

ETHICAL BUSINESS STAKEHOLDER CAPITALISM

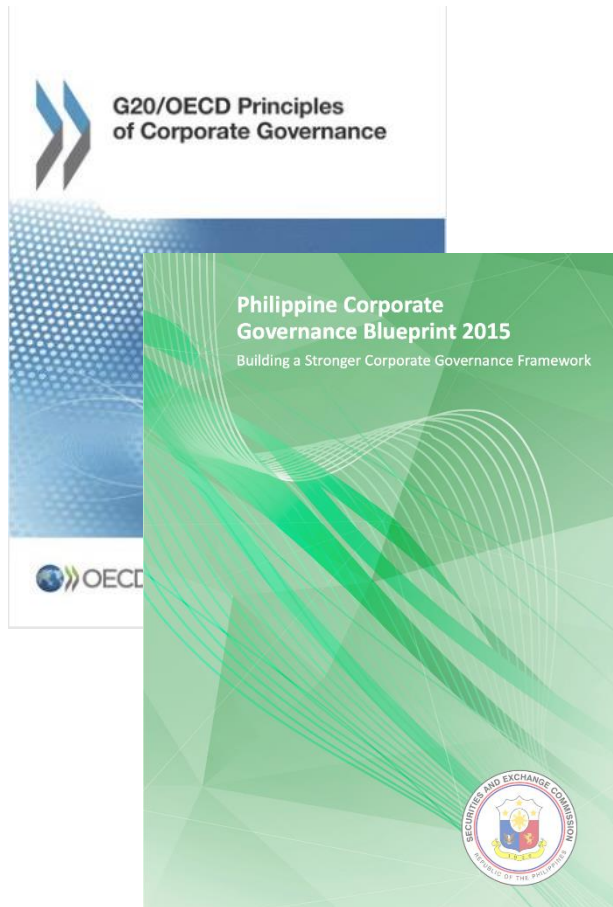
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SEC Director

02 September 2021

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Stakeholder Principles in Corporate Governance



G20/OECD Principles of Corporate Governance (2015)

The role of stakeholders

The corporate governance framework should recognise the rights of stakeholders established by law or through mutual agreements and encourage active co-operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.

Philippine Corporate Governance Blueprint 2015

Duties to Other Stakeholders

Engaging with stakeholders has governance implications because it goes to the heart of how power and authority are understood and used within the company. By definition, stakeholders have a stake in the company, and have the possibility of gaining benefits or experiencing losses or harm as a result of the operations of a company

SEC Memorandum 19, Series of 2016

Code of Corporate Governance for PLCs

Duties to Stakeholders

Principles 14-16



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SEC's initiatives in promoting Sustainability



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.

For the Commission:

EMILIO B. AQUINO
Chairperson



SEC TAKES TOP HONORS IN UN SUSTAINABILITY REPORTING AWARDS





Image from [Heneral Luna's Facebook page](#)





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Direct Link:

<https://www.sec.gov.ph/corporate-governance/code-of-corporate-governance/>



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