

Sustainability Reporting Guidelines for Publicly-Listed Companies



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

Rosario Carmela B. Gonzalez-Austria
Assistant Director, Corporate Governance Division
Securities and Exchange Commission

Sustainability

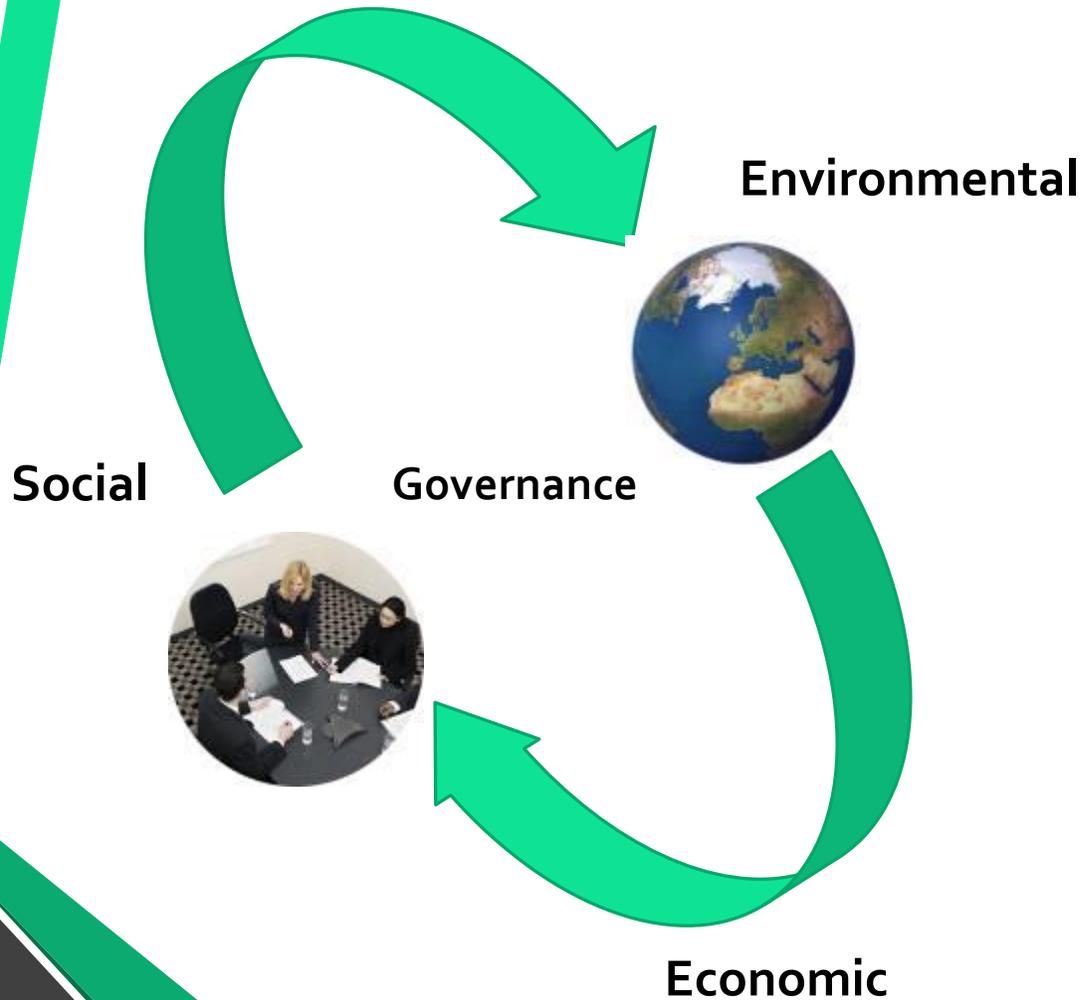


"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs"

-Brundtland Report of the World Commission on Environment and Development



What is Sustainability Reporting?



An organization's practice of reporting publicly on its significant economic, environmental and/or social impacts, in accordance with globally accepted standards

Enables an organization to measure and monitor its contributions towards achieving universal targets of sustainability



Value of Sustainability Reporting



Source: <https://www.fbrh.co.uk>

Sustainability Reporting in ASEAN



ASEAN Countries with Sustainability Reporting Guides:

Indonesia – Indonesia Financial Services Authority No. 51/POJK.03/2017

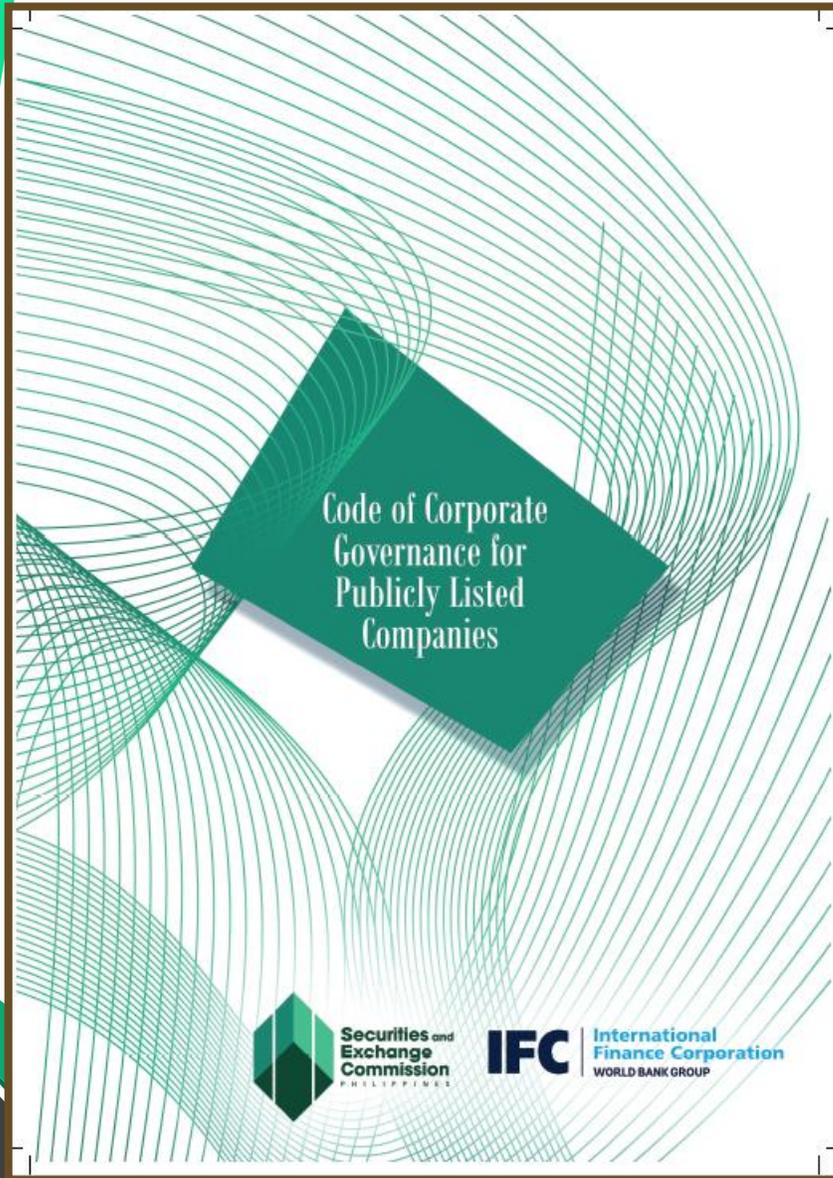
Malaysia – Bursa Malaysia Sustainability Reporting Guide

Singapore – Singapore Exchange Guide to Sustainability Reporting for Listed Companies

Thailand – The Stock Exchange of Thailand Guidelines for Sustainability Reporting

Vietnam – State Securities Commission of Vietnam/International Finance Corporation Sustainability Reporting Handbook for Vietnamese Companies

Code of Corporate Governance for PLCs



Principle 10 – The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

- **Recommendation 10.1** – The Board should have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. Companies should adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.



Sustainability Reporting Guidelines for PLCs

- ✓ Make sustainability reporting relevant and value-adding for companies
- ✓ Help PLCs identify, evaluate and manage their material EESG risks and opportunities.
- ✓ Help PLCs optimize business operations, improve competitiveness, and long-term success.
- ✓ Provide for a mechanism that would allow PLCs to communicate with its stakeholders, including investors.



Globally Recognized Standards/Frameworks in Reporting Sustainability

Global Reporting Initiative (GRI) Sustainability Reporting Standards

-comprehensive reporting requirement covering economic, environmental, and social topics

-aligned with international standards and normative frameworks such as the United Nations Global Compact (UNGC) and the International Labour Organization (ILO) Tripartite Declaration

International Integrated Reporting Council (IIRC) Integrated Reporting (IR) Framework

-defines six capitals, seven guiding principles, and eight content elements of an integrated report

-aims to monitor how the capitals are used and created by the business model and discloses the companies' strategies in light of risks and outlook

Sustainability Accounting Standards Board (SASB) Sustainability Accounting Standards

-provides industry-based sustainability standards for more than 80 specific industries

-has five general sustainability themes including environment, social capital, human capital, business model and innovation, and leadership and governance

Recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)

-issued its final recommendations on climate-related financial disclosure in January 2018, focusing on climate-related risks, opportunities, and financial impacts, as well as scenario analysis



SEC Sustainability Reporting Framework



Reporting Template

Economic

- Impacts on the economic conditions of its stakeholders and on economic system at local, national and global levels. It does not focus on the financial condition of the organization

Environment

- Impacts on living and non-living natural systems, including land, air, water and ecosystems

Social

- Impacts on the social systems in which the organization operated

SDGs

- Key products and services that contribute to SDGs



Reporting Template

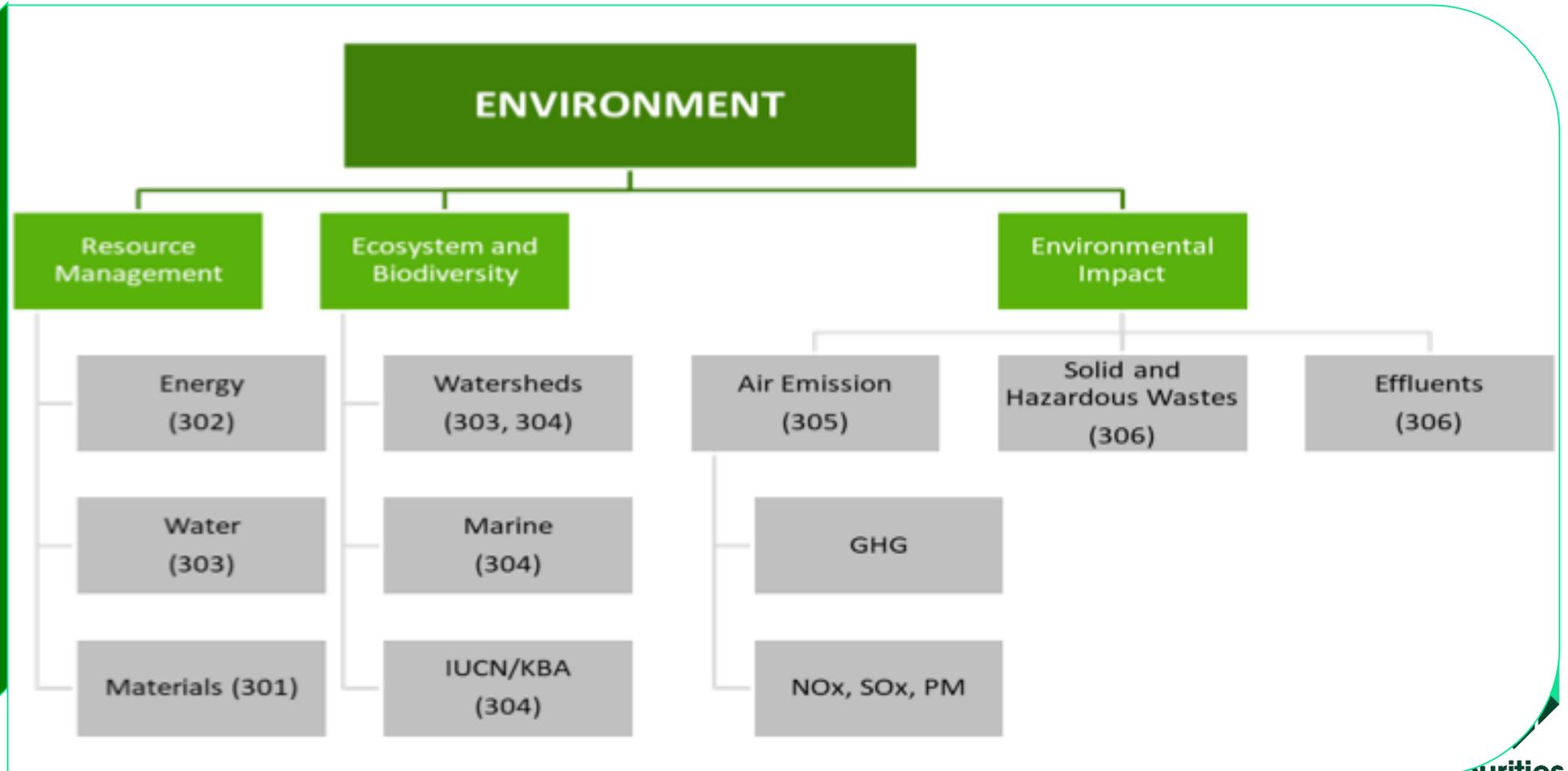
Economic

- This disclosure answers the questions:
 - How much direct economic value (revenue) did you generate?
 - How much of this flowed back to society (costs disaggregated according to stakeholders)?
 - How much of this was retained in the company for liquidity and to fund future investments?



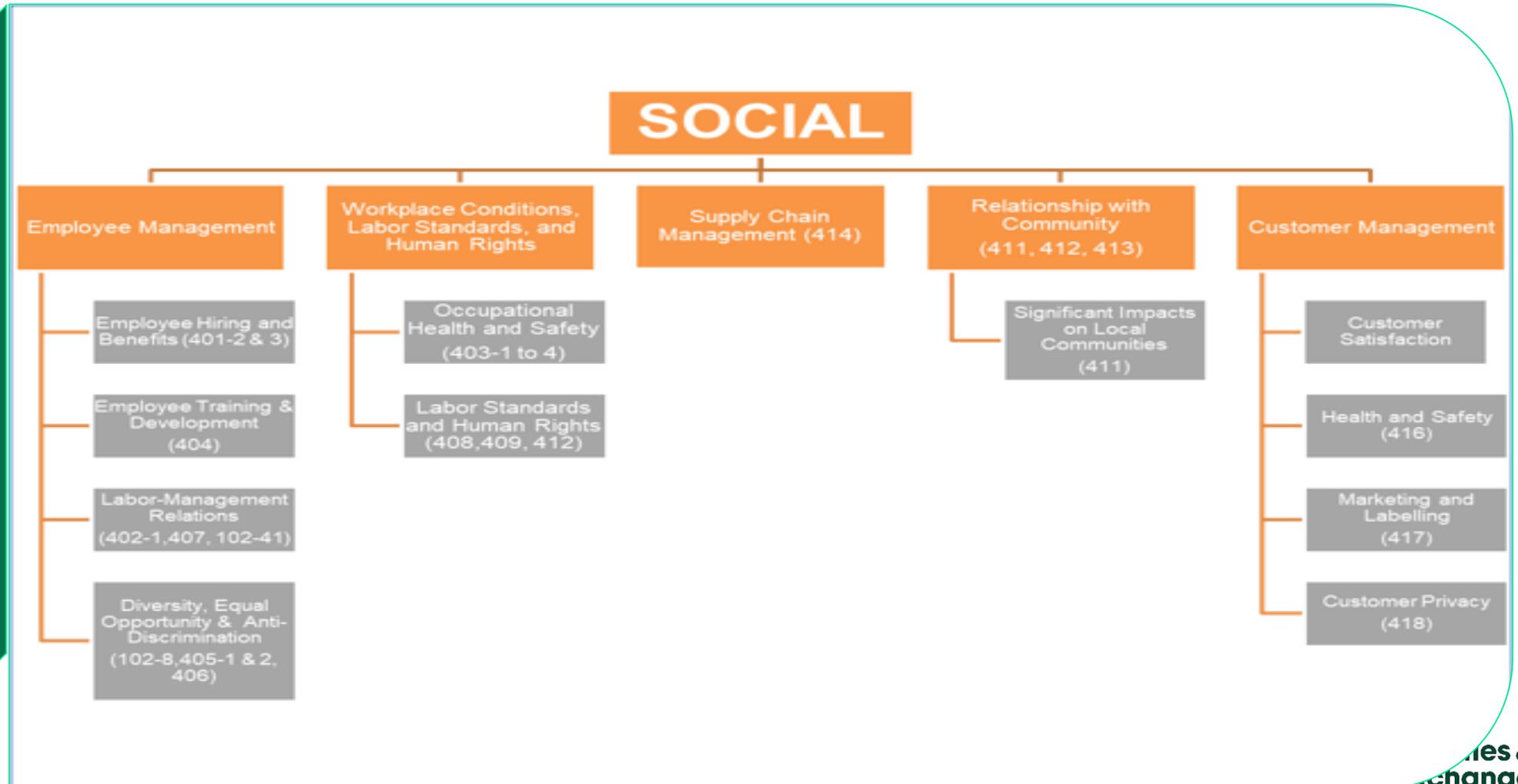
Reporting Template

Environment



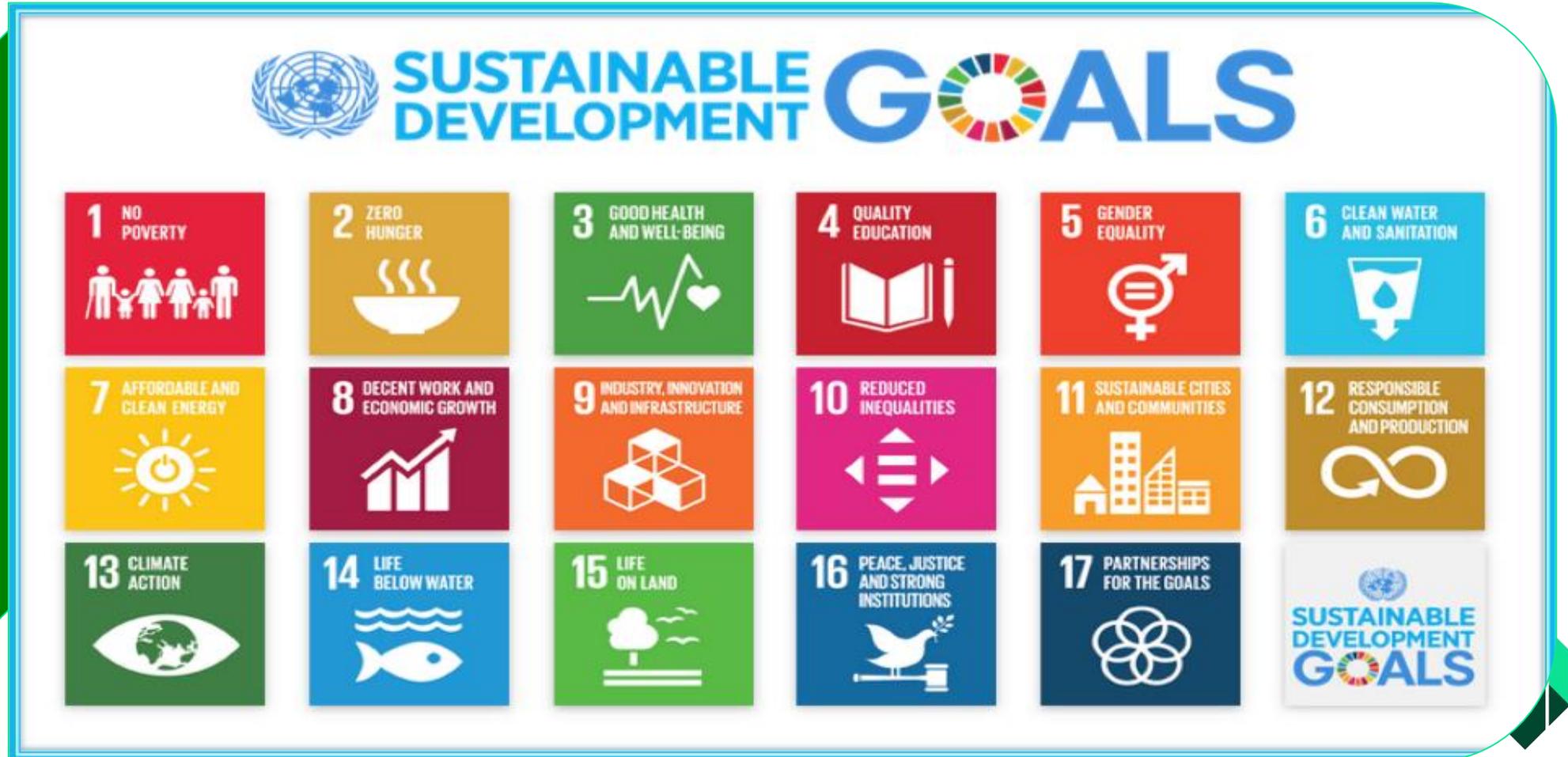
Reporting Template

Social



Reporting Template

SDGs



Determining Materiality

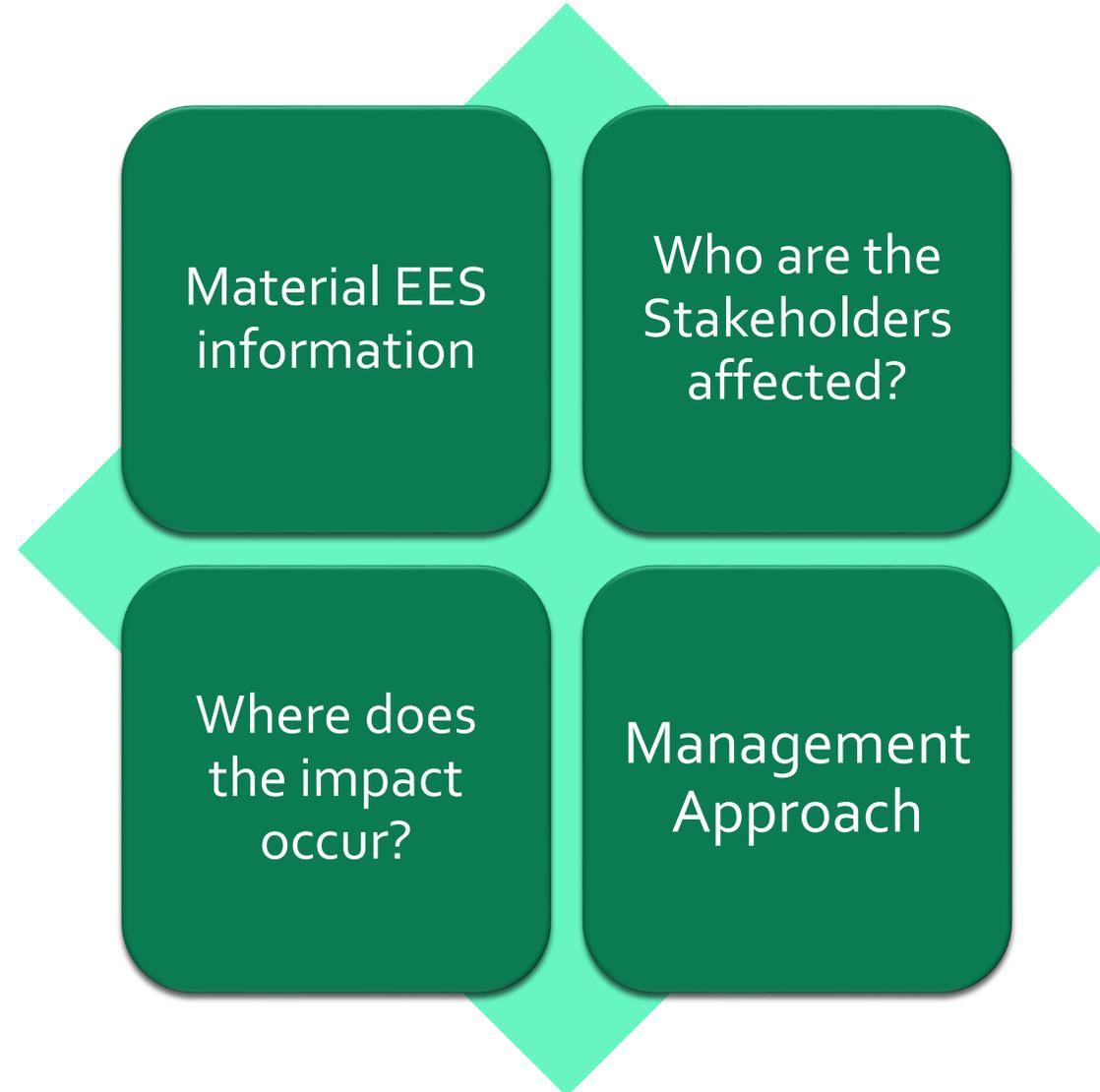
Significance of an organization's economic, environmental and social impacts

Substantive influence on the assessments and decisions of stakeholders

MATERIAL



What should be Disclosed



Other Matters

- “Comply or Explain” then Mandatory
- Cost can be minimal since companies can answer the template by themselves
- Free Roundtable Discussions to assist PLCs in answering the template
- Attached to SEC Form 17-A; Separate Report not required
- Guidelines will be released before the end of the year



Thank you!



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