

<b>GUIDELINES FOR ISSUANCE OF GREEN BONDS UNDER THE ASEAN GREEN BONDS STANDARDS<sup>1</sup></b>		
<b>SECTION</b>	<b>ELIGIBILITY REQUIREMENTS</b>	<b>DESCRIPTION</b>
<b>ARTICLE I. GENERAL PROVISIONS</b>		
<i>Chapter 1. Definitions</i>		
1	Applicability	Primarily govern the issuance of the ASEAN Green Bonds (“AGB”) where proceeds will be exclusively applied to finance or refinance, in part or in full, new and/or existing eligible Green Projects (“GP”)
2	Definition of Terms	<ul style="list-style-type: none"> <li>A. ACMF refers to the ASEAN Capital Market Forum</li> <li>B. ASEAN refers to the Association of Southeast Asian Nations</li> <li>C. ASEAN GBS refers to the ASEAN Green Bond Standard</li> <li>D. ASEAN Green Bonds refers to bonds and sukuk which compl with the ASEAN GBS, where the proceeds will be exclusively applied to finance or refinance, in part or in full, new and/or existing eligible Green Projects. In the case of Islamic bonds or sukuk, it must also comply with the relevant laws and requirements applicable for the issuance of Islamic bonds or sukuk. In such instances, the Islamic bonds or sukuk may be labelled as ASEAN Green Sukuk</li> <li>E. ASEAN Issuer refers to an Issuer that is incorporated in any of the ASEAN countries</li> <li>F. Non-ASEAN Issuer refers to an Issuer other than an ASEAN Issuer</li> <li>G. Green Bonds Principles (GBP) refers to the voluntary process guidelines issued by the International Capital Market Association (ICMA), as revised from time to time, that recommend transparency and disclosure, and promote integrity in the development of the green bond market.</li> <li>H. Green Projects refer to the broad categories of eligible green projects as listed in the ASEAN GBS. The list of eligible green project is not an exhaustive list.</li> <li>I. Issuer refers to a corporation that issues ASEAN Green Bonds and includes both an ASEAN Issuer and Non-ASEAN Issuer.</li> <li>J. Look-back period refers to a maximum period in the past that an Issuer will look back to identify assets/earlier disbursements to such eligible Green Projects that will be included in the green bond reporting.</li> </ul>
<i>Chapter 2. Scope of ASEAN Green Bonds Standards</i>		
3	Coverage	The Guidelines for Issuance of ASEAN Green Bonds Standards shall apply to the issuance of ASEAN Green Bonds in the Philippines.
4	Suppletory Application of ICMA <sup>2</sup>	The ASEAN Green Bonds Standards are aligned with the ICMA Green Bonds Principles. Any guidance issued by ICMA on the GBP should also be considered, where relevant.
<b>ARTICLE II. ELIGIBILITY REQUIREMENTS</b>		
<i>Chapter 1. Eligibility of Issuer</i>		
5	Issuer	The Issuer must be an ASEAN Issuer as defined under Guidelines A. A non-ASEAN Issuer may also issue ASEAN Green Bonds (“AGB”), provided the eligible Green Projects are located in any of the ASEAN countries
<i>Chapter 1. Eligibility of Issuance</i>		
6	Issuance	Originate from any of the ASEAN member countries
<b>ARTICLE III. CORE COMPONENTS OF THE ASEAN GREEN BOND STANDARDS</b>		
<i>Chapter 1. Use of Proceeds</i>		
7	Green Projects (“GP”)	All must provide clear environmental benefits which will be assessed and, where feasible, quantified by the Issuer

<sup>1</sup> SEC Memorandum Circular #12, Series of 2018 - To supplement the requirements of Section 8 and 12 of the Securities Regulation Code

<sup>2</sup> International Capital Markets Association

SECTION	ELIGIBILITY REQUIREMENTS	DESCRIPTION
8	Categories	<ul style="list-style-type: none"> <li>A. Renewable energy</li> <li>B. Energy efficiency</li> <li>C. Pollution prevention and control</li> <li>D. Environmentally sustainable management of living natural resources and land use</li> <li>E. Terrestrial and aquatic biodiversity conservation</li> <li>F. Clean transportation</li> <li>G. Sustainable water and waste water management</li> <li>H. Climate change adaption</li> <li>I. Eco-efficient and/or circular economy adapted, production technologies and processes</li> <li>J. Green buildings which meet regional, national, or internationally-recognized standards or certifications</li> </ul>
9	GP Categories	GP may related to more than one category
10	Ineligible Green Project	Fossil fuel power generation projects
11	Use of Proceeds Documentation	<ul style="list-style-type: none"> <li>A. Categories of GP to which proceeds will be allocated; and/or</li> <li>B. Information on specific GP in the case where the Issuer has identified the specific GP to which the bonds proceeds will be allocated</li> </ul>
12	Proceeds Used for Refinancing	<ul style="list-style-type: none"> <li>A. Estimate of the share of financing and refinancing</li> <li>B. Clarify which investments or project portfolios may be refinanced if appropriate</li> <li>C. State the expected look-back period for refinanced GP to the extent relevant</li> </ul>
<b>Chapter 2. Process for Project Selection and Evaluation</b>		
13	Project Selection and Evaluation Process	Issuer must establish the process for project evaluation and selection prior to issuance of the ASEAN Green Bonds (“AGB”). Issuers are encouraged to position the information within the context of the Issuer’s overarching objective, strategy, policy, and/or processes relating to environmental sustainability.
14	Disclosure of Process	The Issuer should disclose the project evaluation and selection process to investors in the documentation for the issuance of AGB
15	Project Evaluation and Selection Disclosure	Issuer should disclose project evaluation and selection process to investors the following : <ul style="list-style-type: none"> <li>A. Environmental sustainability objectives</li> <li>B. Process on how the project fit within the eligible GP categories</li> <li>C. Related eligibility criteria or any process applied to identify and manage potentially material environmental and social risk associated with the GP</li> <li>D. Any green standard or certifications referenced in project selection</li> </ul>
16	Public Disclosure via website	Issuers must make public on the Issuer-designated website on the time of issuance and throughout the tenure of AGB the following: <ul style="list-style-type: none"> <li>A. Process for project evaluation</li> <li>B. Use of Proceeds</li> </ul>
<b>Chapter 3. Management of Proceeds</b>		
17	Treatment of Net Proceeds	Must be credited into a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process linked to the Issuer’s lending and investment operations for GPs.
18	Simultaneous Deployment of Net Proceeds	The total amount deployed from the net proceeds for eligible GPs need not occur simultaneously.
19	Periodic Adjustment of Net Proceeds Balance	As long as the AGB are outstanding, the balance of tracked proceeds of outstanding AGB must be periodically adjusted to match allocations to eligible GP made.

SECTION	ELIGIBILITY REQUIREMENTS	DESCRIPTION
20	Management of Proceeds	Issuer must disclose to investors the: <ul style="list-style-type: none"> <li>A. Process for managing the net proceeds from the AGB</li> <li>B. Intended types of temporary placement for the balance of unallocated proceeds</li> </ul>
<b>Chapter 4. Reporting Requirements</b>		
21	Continuous Reporting on the Use of Proceeds	Issuer must report to investors at least on an annual basis until full allocation, and as necessary thereafter in the event of material development the following: <ul style="list-style-type: none"> <li>A. List of projects to which the AGB proceeds have been allocated</li> <li>B. Brief description of the project</li> <li>C. Amount allocated and their expected impact</li> <li>D. Issuers use qualitative performance indicators and where feasible, quantitative performance measures with disclosure of the key underlying methodology and/or assumptions used in the quantitative determination</li> </ul>
22	Confidentiality Agreements, Competitive Considerations or Large Number of Underlying Projects	Issue may present the information in generic terms or on an aggregated portfolio basis where confidentiality agreements, competitive consideration or large number of underlying project limits the amount of details that can be made available.
23	Quantitative Performance Measures	In relation to Section 21 the following quantitative performance measure may be employed: <ul style="list-style-type: none"> <li>A. Energy capacity</li> <li>B. Electricity generation</li> <li>C. Greenhouse gas emissions reduced/avoided</li> <li>D. Number of people provided with access to clean power</li> <li>E. Decrease in water use, reduction in the number of cars required</li> <li>F. Other reasonable performance measures</li> </ul>
24	Annual Reporting and External Review	Issuer must provide investors the annual reports (“AR”) and external review on the AR, if any, through a website and/or through AR throughout the tenure of AGB
25	Reporting Frequency	In addition to annual reporting in Sections 21 and 24, Issuers are encouraged to provide more frequent periodic reporting which would increase transparency on the allocation of proceeds and investor confidence on the AGB.
<b>ARTICLE IV. EXTERNAL REVIEW</b>		
<b>Chapter 1: Qualifications of External Review Providers</b>		
26	External Review Requirement	External review provided must have relevant experience and experience in the components of the AGB which they are reviewing
27	Expertise and Scope Disclosure	The external reviewers’ credentials under Section 26 and scope of review conducted must be publicly accessible from a website designated by the Issuer throughout the tenure of the AGB
<b>Chapter 2. External Review Requirements</b>		
28	Appointment of Provider	Issuers are recommended to appoint external review providers for their AGB
29	External Review	Issuer’s process for project evaluation and selection under Section 13 must be supported by an external review
30	Management of Proceeds	Issuers management of proceeds under <i>Article III Chapter 3</i> be supplemented by the use of an auditor, or other third party to verify the internal tracking method and the allocation of funds from AGB proceeds
31	Use of Proceeds	Issuer’s annual reporting on the use of proceeds under <i>Article II Chapter 1</i> be supplemented by a confirmation of such use of proceeds by an external reviewer along with any relevant updates of the external review
<b>Chapter 3. Coverage and Types of Review</b>		
32	Partial or Full Review	The external review may be partial, covering only certain aspects of the AGB framework or full, assessing alignment with all four (4) core components as stated in the AGB Standards.

SECTION	ELIGIBILITY REQUIREMENTS	DESCRIPTION
33	Types of Review	A. Consultant B. Verification C. Certification D. Rating
34	Consultant Review	Involves an Issuer seeking advice from consultant and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of AGB, such as the establishment /review of an AGB Framework
35	Verification	It involves an Issuer having its AGB associated AGB framework or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the Issuer.
36	Certification	It involves an Issuer having its AGB or associated AGB framework, or use of proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties/certifiers.
37	Rating	It involves an Issuer having AGB or associated AGB framework rated by qualified third parties, such as a specialized research provider or rating agency.
38	Green Bond – Environment Rating	Green bond ratings are separate from an Issuer’s environmental, social and governance rating.
<b>Chapter 4. External Review Report</b>		
39	Contents	Disclosure on relevant credentials and expertise, and the scope of the review conducted in the external review report
40	Project evaluation and Selection	The Issuer must make the External Review Report of the project evaluation and selection process, if review is conducted in connection with <i>Section 29</i> , publicly available on a website at the time of issuance and throughout the tenure of AGB
41	Management of Proceeds	In connection with <i>Section 30</i> , the Issuer must make the auditor or other third party report publicly available on a website at the time of issuance and throughout the tenure of AGB
<b>ARTICLE 5. APPLICABILITY ON EXISTING GREEN BONDS</b>		
42	Applicability	In certain circumstances, and at the discretion of the Commission, outstanding bonds issued by Philippine-Based issuer and/or in instances where the proceeds were used in the Philippines, will be considered for eligibility under the AGB Standards, Provided the issuance is compliant with the requirements of these Guidelines, and already carries an internationally recognized green label.
<b>ARTICLE 6. LIMITATIONS ON ASEAN GREEN BOND LABEL</b>		
43	Limitations	Consistent with public interest and protection of investors, the call for transparency, as well as to ensure integrity of the AGB, the Commission reserves the right to direct any Issuer from using the “ASEAN Green Bond” label