



Status of Companies' GHG Measurement & Reporting Activities in the Philippines



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Climate Change Service

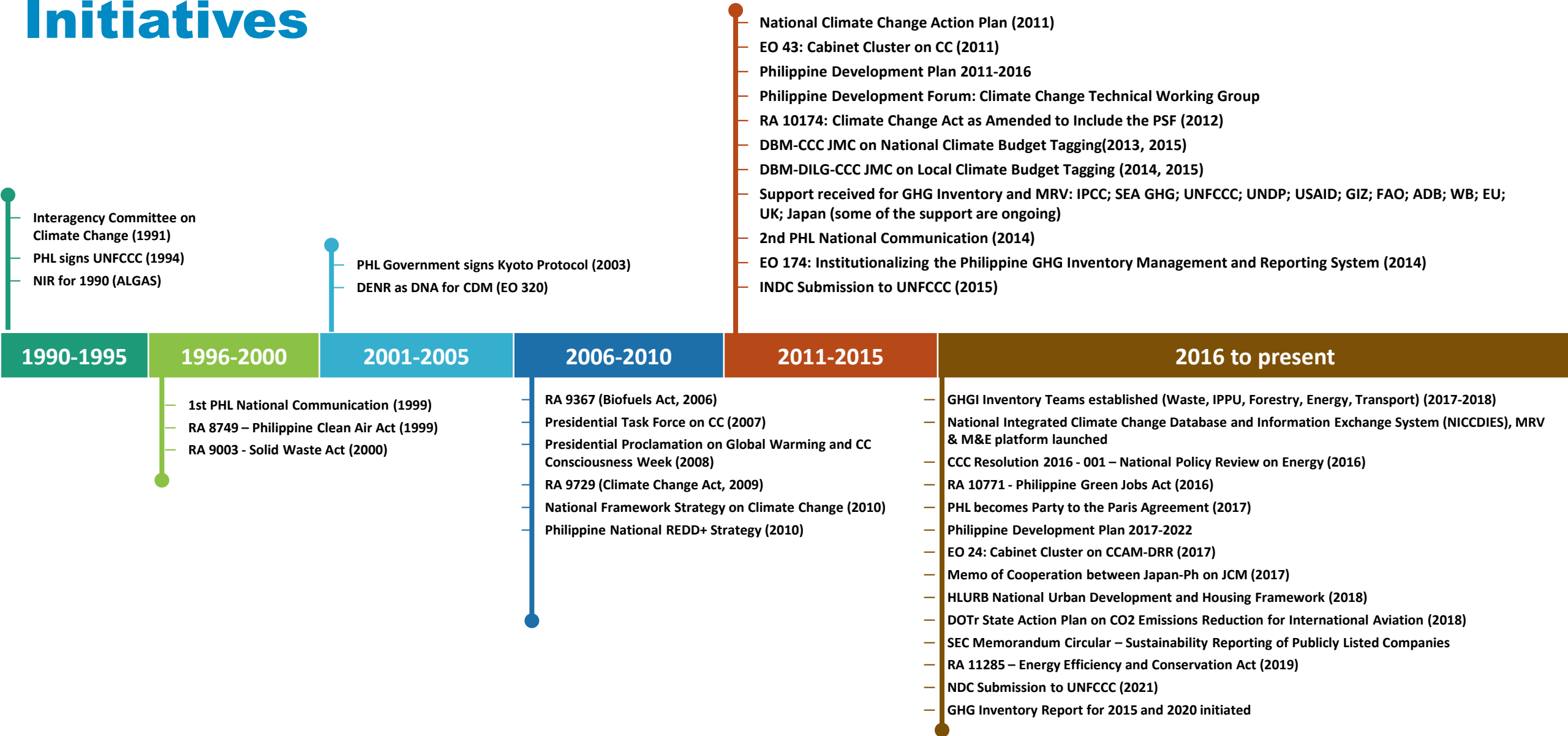
Department of Environment and Natural Resources

Republic of the Philippines

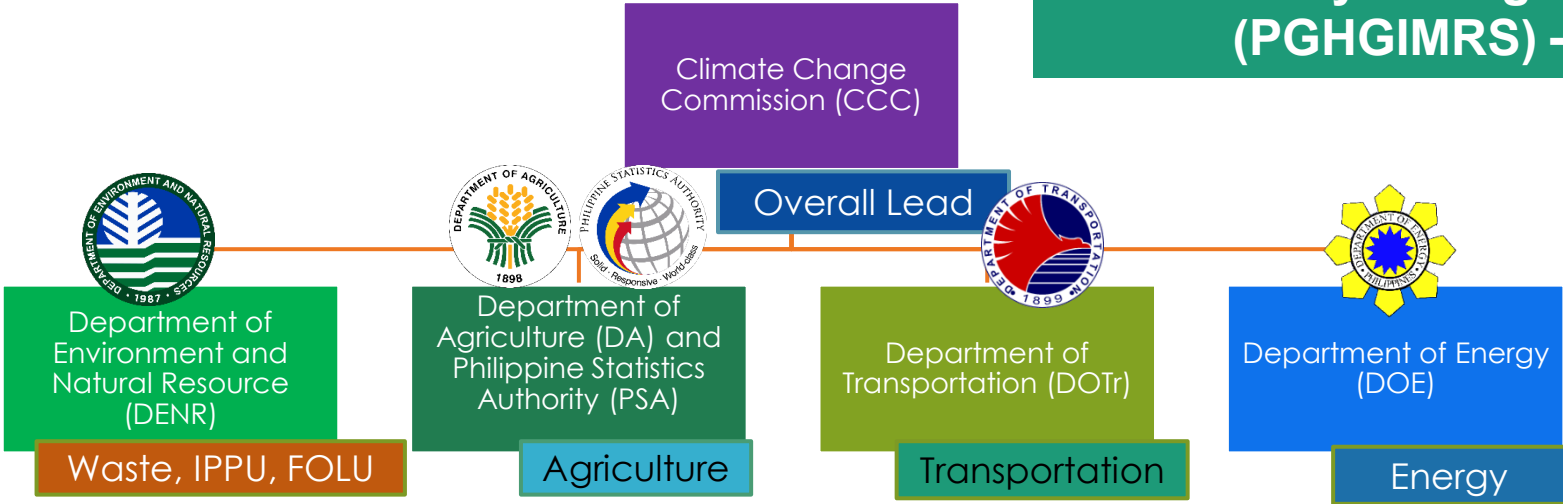
Outline:

- ❑ Philippine Initiatives on Mitigation Policies and Transparency
- ❑ Engagement by Industries in GHG Reporting/Challenges and Needs
- ❑ Lessons Learned and Way Forward

Timeline of Mitigation Policies and Transparency Initiatives



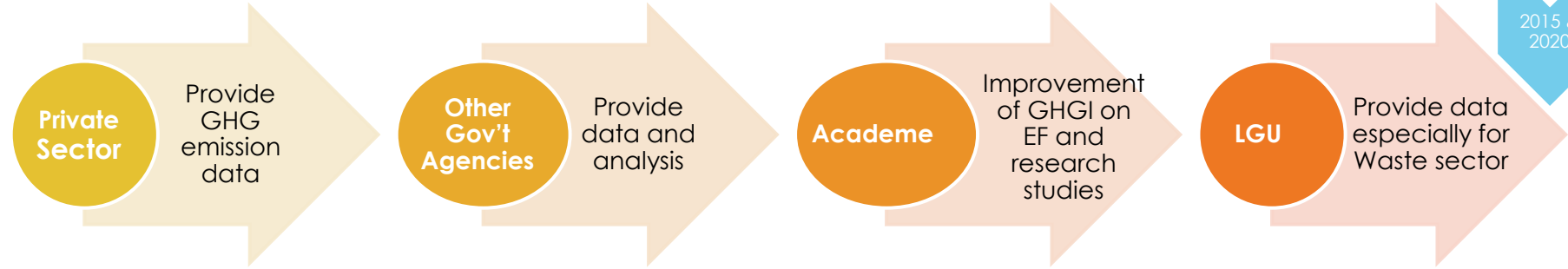
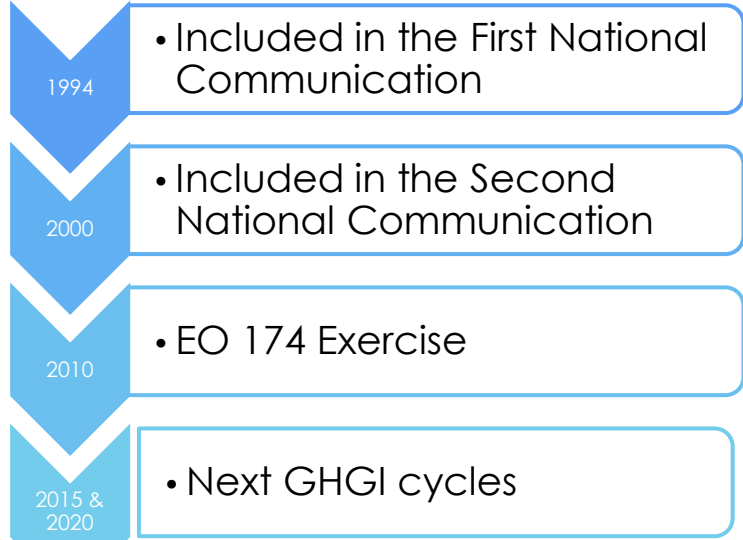
Institutionalization of the Philippine Greenhouse Gas Inventory Management and Reporting System (PGHGIMRS) – EO 174, Series of 2014



Lead Agencies

- Conduct and monitor sector specific GHG inventory
- Report GHGI to CCC based on agreed reporting scheme

National Inventory Reports (NIRs)



Sustainability Reporting for Publicly Listed Companies (PLCs)



SEC MEMORANDUM CIRCULAR NO. 4
Series of 2019

TO : PUBLICLY-LISTED COMPANIES
SUBJECT : SUSTAINABILITY REPORTING GUIDELINES FOR PUBLICLY-LISTED COMPANIES

To promote sustainability reporting and make it relevant for Philippine publicly-listed companies (PLCs), the Commission, in its *en banc* meeting on 12 February 2019, resolved to issue the Sustainability Reporting Guidelines for Publicly-Listed Companies attached to this Memorandum Circular.

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*,

Submission with SEC Form 17-A

The reporting template (Annex A of the Guidelines) shall be submitted together with the company's Annual Report (SEC Form 17-A).

The first report shall be attached to the 2019 Annual Report to be submitted in 2020.

For companies who already have sustainability reports in accordance with internationally recognized frameworks and standards, their reports shall already be considered as their compliance with the reporting template. Companies may choose to attach the whole sustainability report to their Annual Report or just include a statement providing a link to said report.

Comply or Explain Approach

The Guidelines shall be adopted on a "comply or explain" approach for the first three years upon implementation. By "comply or explain", it means that companies would be required to attach the template to their Annual Reports but they can provide explanations for items where they still have no available data on.

Penalty for Non-attachment of the Sustainability Report to the Annual Report

Non-attachment of the Sustainability Report to the Annual Report shall be subject to the penalty for **Incomplete Annual Report** provided under SEC Memorandum Circular No. 6, Series of 2005 (Consolidated Scale of Fines).

This Memorandum Circular shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Pasay City, Philippines, 15 February 2019.

Published:

Manila Bulletin, February 21, 2019
Manila Standard, February 21, 2019

For the Commission:

EMILIO B. AQUINO
Chairperson

- On 18 February 2019, the Philippine Securities and Exchange Commission (SEC) issued Memorandum Circular (MC) No. 4, *Sustainability Reporting Guidelines for Publicly-Listed Companies* to promote sustainability reporting and make it relevant for Philippine publicly-listed companies (PLCs).
- The report includes GHG emissions accounting and management.

Environmental impact management

Air Emissions

GHG

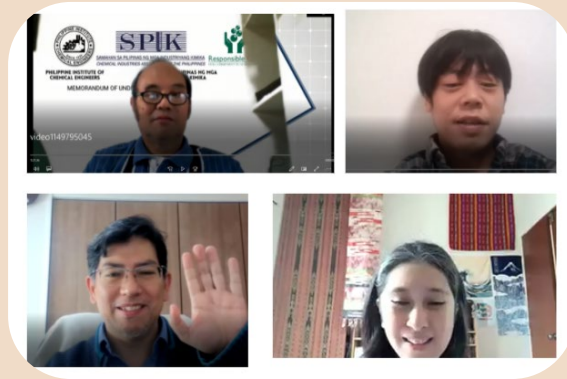
Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions		Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions		Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)		Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or	(e.g. employees, community, suppliers, government, vulnerable groups)	What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?

PaSTI Project Activities in the Philippines

- Capacity Building on Measurement, Reporting and Verification (MRV) of Climate Change Mitigation Measures
- Conduct of stocktaking (consultations and interviews)
- Sharing of experiences and good practices (Japan and PH companies)
- Conduct of technical and policy dialogue
- Development of Enhanced GHG Reporting Template

Insights from Key Industries on GHG Reporting including Challenges, Expectations and Needs



Sectoral Key Informant Interviews



PaSTI Survey on Greenhouse Gas Measurement, Reporting, and Verification

Good day. This is a survey under the Partnership to Strengthen Transparency for co-Innovation (PaSTI), a collaboration between the governments of the Philippines and Japan.

PaSTI aims to support the private sector and other non-state actions to be fully reflected in national or international efforts. Transparency systems need to be developed to ensure that the private-sector actions are appropriately Measured, Reported and Verified (MRV), both as part of national efforts and to bring credibility to the many international pledges. Accounting every single effort leading to GHG emissions reductions that support NDCs achievement is crucial and should be Measured, Reported and Verified or assessed.

We invite members of the IPPU and waste sectors to participate in this survey. Participants can opt to answer anonymously.

Results will be presented during the Public-Private Sector Dialogue on March 4, 2022, as part of the Philippine-Japan Environmental Week (<https://www.jpri.go.jp/ew2022oh>)

For further inquiries, please feel free to contact the PaSTI Secretariat at [pa-sti-sec@oeccc.or.jp](mailto:sec@oeccc.or.jp).



Online Survey



Discussion points

Data collection

What are your challenges in data collection for greenhouse gas emissions/ reduction?

PUSH

Obligations

Do you know of any reports for submitting GHG emissions inventory to government agencies?

Expectations

What are the expectations of the private sector from the government regarding MRV of GHG?



PULL

Voluntary measurement

Are there any ongoing voluntary GHG measurement activities in your company/ facility/ organization?

Increasing engagement

How can the the private sector engage more actively in GHG transparency activities?

Voluntary measurement

Are there any ongoing voluntary GHG measurement activities in your company/ facility/ organization?



No

Yes

Not required by any law re: GHG emissions...

None, but trainings on GHG are encouraged

Not by our local sales offices, but might be done by our factory abroad

... but we are required to report to the city and DENR-EMB regarding our performance and emissions (of concern).

Indirectly, through our facility energy consumption (Module 1 in SMR)...

Yes, but participating in carbon trade was also costly for the company

...and may be converted to equivalent GHG reduction if part of company KPI's

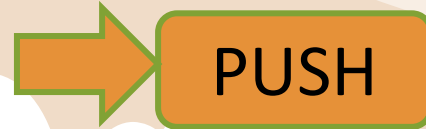
Our institution/ school network has a low-carbon roadmap

Yes, as part of CDM/ JCM etc.

Yes, as part of mother company EHS policy.

Obligations to report

Do you know of any reports for submitting GHG emissions inventory to government agencies?



No

Yes

Not required by any law re: GHG emissions...

... We used to, but we delisted so now we no longer submit to SEC

None, but if there is a policy we will comply.

All publicly listed companies (PLCs) are required to report sustainability data to SEC annually in compliance to SEC Memorandum Circular No. 4, Series of 2019.s

Data collection

What are your challenges in data collection for greenhouse gas emissions/ reduction?



Methodology

Management

Analysis

If we knew how, we would.

Provide a framework or baseline methodology/ guidance document

First clarify the standard methodology - where do we start? What to measure for our sector? How do we measure?

Show us the comparison of these methodologies so we can provide more accurate data for computations.

Collecting Scope 3 data especially on Transport

Data collection requires instrumentation based on global standards and a special discipline for recording and reporting

Lack of personnel, equipment, time, funds to start or sustain

accuracy of emission factors used for calculation

Challenge of data cleaning, harmonization

After this, then what?



Expectations of Gov't

What are the expectations of the private sector from the government regarding MRV of GHG?



Policy

Process

Purpose

Industries will comply as long as they understand the purpose and there are clear guidelines.

Wary that operations data will be used to issue a new regulatory policy

Stratified requirements depending on size of operations

A helping hand approach rather than regulatory

Communicate that this is for the improvement of the industry or the economy as a whole

If it is a part of regulation, we will comply.

An easy platform for reporting e.g. dashboard, online, app, etc.

Mutual trust and transparency

As part of overall Good Governance

Low GHG as part of product standards

We hope it won't be a big burden for us to comply (cost, personnel, time)

Harmonization and alignment of environmental policy with economic/ development policy.

Increasing private sector engagement

How can the the private sector engage more actively in GHG transparency activities?



Demands

If the market demands it

High cost of electricity and utilities in the PH

If there is a useful tool for easy MRV

Challenge of EPR concept

Incentives

It is difficult without any incentive

How to measure gains, monetize GHG reduction

Linkage to financial subsidies, grants

Easy adaptation via low-hanging fruits

Advocacies

This is our company's advocacy as well.

If consumers appreciate environmental sustainability as a good investment despite initial cost.

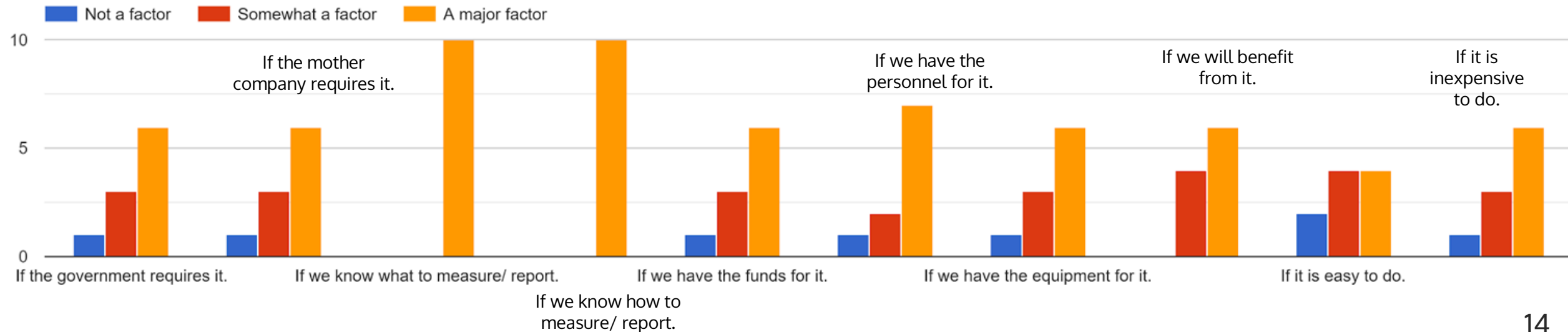
If consumers appreciate our efforts



Key Factors for GHG MRV

- 1) If we know **what & how** to measure/ report
- 2) If we **benefit** from doing so
- 3) If we have the **resources** to do so
- 4) If we are **required** to do so

For your company/ facility/ organization, which of the following would be key factors in establishing a GHG reporting system?



Lessons Learned:

- The PaSTI capacity building activities has provided a venue for sharing and learning of relevant policies, mitigation initiatives and experiences from government and the private sector in Japan and the Philippines.
- Aside from the raising awareness and understanding of the MRV system, it has likewise presented existing reporting initiatives and systems already being undertaken by some private companies.
- Enhanced relationship and facilitated potential areas of collaboration between the government and the public sector (in addressing climate change).
- Started enabling cooperation from the private sector in sharing their mitigation initiatives and experience as well as their reporting systems

Ways Forward

- Continuous dialogue between the government and the private sector
- Continuous capacity building of the private sector and government
- Harmonized government policies and guidelines and alignment of the private sector
- Development of an effective and functional MRV system
- Establishment of an incentive mechanism on GHG reporting
- Design of a pilot project applying the improved reporting system for the IPPU and Waste sectors and the incentive mechanism/s developed



Thank you...

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