

CHAPTER 17: EMPOWERMENT OF THE COMPANY SECRETARY PROFESSION

QUESTION 1:

Company secretaries can assist organizations in building their climate governance infrastructures.' Explain. (JUNE 2025) (5 MARKS)

Ans:

- (a) Company secretaries, known as governance professionals, can help organizations develop climate governance frameworks by establishing structures, policies, and procedures to manage climate-related risks and opportunities.
- (b) They also guide the board and management in understanding their roles and building a culture of good governance. Some practical ways in which company secretaries can assist with climate governance are:
 - (i) Ensure that the board and its subcommittees include climate change-related oversight roles and responsibilities in their mandates.
 - (ii) Advise the board to set up a dedicated committee to manage climate change issues if their impacts are financially material to the company.
 - (iii) Ensure the board is well informed of the latest climate related trends through continuous training.
 - (iv) Ensure that climate change considerations are integrated into the board's and the organization's culture and core values.
 - (v) Assist the board in understanding how management identifies, evaluates, and addresses climate-related risks and opportunities.

QUESTION 2:**Explain the role of company secretary in ESG. (ADDITIONAL QUESTION)****Ans:**

- (i) Nowadays company secretaries need to step up and work beyond just compliances, increasing their responsibilities and raising expectations.
- (ii) Company Secretaries help companies follow rules and develop laws in areas like taxes, competition, and arbitration. Because of this, they are seen as important experts in many parts of corporate law.
- (iii) Company secretaries, now called "governance professionals," are also expected to help with things like Corporate Social Responsibility (CSR), sustainability reports, and Environmental, Social, and Governance (ESG) issues. These areas focus on sustainability and society, increasing the ambit of work of company secretaries.

Some of the initiatives where the CS is the expert to advise corporates, investors, stakeholders, etc., are in areas such as:

- (a) Business responsibility and sustainability reporting (BRSR)
- (b) Social stock exchange (SSE)
- (c) Social audit and CS as social auditor
- (d) Corporate social responsibility (CSR)
- (e) CS as chief risk officer
- (f) Climate change and the corporate secretary
- (g) Climate governance.
- (h) Environment, social and governance (ESG)