



BANGKO SENTRAL NG PILIPINAS

FINANCIAL SUPERVISION SECTOR

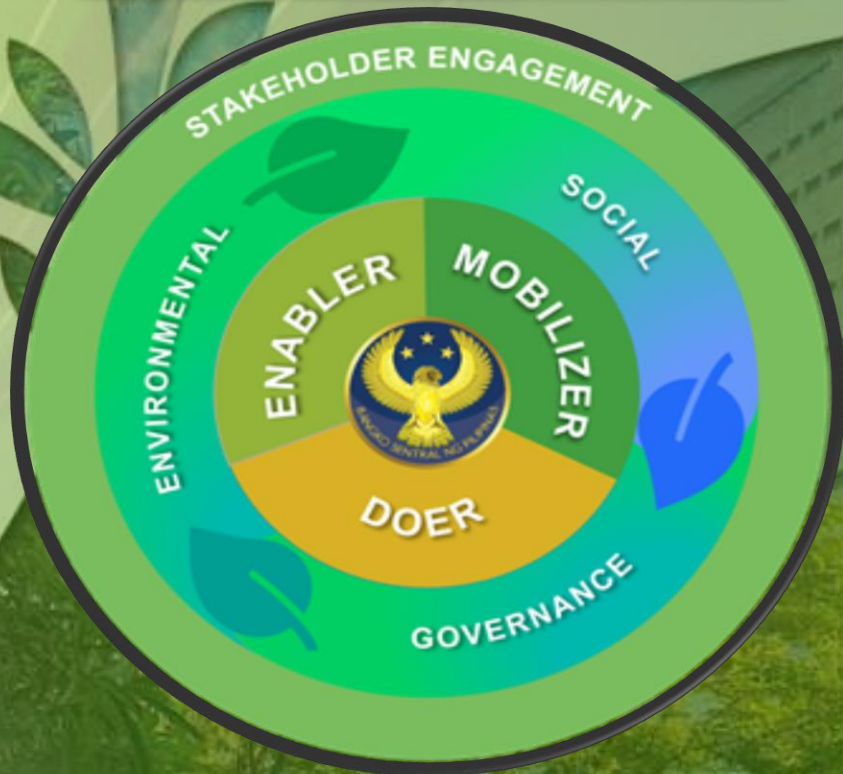
Sustainability Reporting





Sustainable Central Banking Program

OVERARCHING STRATEGY FRAMEWORK



The SCB Strategy highlights the BSP's roles as *enabler*, *mobilizer*, and *doer* in promoting the sustainability agenda in the financial system.

1

Enabler - the BSP promotes an enabling regulatory environment for sustainable finance.

2

Mobilizer - the BSP leads financial institutions in making environmentally and socially responsible investment decisions.

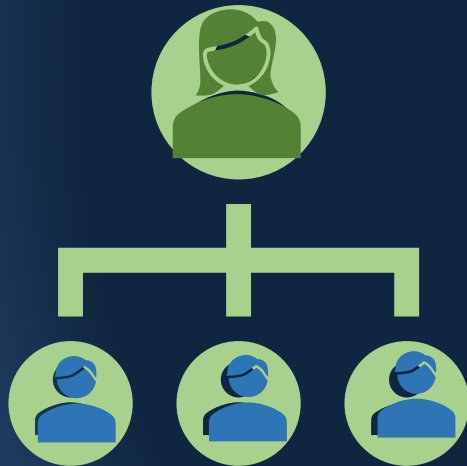
3

Doer - the BSP embeds sustainability principles in its operations and performance of mandates.

Cir. 1085 : Sustainable Finance Framework

Key Elements of the Framework

Role of Board of Directors and Senior Management



Adoption of Environmental and Social Risk Management System



- Level of E&S risk appetite
- Guidance on assessing E&S risks
- Tools to identify, measure and monitor E&S risks
- Measures to be taken in cases of breaches of E&S limits or thresholds and non-compliance
- Integration of E&S risks in stress testing exercises

Disclosures

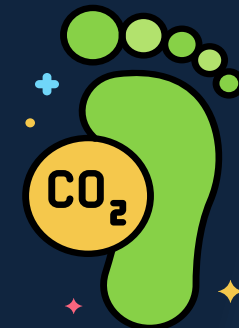


Image by Flat Icons from flaticons.com

3-year transition period



Cir. 1085: Disclosure Requirements

Sustainability strategic objectives and risk appetite

Overview of E&S risk management system

Products and services aligned with sustainability standards and practices, including the issuance of green, social, and sustainability bonds

Breakdown of the E&S risk exposure of the bank per industry or sector

Information on existing and emerging E&S risks and their impact on the bank

Other initiatives to promote adherence to internationally recognized sustainability-related standards and practices



FINANCIAL SECTOR FORUM



Corporate Governance



SUSTAINABILITY
REPORTING

Risk Management



Financial Incentives

Disclosure Requirements



Sustainable Finance Taxonomy



International Sustainability Standards Board

- IFRS S1 covers the disclosure requirements on the sustainability-related risks and opportunities that companies face over the short, medium, and long term.
- IFRS S2 provides climate-related disclosures and is intended to be used with IFRS S1



- 140 jurisdictions require the adoption of the International Financial Reporting Standards
- In September 2022, the Professional Regulatory Board of Accountancy issued Board Resolution No. 44, which provides that the Philippines will adopt the IFRS Sustainability Disclosure Standards that will be developed by the ISSB



Why Adopt Sustainability Reporting



Reflects the
commitment of
the entity

Entity would
become more
attractive to
clients and
investors

drives action
to meet the
initiatives
and targets

shows
commitment to
contribute to
national
development
goals

- ✓ Attract new clients who are supporting environmental and social objectives.
- ✓ Inform investment decisions



Strategic Considerations in Sustainability Reporting



Proportionate adoption of the Standards

- Segmentation
- Scope



Interoperability



Phased implementation



Collaboration





BANGKO SENTRAL NG PILIPINAS

FINANCIAL SUPERVISION SECTOR

Sustainability Reporting

