
**Intergovernmental Working Group of Experts on International
Standards of Accounting and Reporting
(ISAR)**

**40th SESSION
17 – 19 October 2023**

Wednesday, 18 October 2023

**Agenda item 3. Review of practical implementation and
recent developments in sustainability reporting requirements**

Presented by

McJill Bryant Fernandez
Commissioner

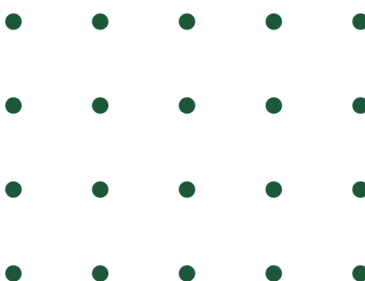
Securities and Exchange Commission Philippines

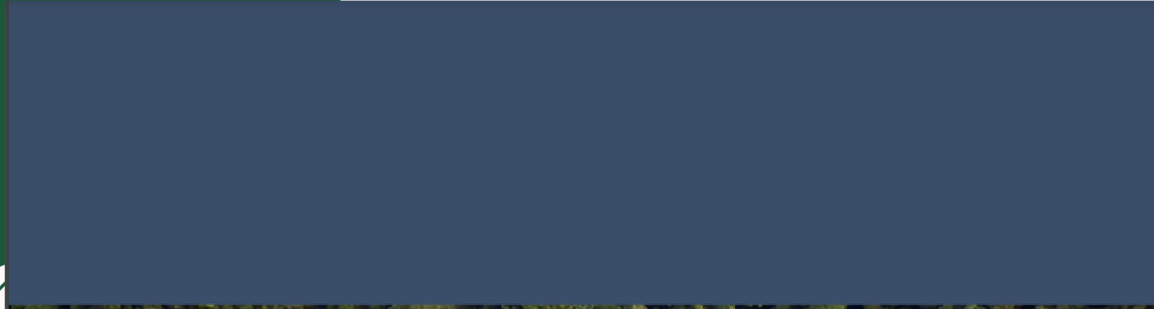
*This material has been reproduced in the language and form as it was provided.
The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.*



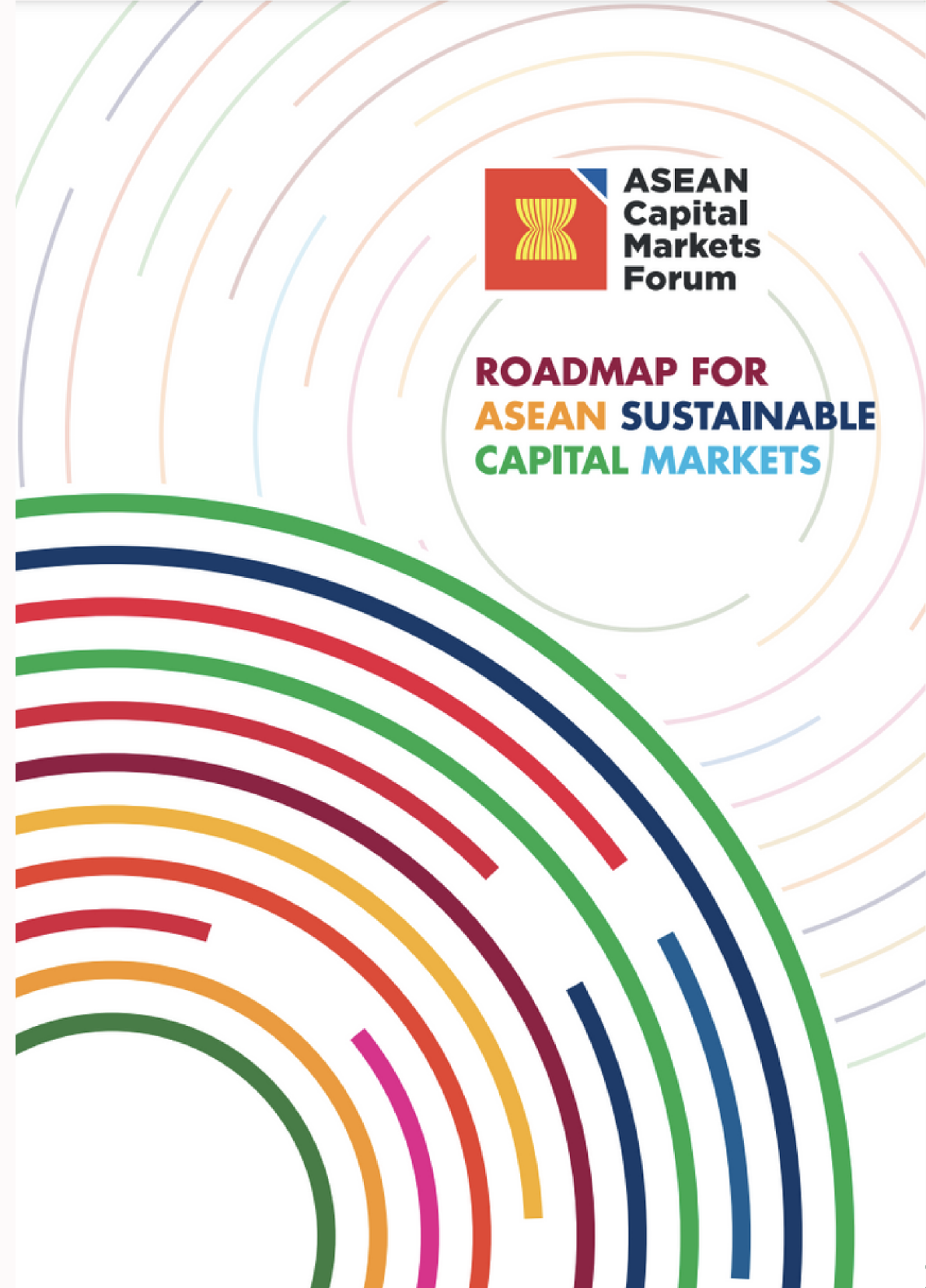
REVIEW OF PRACTICAL IMPLEMENTATION AND RECENT DEVELOPMENTS IN SUSTAINABILITY REPORTING REQUIREMENTS

Towards Mandatory Disclosures: The Case of the Philippines





**The Philippine
Sustainable Finance
Roadmap**



Developments that informed the revisions

ESG in the ASEAN

Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam lead ESG disclosure requirements for listed companies in the ASEAN.

IFRS S1 and S2

Launch of Sustainability (S1) and Climate-Related (S2) Disclosure on June 2023. These standards set out the overall requirements for disclosing sustainability and climate-related financial information for investors.

TNFD

Taskforce on Nature-Related Financial Disclosures features an integrated assessment process for nature-related risk management called LEAP (locate, evaluate, assess, prepare). TNFD recommendations were published on 18 Sep 2023.

UNCTAD-ISAR

Upcoming Asia Regional Partnership and Guidance on Core Indicators for Sustainability and SDG Impact Reporting.

Lead SR Frameworks

Include GRI (equal weight on ESG factors and heavy on materiality), SASB (aligns company and investors on financial impacts of ESG, TCFD and CDP (on GHG emissions).

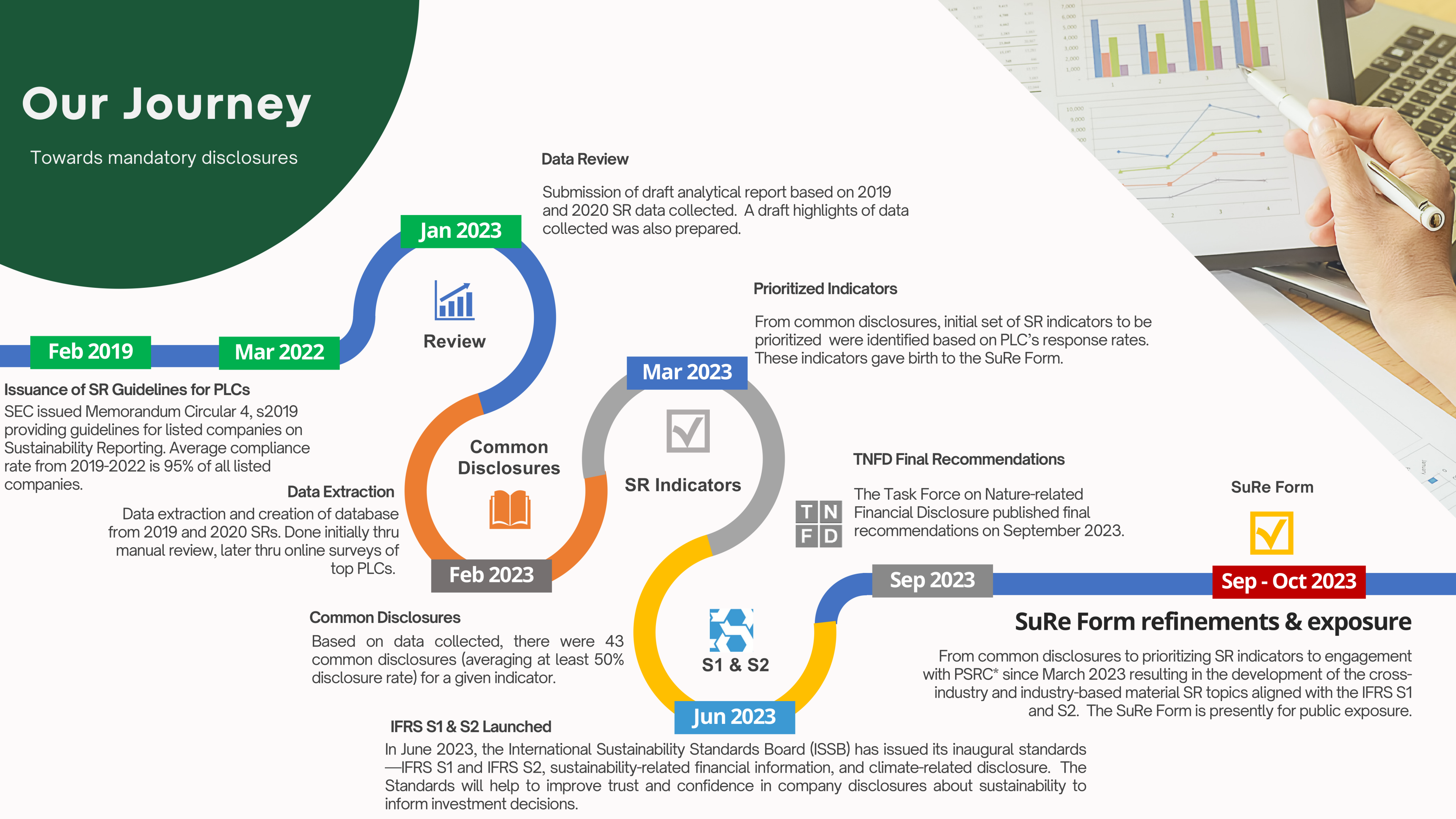


PSRC

Philippine Sustainability Reporting Committee (PSRC) provides technical support to the SEC and FSRSC in the adoption and issuance of guidelines and standards of sustainability reporting in the Philippines

Our Journey

Towards mandatory disclosures



Feb 2019

Issuance of SR Guidelines for PLCs
 SEC issued Memorandum Circular 4, s2019 providing guidelines for listed companies on Sustainability Reporting. Average compliance rate from 2019-2022 is 95% of all listed companies.

Mar 2022

Data Extraction

Data extraction and creation of database from 2019 and 2020 SRs. Done initially thru manual review, later thru online surveys of top PLCs.

Jan 2023



Review

Data Review

Submission of draft analytical report based on 2019 and 2020 SR data collected. A draft highlights of data collected was also prepared.

Common Disclosures



Common Disclosures

Based on data collected, there were 43 common disclosures (averaging at least 50% disclosure rate) for a given indicator.

Mar 2023



SR Indicators

Prioritized Indicators

From common disclosures, initial set of SR indicators to be prioritized were identified based on PLC's response rates. These indicators gave birth to the SuRe Form.



TNFD Final Recommendations

The Task Force on Nature-related Financial Disclosure published final recommendations on September 2023.

Feb 2023

S1 & S2

Jun 2023

IFRS S1 & S2 Launched

In June 2023, the International Sustainability Standards Board (ISSB) has issued its inaugural standards —IFRS S1 and IFRS S2, sustainability-related financial information, and climate-related disclosure. The Standards will help to improve trust and confidence in company disclosures about sustainability to inform investment decisions.

Sep 2023

SuRe Form refinements & exposure

From common disclosures to prioritizing SR indicators to engagement with PSRC* since March 2023 resulting in the development of the cross-industry and industry-based material SR topics aligned with the IFRS S1 and S2. The SuRe Form is presently for public exposure.

SuRe Form



Sep - Oct 2023

Revised Regulations on Sustainability Reporting

Sustainability Narrative

SR includes a Narrative Form attached to company's Annual Report.

SuRe Form

SuRe Form to be accomplished through SEC eFAST.

Alignment with Global Standards

Aligns with IFRS Sustainability (S1) and Climate-Related (S2) Standards, UN SDGs, GRI, TNFD, SASB, UNCTAD-ISAR Guidance on Core Indicators



Industry-Specific Metrics (ISM)



Sustainability and Climate-related Opportunities & Risks Exposures (SCORE);



SuRe Form



Cross-Industry Standards Metrics (CISM)





What's next?

Next steps; developments to monitor;
challenges and opportunities



Roadmap for Introduction of SR to other regulated entities

Informed by industry and materiality assessments and



Accreditation of assurers

Development of local regulations for assurance providers



Assurance for sustainability reports

External review, validation



Regulations on ESG rating agencies

To determine the direction of local regulation




THANK YOU

MCJILL BRYANT T. FERNANDEZ

 ocfernandez@sec.gov.ph

 www.sec.gov.ph

 7907 Makati Avenue, Salcedo Village,
Brgy. Bel-Air, Makati City, The
Philippines

