

Sustainability Reporting: Strengthening Corporate Resilience and Investor Confidence

Philippines-Japan Environment Week

Climate Change Mitigation / Joint Crediting Mechanism (JCM) Session

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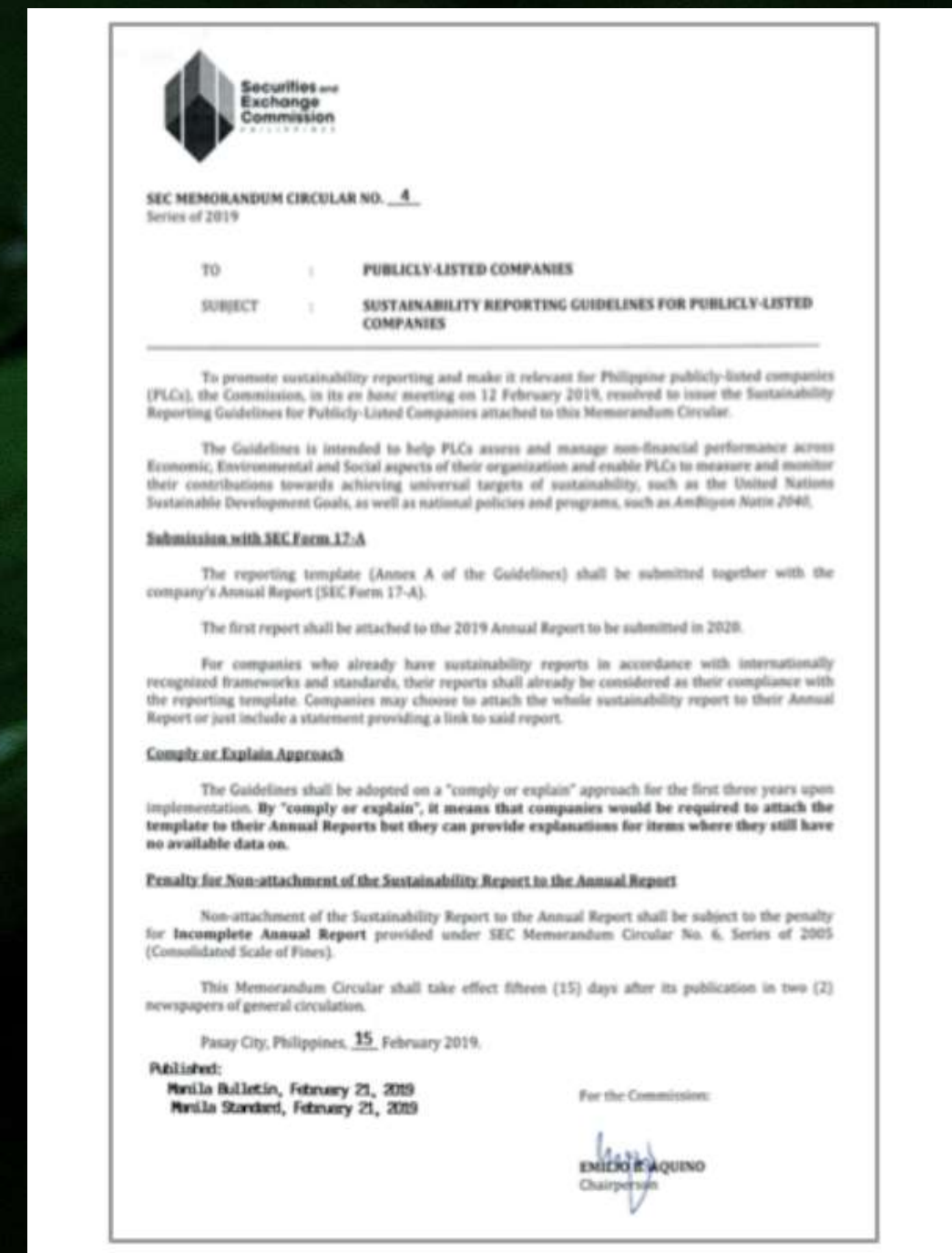
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S Sustainability Reporting

- Practice of reporting publicly on its significant economic, environmental and/or social impacts, in accordance with globally accepted standards.
- SEC MC No. 4, s. 2019 or the Sustainability Reporting Guidelines for Publicly-Listed Companies (PLCs), to promote sustainability reporting and make it relevant for Philippine PLCs.
- PLCs are MANDATED to submit their SR (on a comply-or explain basis).
- Intended to help PLCs assess and manage non-financial performance across Economic, Environmental and Social aspects of their organization.



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Sustainability Reporting Benefits

INTERNAL

- Effective management of sustainability risks and opportunities
- Enhanced vision, strategy and business Plans
- Improved management systems
 - Motivated workforce

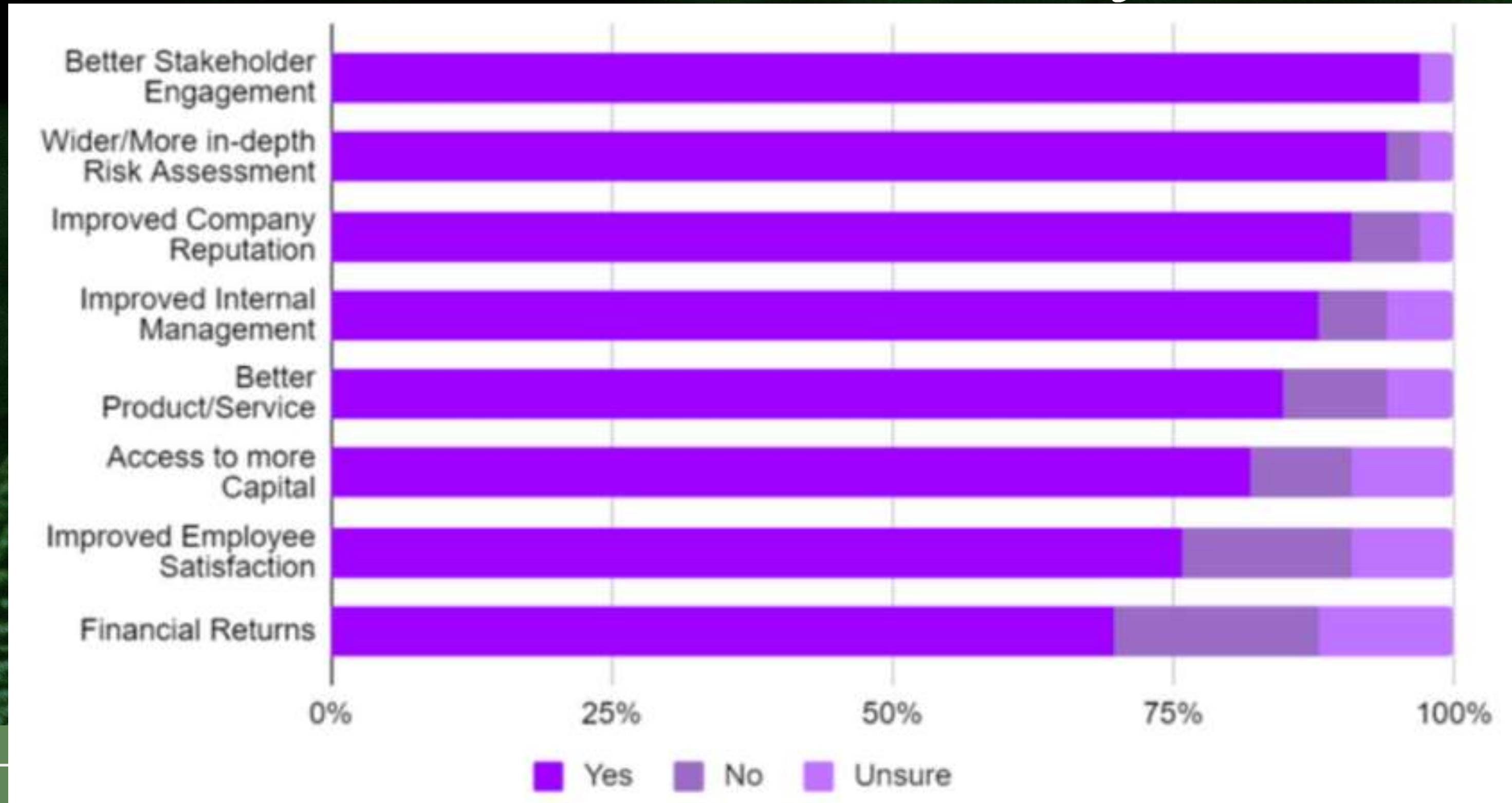


EXTERNAL

- Improved company reputation and brand value
- Investor attractiveness
- Stakeholder engagement
- Competitive advantage

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SR Benefits as Observed by PLCs





Sustainability and Profitability

Oxford study based on over 200 academic studies

Percentage of the studies showing

90%



Cost of capital

Sound sustainability standards lower the cost of capital of companies

88%



Operational performance

Solid ESG practices result in better operational performance of firms

80%



Stock price performance of companies

Stock price performance of companies is positively influenced by good sustainability practices

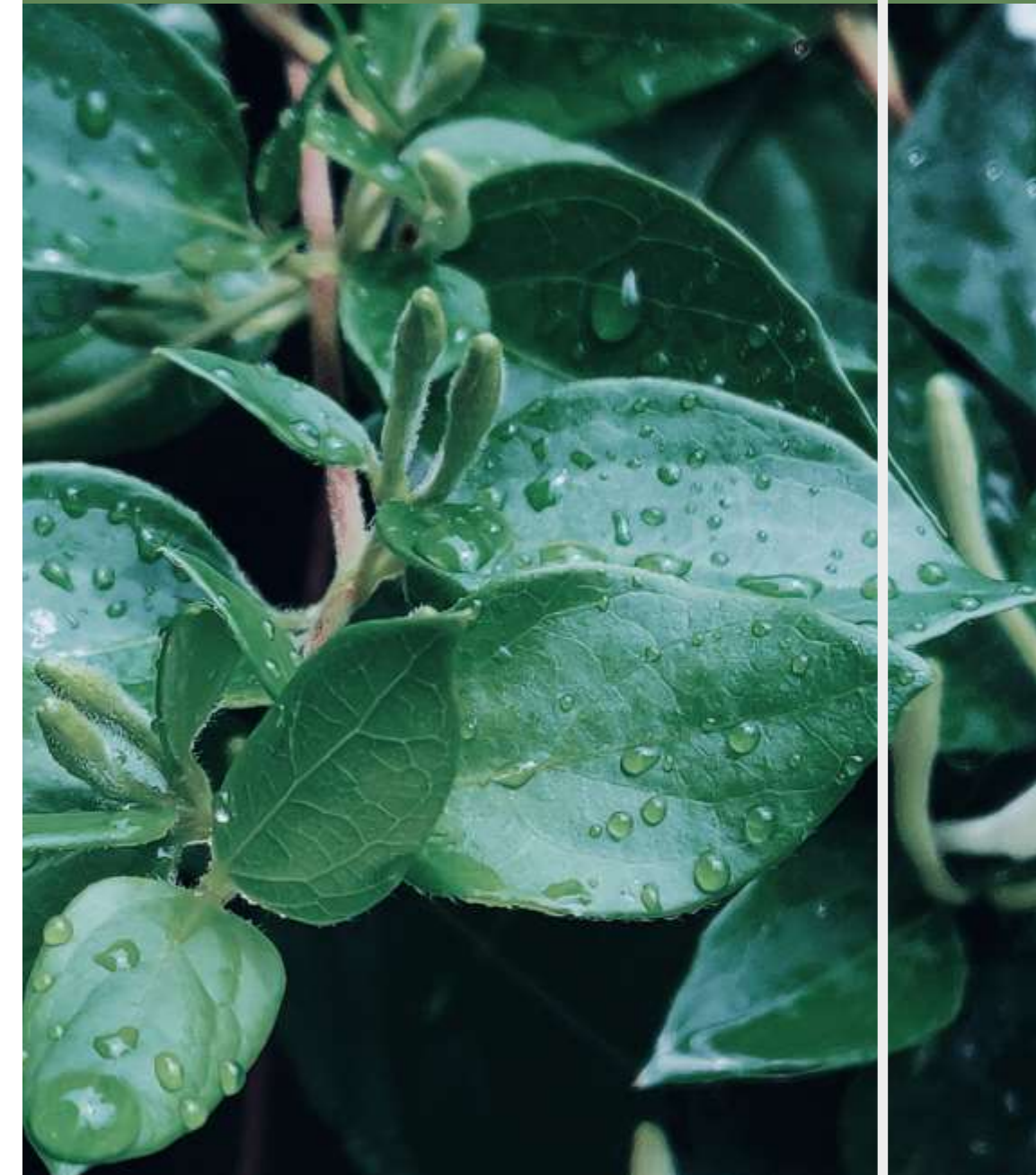
ESG is particularly relevant for Emerging Markets, which has the highest positive relation between ESG and corporate financial performance*.

Source: BNPP AM, University of Oxford, "From The Stockholder To The Stakeholder", March 2015.

*65.4% positive; 5.8% negative (University of Hamburg, Deutsche Bank, "ESG and financial performance: aggregated evidence from more than 2000 empirical studies", December 2015)

SE

Existing SR Guidelines and Compliance



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*FY 2024 reports are not yet due for submission

SEC Changing Standards

🔍 Revised SR Guidelines and the Sustainability Reporting (SuRe) Form ✕

- Draft Exposed in October 2023
- SR Attached to Annual Report
- SuRe Form-Submitted via Online portal
- Takes into consideration IFRS S1 and S2, UN SDGs, GRI and UNCTAD-ISAR GCI
- Will use Philippine Standard Industrial Classification (PSIC)
- Target release date of Revised SR Guidelines and SuRe Form : 2025
- Phased implementation timeline across PLC tiers



SECPH

Prospects and Hurdles

- Engagement with global organizations
- SuRe Form, data capture and management
- IEC, social media, roadshows, capacity-building
- Talent development and educational support



- Global landscape of SR (ISSB, TNFD, ESRS, GRI)
- Uniformity, consistency, comparability, reliability of data
- Stakeholders/ leaders' acceptance
- Need for technical knowledge

THANK YOU

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