, which emphasize that workplace equality requires more than policies or awareness-based initiatives. Effective progress toward reducing inequalities typically involves structural interventions such as inclusive hiring practices, leadership development pathways for underrepresented groups, accessible workplace infrastructure, and regular monitoring of workforce diversity indicators.

Overall, the survey results suggest that while many companies have begun taking steps toward promoting diversity and inclusion, there remains an opportunity to strengthen implementation through more systematic approaches to workforce participation, leadership representation, and data-driven monitoring of diversity outcomes.

C. Gaps and Action Areas

While the survey findings indicate that many companies have begun integrating diversity and inclusion considerations into workplace policies and training programmes, several important gaps remain in translating these commitments into measurable outcomes.

 <p>STRENGTHENING DISABILITY INCLUSION</p>	 <p>IMPROVING MONITORING & MEASUREMENT OF DIVERSITY OUTCOMES</p>	 <p>STRENGTHENING DATA ON WORKFORCE DEVELOPMENT & INCLUSION</p>
<p>Although some companies offer disability inclusion training, it remains an emerging focus. Fewer organisations have structured efforts to recruit or retain employees with disabilities. Companies could benefit from comprehensive accessibility approaches, such as workplace accommodations, inclusive recruitment, and infrastructure improvements, to enable full workforce participation.</p>	<p>The survey highlights limited monitoring of diversity outcomes, with many companies reporting inclusion policies but few tracking workforce diversity or assessing if initiatives improve it. Setting clear metrics, such as gender representation, leadership participation, or promotion rates, helps evaluate the effectiveness of diversity strategies.</p>	<p>Finally, the survey suggests that more detailed data on workforce development initiatives is needed to understand the scale and impact of diversity programmes. For example, data on training hours dedicated to diversity and inclusion can offer insights into whether these programmes reach the broader workforce or are limited in scope.</p>

Addressing these gaps will be important for ensuring that corporate diversity and inclusion initiatives move beyond policy commitments toward measurable improvements in workplace equality and economic participation.



RECOMMENDED BEST PRACTICES

The WBCSD mentions that inclusive employment requires systemic interventions across hiring, retention, and advancement pathways, rather than isolated diversity initiatives. The ILO recommends that companies provide reasonable accommodations⁹ where required. These include targeted interventions to address structural barriers, such as investing in childcare and eldercare systems, improving access to safe transport, and providing career support services to enable workforce participation for women and marginalised groups.

Inclusive workplaces also require data-driven monitoring, including gender-disaggregated workforce data, promotion rates, and pay equity metrics, to track progress and inform policy decisions. Finally, the WBCSD emphasises that inclusion must extend to skills development and leadership pipelines, ensuring that underrepresented groups are not only hired but can progress into higher-value roles and decision-making positions.



ACTIONS FOR COMPANIES

1. Issue or refresh a DEI policy
2. Maintain gender-segregated workforce data
3. Commission an external gender audit
4. Extend data systems to include disability-disaggregated metrics
5. Develop a pay equity audit methodology
6. Introduce gender-neutral parental leave

⁹Reasonable accommodations are necessary and appropriate modifications to a job, workplace, or work arrangements to ensure workers—especially persons with disabilities—can participate and perform on an equal basis with others. They may include adjustments to equipment, job tasks, working hours, or the work environment.

Their purpose is to remove individual barriers and promote true inclusion and equal opportunity at work.

Read more here: <https://www.ilo.org/publications/promoting-diversity-and-inclusion-through-workplace-adjustments-practical>

COMMON DISCLOSURE REQUIREMENTS FOR SDG 10

GRI DISCLOSURE	PILLAR	INDICATOR/TOPIC
GRI 405-1	S	Diversity of governance bodies & employees (gender, age, minority)
GRI 405-2	S	Ratio of basic salary & remuneration– women to men (gender pay gap)
GRI 406-1	S	Incidents of discrimination & corrective actions taken
GRI 202-1	S	Ratios of standard entry wage vs local minimum wage
GRI 2-25	G	Processes to remediate negative impacts (grievance mechanisms)

Figure 34. Table 7. Common Disclosure Requirements for SDG 10

References:

(<https://www.wbcsd.org/resources/b4ig-publishes-operational-recommendations-on-ethnic-diversity-inclusion/>)

(<https://www.ilo.org/publications/promoting-diversity-and-inclusion-through-workplace-adjustments-practical>)

6. HOW DOES PAKISTAN'S CORPORATE SECTOR COMPARE?

A. Aligning with regulatory requirements

The survey results on legal obligations reveal that the private sector's approach is primarily compliance-driven. Of the 72 companies surveyed by CERB, compliance is especially high in areas with strict enforcement, such as maternity leave and anti-harassment policies. Conversely, implementation tends to be less common in sectors lacking strong enforcement, such as living wages, mental health initiatives, and supplier due diligence.

EMPLOYEE WELL-BEING AND OCCUPATIONAL HEALTH AND SAFETY



The OHS regulatory framework is managed at the provincial level following the 18th Amendment. The Occupational Safety and Health Act 2022 in Punjab, along with similar laws in other provinces, requires employers to ensure safe work environments. Punjab's OSH Act 2019 is the most detailed, mandating written OHS policies, risk assessments, incident reports, and hazard training for workers. Sindh, Khyber Pakhtunkhwa, and Balochistan have their own laws with varying scopes. This provincial decentralisation means the CERB's 79% rate of formal OHS procedures indicates compliance with different standards rather than a unified national requirement, and companies operating across provinces must navigate multiple, overlapping compliance obligations.

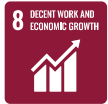
Currently, Pakistan lacks a specific regulatory requirement for workplace mental health support. The 2001 Mental Health Ordinance pertains to institutional psychiatric care and does not mandate workplace support. As a result, only 32% of companies offer access to therapy, leaving a significant gap. Addressing this gap is vital, especially considering SDG Target 3.4's emphasis on promoting mental health.

ANTI-HARASSMENT AND GRIEVANCE



Following the amendment to The Protection Against Harassment of Women at the Workplace Act 2010 in 2022, the definition of harassment has been broadened to encompass both formal and informal workplaces, directly reflecting the requirements of ILO Convention C190. Every company with ten or more employees is legally required to: constitute an internal inquiry committee; display the code of conduct prominently; designate a competent authority; and register with FOSPAH. The CERB's finding that 76% of companies have anti-harassment policies and 74% have grievance mechanisms is therefore broadly consistent with legal compliance among large employers under the law's mandated architecture; however, the absence of data on whether those mechanisms are effective.

PARENTAL LEAVE



The federal Maternity and Paternity Leave Act 2023 grants male employees 30 days of paternity leave, but this law applies only to private establishments under the administrative control of the Federal Government. All other private establishments are not mandated by law to provide paternity leave, meaning any company currently offering it does so voluntarily under internal policy and employment contracts.

CHILD LABOUR AND FORCED LABOUR



The Employment of Children Act 1991 bans children under 14 from work and regulates adolescents aged 14 to 18 in hazardous jobs. It reflects Pakistan's commitments under C138 and C182. The survey findings indicate that only 41% of companies audit suppliers and 33% offer capacity-building, meaning most companies' legal compliance efforts stop at their direct operations. This presents a significant risk in companies. Additionally, there is a need to examine companies currently calculating a living wage; with only one company in the sample, the issue needs to be addressed holistically within the organisation.

DISABILITY INCLUSION



The Disabled Persons (Employment and Rehabilitation) Ordinance 1981 provides for the employment, rehabilitation, and welfare of disabled persons. Following the 18th Amendment, there is a provincial requirement to maintain a minimum 2-5% quota of disabled persons in the workforce. The survey responses indicate only 38% of companies track disability-disaggregated workforce data, highlighting a compliance risk for some companies.

SECP ESG DISCLOSURE GUIDELINES

The SECP introduced ESG Disclosure Guidelines for listed companies, launched the ESG Sustain platform, and engaged stakeholders on IFRS sustainability standards. The SECP has mandated, effective July 2025, the phased implementation of IFRS S1 and S2 for listed companies and public interest entities, requiring disclosures on all sustainability-related risks, including human capital risks such as workforce skills, labour relations, health, safety, and diversity. These disclosures must coincide with financial statements. The survey results highlight gaps in monitoring, measurement, and reporting. SECP's social pillar in the ESG disclosure guidelines includes indicators like diversity, training, health and safety, gender pay gap, and supply chain standards, with ISO 30414 providing guidelines for comprehensive human capital reporting.

STATE BANK OF PAKISTAN — ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

The State Bank of Pakistan has published Green Banking Guidelines and an Environmental and Social Risk Management (ESRM) Implementation Manual. Furthermore, the Ministry of Climate Change and the World Bank are actively advancing the Pakistan Green Taxonomy. This framework ensures that both green projects and operational lending activities meet strict climate and social resilience standards, and standardise sustainable finance definitions and practices. The SBP's ESRM framework requires financial institutions to assess the environmental and social risks of their lending and investment decisions. This means banks and financial services companies are both subject to these requirements as institutions and are increasingly required to apply them to the companies they finance.

GSP+, ILO CONVENTIONS AND EU SUPPLY CHAIN DUE DILIGENCE

Pakistan's EU GSP+ access depends on implementing 27 conventions affecting human capital. What were voluntary standards are now becoming mandatory human rights and environmental due diligence, influenced by the EU's Corporate Sustainability Due Diligence Directive, which incorporates OECD guidelines. This changes the game for export economies like Pakistan. The CERB found export companies outperform domestic ones in supply chain practices, reflecting this regulation. The 2014 Protocol to the Forced Labour Convention, ratified by Pakistan in March 2025, supports the fight against forced labour and reaffirms Pakistan's commitment to SDG 8. It mandates companies to conduct due diligence to prevent forced labour. Survey results show only 40% of companies have HRDD, and 6% report supplier compliance, indicating Pakistan's corporate sector is unprepared for this obligation, which took effect less than a year before the survey.

The survey's main finding is that Pakistan's corporate sector excels in areas with strict enforcement and underperforms where enforcement is weak. This represents a compliance approach rather than a human capital strategy. The companies likely to lead Pakistan's growth in the coming decade are those that see regulation as a minimum standard and focus on investing in practices that develop real human capital advantages.

B. Moving forward

A decade after the 2030 Agenda, only 35% of SDG targets with data are on track or making moderate progress, nearly half are progressing too slowly, and 18% have regressed globally. Pakistan ranks 137th out of 166, with stagnation in eight SDGs and regression in three. The corporate sector is key to accelerating progress because it reaches working adults daily at the intersection of health, skills, security, and inclusion. The Survey is organised around SDGs 3, 4, 8, and 10 within a cohesive system that influences employment in Pakistan's formal sector and, in turn, human capital and livelihood outcomes.

This survey's 72 companies collectively employ hundreds of thousands of Pakistanis and anchor supply chains reaching millions more. Yet at a mean maturity score of 67%, the sector as a whole is investing in the health, skills, security, and inclusion of those people at two-thirds of the standard that responsible practice requires.

The survey findings offer important insights into how companies in Pakistan are approaching the evolving concept of human capital. Many organisations have established related policies, according to survey responses. However, a gap persists between their commitments and actual practices. *As a starting point, formalise what exists: audit every policy for employee awareness, accessibility, and effectiveness, and publish the results.*

At the same time, although many companies have advanced in setting up policies and programs, the scale and speed of these changes demand more comprehensive approaches to workforce development, inclusion, and employee well-being. *It is essential to elevate human capital on the board agenda by requiring each company to present a three-year workforce strategy that explicitly addresses learning and development, inclusion, and employee wellbeing alongside financial goals.*

Moving beyond policy commitments to measurable outcomes, such as improved workforce participation, stronger employee support systems, and more inclusive workplace cultures, will be essential to ensure that these initiatives translate into tangible improvements in people's lives. *Companies should move from annual reports that describe programmes to sustainability disclosures that report outcomes. This can be through investing in monitoring systems, disaggregated data, and time-bound targets that convert commitments into verifiable outcomes.*

At a broader level, it is essential for policy-makers, educators and other stakeholders to drive corporate performance forward in the following three key areas.



- **Strengthening implementation and accountability**

Companies need to invest in monitoring systems, measurable targets, and transparent reporting to ensure that policies translate into real-world impact.



- **Future-proofing the workforce**

Expanding digital skills, technical training, and long-term workforce development will be critical in the face of technological and economic change.



- **Extending responsibility across value chains and inclusion agendas**

Strengthening supply chain oversight and embedding inclusive practices into hiring, leadership, and workforce systems will be essential for achieving equitable and sustainable livelihood outcomes.

Ultimately, the future of livelihoods in Pakistan will depend on businesses' ability to move from isolated initiatives to more integrated and strategic approaches to workforce development. By investing in employee well-being, strengthening skills development, promoting decent work, and advancing inclusive employment practices, companies can contribute not only to stronger businesses but also to a more resilient and equitable economy.

APPENDIX A

Creating Livelihoods survey – full questionnaire (40 questions)

SECTION A: RESPONDENT & COMPANY PROFILE

1. Please enter the respondent's full name.
2. Please enter the respondent's designation/title.
3. Please provide the respondent's email address.
4. Please provide your company's name.
5. Is your company listed on the stock exchange?
 - Yes
 - No
6. What is your company's primary industry or sector?
 - Financial Services
 - Textiles
 - FMCG (Fast-Moving Consumer Goods)
 - Healthcare and Pharmaceuticals
 - Software and Technology
 - Energy and Power
 - Engineering and Heavy Manufacturing
 - Hospitality
 - Non-profit / Development Organization
 - Other (please specify): _____
7. Is your company a member of the Pakistan Business Council (PBC)?
 - Yes
 - No
8. Would your company be classified as a multinational?
 - Yes
 - No
9. What is your company's size in terms of number of employees?
 - 1–49 employees
 - 50–100 employees
 - 101–500 employees
 - 501–1000 employees
 - 1001–5000 employees
 - More than 5000 employees
10. What is the proportion of women in your company's permanent workforce?
 - Less than 5%
 - 5–15%
 - 15–35%
 - More than 35%

SECTION B: WORKFORCE & BENEFITS

11. Please indicate the percentage breakdown of male and female employees in your organisation.

- Open response (e.g., Male __%, Female __%)

12. Which of the following medical benefits does your company provide to employees? (Select all that apply)

- Full health coverage for employees and their families (including OPD, medicines, maternity, lab tests, dental and eye care)
- Full health coverage for employees only
- Partial health coverage for employees and their families
- Partial health coverage for employees only
- Access to therapy and counselling services for employees and their families
- Access to therapy and counselling services for employees only
- Access to physical wellness resources (e.g., gym, club memberships) for employees and their families
- Access to physical wellness resources for employees only
- No health coverage provided

13. Does your company provide mental health and well-being support programmes?

- Yes, comprehensive programmes are available
- Yes, limited programmes are available
- No, such programmes are not available

14. Which of the following types of employment are available at your company? (Select all that apply)

- Permanent, full-time
- Permanent, part-time
- Contractual, full-time
- Contractual, part-time
- Paid internships
- Traineeships
- Apprenticeships
- Freelance arrangements
- Temporary hiring (e.g., maternity covers)

SECTION C: OCCUPATIONAL HEALTH, SAFETY & ENVIRONMENT (OHS/EHS)

15. What measures does your company take to ensure occupational health and safety (OHS)?

- Comprehensive procedures (regular risk assessments, PPE, training, monitoring of waste)
- Formal procedures exist but require improvement
- Limited procedures with informal practices
- No formal OHS measures

16. How frequently does your company conduct workplace health and safety risk assessments?

- Conducted regularly
- Conducted occasionally
- Conducted rarely
- Not conducted

17. How does your company manage waste and hazardous materials?

- Comprehensive monitoring and management systems in place
- Some monitoring and management practices exist
- Minimal or informal practices
- No formal management systems

18. Does your company have formal environmental policies addressing waste, emissions, and chemicals?

- Yes, with formal policies, monitoring, and impact assessments
- Yes, but limited monitoring and assessments
- Reactive approach only
- No policies in place

19. How does your company apply a precautionary approach to environmental, health, and safety impacts?

- Fully integrated into decision-making processes
- Considered in major decisions only
- Reactive approach (issues addressed as they arise)
- Not applied

SECTION D: EMPLOYMENT PRACTICES

20. Which forms of employment does your company offer?

- Permanent, full-time
- Permanent, part-time
- Contractual, full-time
- Contractual, part-time
- Paid internships
- Traineeships
- Apprenticeships
- Freelance arrangements
- Temporary hiring (e.g., maternity covers)

21. Does your company provide formal contracts or written terms of employment to workers?

- Yes, to all employees
- Yes, to some employees only
- No

22. What grievance mechanisms are available for employees to report workplace concerns?

- Formal grievance mechanism available to all employees
- Informal channels available
- No grievance mechanisms available

23. Does your company have a formal anti-harassment policy?

- Yes, formal policy in place
- Informal practices only
- No policy in place

24. How does your company determine wage levels? (Select all that apply)

- Market benchmarking
- Internal job grading or pay scales
- Compliance with legal minimum wage requirements only
- Living wage calculations
- Based on hours worked or production output

SECTION E: TRAINING & SKILL DEVELOPMENT

25. Which of the following training options does your company provide? (Select all that apply)

- Mandatory code of conduct training
- Mandatory anti-harassment training
- Mandatory gender equality/sensitization training
- Mandatory training on disability inclusion
- Internal skill development workshops (e.g., ESG, sustainability, DEI)
- External training opportunities or certifications
- Financial support for university courses or certifications
- Digital skills training
- Soft skills training
- Participation in conferences/summits

26. What level of access do employees have to digital skills training?

- Available to all employees
- Available to some employees
- Not available

27. Does your company track employee training participation and/or hours?

- Yes, tracked by gender
- Yes, tracked by disability or other characteristics
- Partially tracked
- Not tracked

28. Does your company provide specific support for upskilling employees from vulnerable or underrepresented groups?

- Yes
- Planning to introduce such initiatives
- No

29. What are the biggest challenges your company faces in providing education and training opportunities? (Select all that apply)

- Limited budget
- Low employee participation
- High staff turnover
- Lack of relevant training providers
- Skills gaps among employees
- No significant challenges

SECTION F: WORKING CONDITIONS & WELLBEING

30. How does your company promote safe and healthy working conditions? (Select all that apply)

- Regular health and safety training
- Safety committees or worker representation
- Provision of Personal Protective Equipment (PPE)
- Workplace health and safety audits
- Mental health and wellbeing initiatives
- Fire safety and evacuation procedures
- First aid and emergency response systems
- Extreme weather preparedness measures

31. What flexible working arrangements are available? (Select all that apply)

- Flexible working hours
- Work-from-home options
- Hybrid working
- Compressed work weeks
- No flexible arrangements

32. Which family-friendly workplace policies are applicable? (Select all that apply)

- Paid maternity leave
- Paid paternity leave
- Adoption leave
- On-site childcare facility
- Subsidized childcare support
- Lactation/breastfeeding support
- Employee Assistance Programme (EAP)
- Phased return-to-work options
- Elder care support
- Career re-entry programs

33. Please specify the number of days or weeks provided for maternity leave.

- Open response

34. Please specify the number of days or weeks provided for paternity leave.

- Open response

SECTION G: DIVERSITY, EQUITY & INCLUSION (DEI)

35. Does your company have formal policies to promote diversity, equity, and inclusion (DEI)?

- Yes, comprehensive policies for all employees
- Yes, but limited to specific areas
- Informal practices only
- No policies

36. Does your company collect and track the following HR data? (Select all that apply)

- Gender-segregated data
- Disability-segregated data
- Ethnicity-segregated data
- No data is segregated

37. Which groups are specifically included in your company's inclusion policies? (Select all that apply)

- Women
- Persons with disabilities
- Religious minorities
- Ethnic minorities
- Expectant mothers/pregnant women
- Transgender individuals
- Socio-economically disadvantaged groups
- No specific groups (generic policy)

38. Has your workplace conducted any of the following assessments? (Select all that apply)

- Gender audit
- Accessibility audit
- Full social audit
- No audits conducted
- Audits planned/in pipeline

SECTION H: SUPPLY CHAIN & RESPONSIBLE BUSINESS CONDUCT

39. How does your company promote safe and healthy working conditions? (Select all that apply)

- Require suppliers to sign a code of conduct
- Conduct supplier audits on responsible business conduct (RBC)
- Provide training or capacity-building to suppliers
- Have a supplier diversity policy
- Publicly report on supplier compliance
- No formal supply chain practices

40. Has your company conducted a human rights risk assessment across its operations and/or supply chain in the past three years?

- Yes, covering both operations and supply chain
- Yes, covering operations only
- No, but planning to conduct one
- No assessment conducted



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