



**Securities and
Exchange
Commission**
P H I L I P P I N E S



SUSTAINABLE FINANCE IN THE PHILIPPINES

Markets and Securities Regulation Department
SEC Philippines



THE PHILIPPINE SUSTAINABLE FINANCE ROADMAP

Foundation to Facilitate the Mainstreaming of Sustainable Finance in the Philippines

Launch date

On 20 October 2021, the Philippines introduced its first-ever Sustainable Finance Roadmap

Lead agency

Inter-Agency Task Force for Sustainable Finance (ITSF) or “Green Force”, co-chaired by the Department of Finance and Bangko Sentral ng Pilipinas

Main objective

Designed to lay-out high-level action plans of the government to promote sustainable finance in the Philippines



KEY PILLARS OF THE PH SUSTAINABLE FINANCE ROADMAP

Recognizes the importance of creating an environment of transparency and risk management

PILLAR A

Creating a conducive environment

Aims to promote sustainable financial products through: incentives and penalties, leverage on available financing, and establishing a sustainable insurance mechanism

PILLAR B

Mainstreaming sustainable finance

Aims to establish a sustainable pipeline database for the public and private sector and monitor progress and updates

PILLAR C

Developing a sustainable pipeline

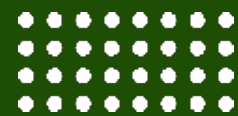




SEC Championing the Development of the Philippine Sustainable Capital Market

SEC's ASEAN Thematic Bond Labelling

As a member of the ASEAN Capital markets Forum (ACMF) and co-chair of the ACMF Sustainable Finance Working Group (SFWG), the PH SEC has the authority to certify bonds to carry the ASEAN label (i.e. ASEAN Green, ASEAN Social, ASEAN Sustainability and ASEAN Sustainability-Linked bonds)



SEC GUIDELINES ON SUSTAINABLE FINANCE



**Green
Bonds**

SEC
Memorandum
Circular No.12,
series of 2018



**Social
Bonds**

SEC
Memorandum
Circular No. 09,
series of 2019



**Sustainability
Bonds**

SEC
Memorandum
Circular No. 08,
series of 2019



**Sustainability-linked
Bonds**

SEC
Memorandum
Circular No. 03,
series of 2023



**Blue
Bonds**

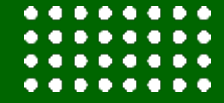
SEC
Memorandum
Circular No. 15,
series of 2023



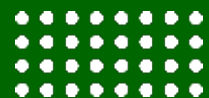
**Philippine
Sustainable
Finance
Taxonomy
Guidelines**

SEC
Memorandum
Circular No. 05,
series of 2024

IN A NUTSHELL



SEC ISSUED THEMATIC BOND GUIDELINES	ISSUANCES	REQUIREMENTS	EXTERNAL VERIFICATION/REVIEW
SEC ASEAN Green Bond	Green projects	Framework that includes the ff: 1.Use of Proceeds 2.Management of Proceeds 3.Process for Project Selection and Evaluation 4.Reporting	Not required but recommended
SEC Blue Bond	Blue projects		
SEC ASEAN Social Bond	Social projects		
SEC ASEAN Sustainability Bond	Green + Social		
SEC ASEAN Sustainability-Linked Bond (SLB)	ESG objectives	Framework that includes the ff: 1.Selection of KPIs 2.Calibration of SPTs 3.Bond Characteristics 4.Reporting 5.Verification	Required pre and post issuance





Guidelines on
● Philippine
Green Equity

Adoption of
local transition
finance
● guidelines
following the
ASEAN
transition
finance
guidance

Guidelines
for
● transition-
labelled
financial
instruments

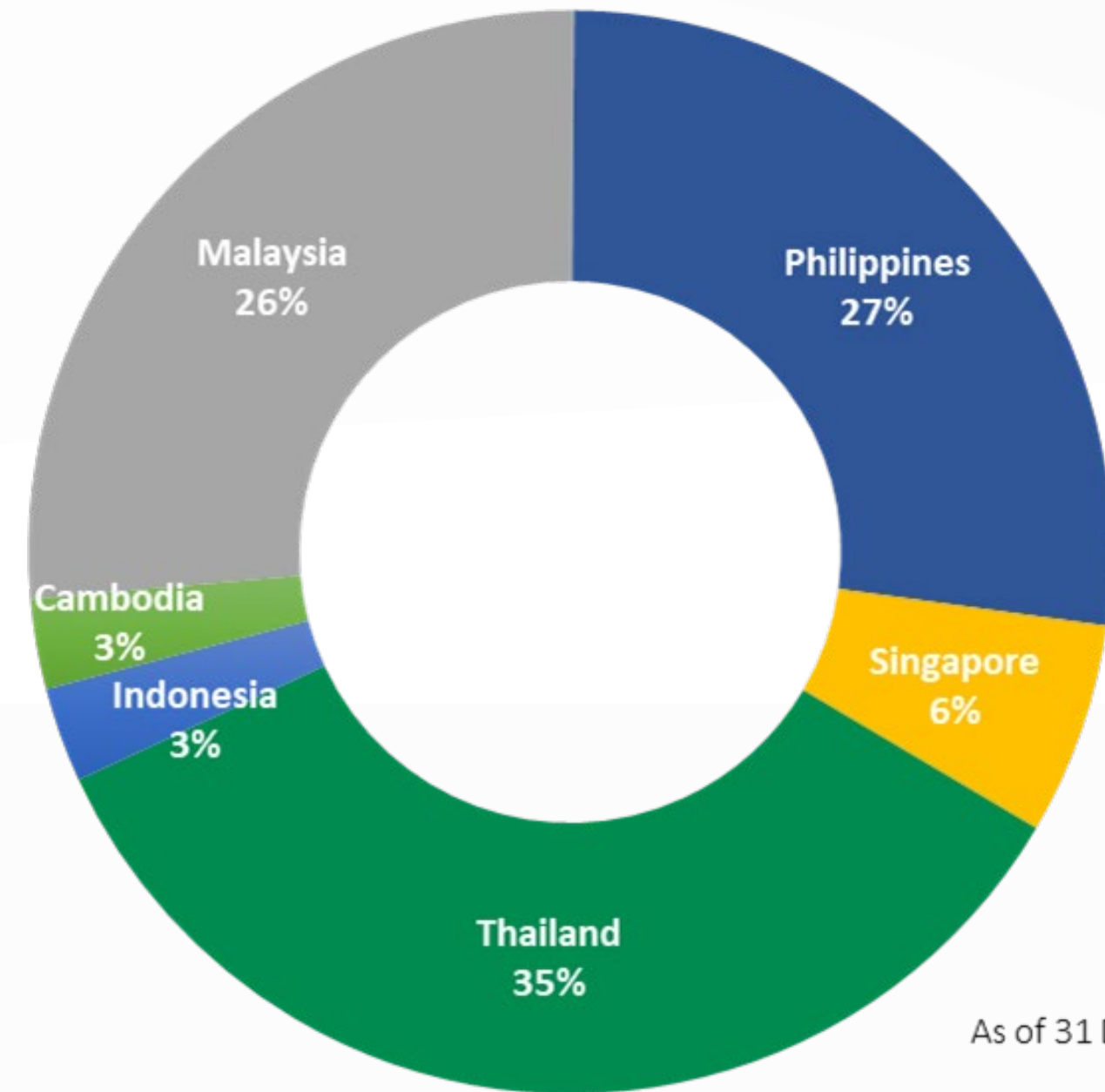
Feasibility study on the
guidelines for the
● voluntary carbon markets
in the Philippines

FUTURE AND ONGOING INITIATIVES

ASEAN-LABELLED THEMATIC BOND ISSUANCES BY COUNTRY

PHILIPPINES: 2ND LEADING ISSUER OF ASEAN-LABELLED THEMATIC BONDS

As of 31 December 2024, the total amount of ASEAN-labelled Green, Social, Sustainability and Sustainability-Linked (GSS+) Bonds issued was US\$56.56 billion, with Philippine issuers accounting for US\$15.30 billion dollars or 27% of the total amount issued.



As of 31 December 2024
Source: ACMF

SEC Advancing the Adoption of ESG Practices in the Corporate Sector



Sustainability Reporting (SURE) Guidelines for Publicly-Listed Companies (SEC Memorandum Circular No. 04, series of 2019)

The Guidelines is intended to help PLCs assess and manage non-financial performance across Economic, Environmental and Social aspects of their organization and enable PLCs to measure and monitor their contributions towards achieving universal targets of sustainability, such as the United Nations Sustainable Development Goals, as well as national policies and programs, such as AmBisyon Natin 2040.



SEC PARTNERS WITH KOMUNIDAD FOR SUSTAINABILITY REPORT SUBMISSION

The SEC has teamed up with climate data and analytics software company, Komunidad Global Services & Operations Philippines Inc., to facilitate the submission of sustainability reports by publicly listed companies (PLCs).

The customized web application will streamline the data collection, verification, management, and analysis of sustainability data, improving the monitoring capabilities of the Commission on sustainability reporting compliance of the PLCs.

Source: SEC Website



Small and Medium Industries and Large Enterprises Embracing Sustainability (SMILEES)

The SEC Small and Medium Industries and Large Enterprises Embracing Sustainability (SMILEES) Roadshow is an initiative of the Commission to promote sustainable practices among businesses. The SMILEES Roadshows feature interactive sessions, showcasing local government and entrepreneurial sustainability initiatives, and include panel discussions with business leaders and sustainability advocates.

Source: SEC Website



SEC wins third UN sustainability award for Philippines

The SEC received the ISAR Honours 2024 for the third time in recognition of its efforts to promote sustainability reporting, particularly through its SMILEES Roadshow, which educates small, medium, and large enterprises (SMLEs) in the Philippines about contributing to sustainable development goals. Previously honored in 2019 and 2022 for its work with publicly listed companies (PLCs), the SEC's initiatives have significantly boosted compliance with sustainability reporting, reaching 95% in 2023.

Looking ahead, the SEC plans to further expand its sustainability efforts, including developing a standardized reporting template for SMLEs and enhancing its eSECnature platform to encourage collaboration for a sustainable business sector.



ASEAN-Hong Kong, China SMEs Going ESG Policy Dialogue and Workshop 2024

SEC Commissioner Javey Paul D. Francisco highlighted the Commission's support for Micro, Small, and Medium Enterprises (MSMEs) in their sustainability efforts during the ASEAN-Hong Kong, China SMEs Going ESG Policy Dialogue and Workshop 2024 in Kuala Lumpur. He introduced the SEC's SMILEES Roadshow, which promotes sustainability reporting and ESG awareness to MSMEs and large enterprises across the Philippines, contributing to sustainable development goals.

Source: SEC Website

SEC Exemplifying its Commitments through Action

GREEN BANC

a once a month Commission meeting which discuss the Commission's sustainability initiatives and projects



GREEN ENBANC Initiative: Sustainable Enterprise Collaboration Network (eSECnature) Launching



On 15 July 2024, the SEC launched the Sustainable Enterprise Collaboration Network (eSECnature) to unite corporations, government bodies, and civil society in advancing sustainability, fostering collaboration, and supporting the Philippines' digital transformation and the achievement of the United Nations' Sustainable Development Goals.

Source: SEC Website

SEC Exemplifying its Commitments through Action

SEC Digitalization (SEC Memorandum Circular No. 18, series of 2023)

- issued to advocate sustainability in the Commission and adhere to the principles of sustainability with protection of the economy, society and environment
- The Commission introduced an **electronic filing and monitoring** system to support a zero-contact policy and automate business transactions, promoting sustainability by reducing paper use and energy consumption. This initiative aligns with the Philippine Development Plan 2023-2028, which focuses on the government's digitalization and transformation.
- Electronic Filing and Submission Tool (eFAST), Electronic Simplified Processing of Application for Registration of Company, and Electronic System for Payment to SEC (eSPAYSEC)



The SEC has adopted a 10-hectare lot in the Angat River Watershed in San Mateo, Norzagaray, Bulacan called the “SEC FoRest”. Several SEC staff participated in a two-day tree planting event on June 25 and July 5, 2024, and with the ongoing support of its partner organizations and agencies in Bulacan, the Commission has successfully planted 16,000 trees in the SEC FoRest.

THANK YOU!

The views and opinions that are expressed in relation to this presentation are only that of the presenter and do not necessarily reflect those of the Commission, the Commissioners, or the other staff members.