



MEMORANDUM – 2026-026

TO : THE TRADING PARTICIPANTS
AND THE INVESTING PUBLIC

SUBJECT : REQUEST FOR COMMENTS ON PROPOSED
AMENDMENTS TO THE SEC GUIDELINES
ON PHILIPPINE GREEN EQUITY

DATE : 15 OCTOBER 2026

The Securities and Exchange Commission (“SEC”) En Banc, in its meeting held on 08 October 2026, resolved to expose the attached draft Memorandum Circular on the **PROPOSED AMENDMENTS TO THE SEC GUIDELINES ON PHILIPPINE GREEN EQUITY**.

Thus, the SEC is requesting comments, suggestions, and/or inputs from all concerned on the proposed draft Memorandum Circular. The written comments, suggestions, and/or inputs may be submitted **on or before 19 October 2026** through email at pmlimosinero@sec.gov.ph with the proposed subject of “COMMENTS ON THE REVISED SEC GUIDELINES ON PHILIPPINE GREEN EQUITY.”

Thank you.

(original signed)
GERARD B. SANVICTORES
President

ACD	FHRAD	IED	SD



SEC MEMORANDUM CIRCULAR NO. _____
Series of 2026

SUBJECT: REVISED SEC GUIDELINES ON THE PHILIPPINE GREEN EQUITY

WHEREAS, Section 5 of Republic Act No. 8799, or the Securities Regulation Code (SRC) vests the Commission with the power to regulate the issuance and sale of securities and to promote the development of the capital market, consistent with investor protection;

WHEREAS, the Philippines is a Party to the Paris Agreement, which aims to hold the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit it to 1.5 degrees Celsius, and has committed to reducing its greenhouse gas emissions under its Nationally Determined Contribution;

WHEREAS, the Commission has taken an active role in promoting the use of capital markets in achieving these goals, and has adopted the ASEAN Green, Social, Sustainability, Sustainability-Linked Bonds and Blue Bond Standards, to attract sustainable investments and address key areas of environmental and social concern;

WHEREAS, under the auspices of the Financial Sector Forum (FSF), the Philippine Sustainable Finance Taxonomy Guidelines (SFTG) aligned with the ASEAN Taxonomy for Sustainable Finance (ATSF) were issued to provide a common classification of sustainable economic activities and direct capital toward them;

WHEREAS, international market operators have developed frameworks for green equity, such as the World Federation of Exchanges' Green Equity Principles, the Nasdaq Green Equity Designation, and the London Stock Exchange's Green Economy Mark;

WHEREAS, green equity complements sustainable debt instruments, and by providing a framework for green equity offerings, offers greater visibility and credibility to the green activities of companies, thereby helping investors identify them and guarding against misleading green claims

WHEREAS, the requirements under these Guidelines are in addition to the applicable requirements under Sections 8 and 12 of the SRC on the registration of securities, unless there is an available exemption under Sections 9 or 10 of the SRC, in which case the issuer shall submit the requirements prescribed by the Commission;

NOW, THEREFORE, with the foregoing, the Commission hereby adopts and issues these Guidelines on Philippine Green Equity, as follows:

ARTICLE ONE: GENERAL PROVISIONS

Section 1. Definition of Terms – For purposes of these Guidelines, the following definition of terms shall apply, unless the context otherwise requires:

- A. **Accredited Reviewers** refers to an independent external review provider accredited by the Exchange, in accordance with its implementing guidelines approved by the Commission, to prepare an Assessment Report for purposes of the Philippine Green Equity label.
- B. **ASEAN Taxonomy for Sustainable Finance (ATSF)** refers to the multi-tiered framework designed to be an inclusive and credible classification system for sustainable activities in ASEAN.
- C. **Commission or the SEC** refers to the Securities and Exchange Commission of the Philippines
- D. **Do No Significant Harm (DNSH)** refers to the principle that an activity which makes a substantial contribution to one of the official Environmental Objectives selected under the SFTG or the ATSF should not cause significant harm to any of the other Environmental Objectives under the respective taxonomies.
- E. **ESG** means environmental, social and governance, or some combination thereof.
- F. **Environmental Objectives (EOs)** are environmental objectives specified under a taxonomy. Any activity seeking classification under the SFTG or the ATSF must demonstrate that it is contributing to at least one of the EOs of the respective taxonomies.
- G. **Exchange** refers to the Philippine Stock Exchange and/or to any Exchange, Other Securities Trading Markets, and/or Self-Regulatory Organizations registered with and authorized by the Commission.
- H. **Financial Sector Forum (FSF)** refers to the inter-agency body composed of the SEC, Bangko Sentral ng Pilipinas (BSP), Insurance Commission (IC), and the Philippine Deposit Insurance Corporation (PDIC), which provides a platform for discussion of supervisory approaches and issues as well as emerging risks in the financial sector.
- I. **Green Activities** refers to economic activities that are classified as Green under the SFTG or ATSF respectively.
- J. **Minimum Social Safeguards (MSS)** refers to measures to ensure that companies engaging in sustainable activities meet certain standards when it comes to human and labour rights. It is addressed as ‘Social Aspects’ under the ATSF.
- K. **Paris Agreement** means the agreement under the United Nations Framework Convention on Climate Change
- L. **Philippine Green Equity label** refers to the designation given to a publicly listed company in the Philippines that meets the requirements of these Guidelines.

- M. ***Philippine Sustainable Finance Taxonomy Guidelines (SFTG)*** refers to the document published by the FSF, which provides guidance on the classification of economic activities as being environmentally and socially sustainable.
- N. ***Remedial Measures to Transition (RMT)*** refers to measures taken to remediate or mitigate the impact of any significant harm resulting from an activity, or any actions required to implement the activity.
- O. ***Revenue*** refers to the value of aggregate sales of goods and services recognized by a company in a specified period.
- P. ***Sustainable Finance*** is the process of taking due account of environmental, social and governance (ESG) considerations when making investment decisions in the financial sector, leading to increased longer-term investments into sustainable economic activities and projects.
- Q. ***United Nations Sustainable Development Goals (UN SDG)*** means the 17 United Nations objectives intended to serve as a “shared blueprint for peace and prosperity for people and the planet now and into the future”

Section 2. Applicability and Coverage – The Guidelines on Philippine Green Equity shall primarily govern the designation of the Green Equity label in the Philippine stock market. These Guidelines are intended to provide a coherent framework for issuers that voluntarily choose to align their equity offerings or listings with environmentally sustainable finance objectives. They are not intended to modify, supplement, or otherwise affect the mandatory listing requirements of the PSE. Notwithstanding a prior listing on the PSE, issuers may apply for the designation of their listed shares as Green Equity provided that they fully comply with the eligibility criteria and requirements set forth in these Guidelines.

Section 3. Objectives. The primary objective of these Guidelines is to enhance the visibility and attractiveness of companies that actively engage in green activities. By identifying and recognizing these businesses, the Philippine Green Equity label aims to direct capital flows toward enterprises that demonstrate environmental stewardship.

These Guidelines are also intended to complement existing sustainable finance instruments including thematic bonds by establishing a parallel equity-based framework to provide investors with additional mechanisms to support environmentally sustainable enterprises.

Finally, the Philippine Green Equity label established under these Guidelines is further intended to accelerate the use and integration of the SFTG and the ATSF into business practices. It encourages companies to progressively align their operations, strategies, and disclosures with taxonomy principles, fostering broader and more consistent application of sustainable finance standards across the market, thereby supporting the country’s goals for sustainable development.

ARTICLE TWO: CRITERIA FOR GREEN EQUITY

To qualify for the Green Equity label, a company must satisfy all four (4) criteria specified in Sections 4 to 7 of this Article. Failure to meet any one of these criteria shall disqualify the company from obtaining or maintaining the Green Equity label.

Section 4. Revenue – At minimum, more than 50% of the revenue of the company as reported in the latest audited annual financial statements, must be derived from Green Activities.

Section 5. Investments – At minimum, more than 50% of the investments (sum of capital expenditure and operating expenditure¹) of the company as reported in the latest audited annual financial statements, must be channelled towards Green Activities.

Section 6. Fossil Fuel Limitation - Revenues of the company derived from fossil fuel must be limited to less than 5% to be eligible to the Philippine Green Equity Label.

Section 7. Taxonomy Alignment– The company’s activities subject to the thresholds in the preceding paragraphs must meet the eligibility criteria of the SFTG or ATSF.

ARTICLE THREE: EXTERNAL REVIEW

Section 8. Independent and External Review – A company’s alignment with these Guidelines must be assessed by an external reviewer applying its published proprietary methodology for the assessment and detailing all required information in an assessment report.

Section 9. Expertise and Experience of External Review Provider – The external reviewer must possess demonstrated expertise and a strong, credible track record in conducting assessments relevant to green equity designation, sustainable finance, and ESG practices. Its qualifications should reflect a deep understanding of relevant frameworks, methodologies, and standards to ensure a robust and trustworthy evaluation process.

The external reviewer must also disclose its relevant credentials and expertise, methodology, and scope of the review conducted in the assessment report.

Section 10. Public Availability of the Assessment Reports – The assessment reports must be made publicly available, through a website designated by the Company.

Section 11. Accreditation - External reviewers engaged by companies for the purpose of the Green Equity label may be accredited by the Exchange in accordance with its implementing guidelines approved by the Commission, and subject to the continuing oversight of the Commission.

Upon its publication and adoption by the Commission for purposes of these Guidelines, the ASEAN Capital Markets Forum Code of Conduct for External Review Providers of Sustainable Financing Instruments shall form part of the standards for the accreditation and continuing conduct of external reviewers. The Exchange shall incorporate the applicable provisions of the Code of Conduct into its implementing guidelines.

The Exchange shall submit to the Commission a list of all accredited external reviewers, and promptly notify the Commission on any suspension, revocation, or termination of accreditation, together with other information as the Commission may require no later than

¹ **Capital expenditure (Capex)** represents the proportion of capital expenditure tied to the SFTG- or ATSF-aligned Green Activities or credible alignment plans. **Operating expenditure** covers the proportion of operating expenditure, including non-capitalised costs like research, renovation, leases, or maintenance, linked to the SFTG- or ATSF-aligned Green Activities or supporting Capex plans.

thirty (30) days following the accreditation and/or notice of suspension, revocation, or termination of accreditation.

The Commission may, after notice to the external reviewer and an opportunity to be heard, direct the Exchange to suspend or revoke an accreditation for cause, including non-compliance with applicable laws, rules, or accreditation requirements, or any act or circumstance that, in the Commission's determination, renders the external reviewer unfit to perform its functions under these Guidelines. The Exchange shall promptly implement the Commission's directive.

ARTICLE FOUR: APPLICATION PROCESS

Section 12. General Requirements – A company intending to have the Philippine Green Equity label must provide information on Green Activities as prescribed by these Guidelines.

Section 13. Application for Green Equity Label – A company applying for the Green Equity label shall specifically signify its intention to label its shares as such prior to its offering, or if the shares are outstanding, prior to referring to said shares as Green Equity, through a letter addressed to the Exchange and the submission of the required documents, or through any other electronic means as may be established by the Exchange and approved by the Commission.

During the application review period, should the applicant become aware of any change in its circumstances or in the information previously submitted that may materially affect the evaluation of the application, the applicant shall immediately notify the Exchange of such change and provide the relevant information or supporting documents, as may be necessary, no later than five (5) days from the time the applicant became aware of any material changes.

ARTICLE FIVE: DISCLOSURE AND PERIODIC ASSESSMENT

Section 14. Transparency of Information – A company granted with Philippine Green Equity Label shall submit to the Exchange, annually and within the period prescribed under the implementing guidelines of the Exchange, an assessment report containing the following information, which shall also be kept readily available and accessible through a publicly available website:

- A. Share of revenue derived from Green Activities;
- B. Share of investments of the company that are channelled into Green Activities;
- C. Activities from which the company derives its revenue and details of alignment with either the SFTG or ATSF;
- D. Investments of the company and details of alignment with either the SFTG or ATSF;
- E. Revenues of the company derived from fossil fuel limited to less than 5%;
- F. Assessment Report of the company's alignment with these Guidelines; and
- G. The Accredited Reviewer's methodology, standards, scope of review, and material assumptions used in evaluating the company's compliance with these Guidelines.

The assessment report shall be externally reviewed and shall be subject to the requirements of Article Three of these Guidelines. The disclosures made should be able to support the company's assertion that it has met the requirements of these Guidelines and must include details of the criteria used, methodology applied and outcomes.

Section 15. Amendments – Any amendment to the information on activities in which the company is engaged or invested in and other relevant material information pertaining to the Philippine Green Equity Label shall first be disclosed to the Exchange and the Commission prior its release to the news media or public. Where the amendment or inaccuracy constitutes material information under the SRC and its Implementing Rules and Regulations, or the disclosure rules of the Exchange, the issuer shall comply with the applicable disclosure and filing requirements thereunder.

For amendments involving non-material information pertaining solely to the Philippine Green Equity Label and not forming part of a registration statement or prospectus, the disclosure must be submitted to the Exchange and the Commission no later than seven (7) days after the discovery that the information is no longer accurate.

Section 16. External Review Provider Confirmation in Case of Material Changes – In the event of structural or other material changes in the company that may impact the company's ability to meet the criteria set in these Guidelines, a confirmation from an Accredited Reviewer verifying the company's continued alignment with these Guidelines shall be required.

ARTICLE SIX: ADMINISTRATION AND MONITORING OF THE PHILIPPINE GREEN EQUITY LABEL

Section 17. Responsibilities of the Exchange - The Exchange shall be responsible for the processing of applications for, and the continuing monitoring of, Philippine Green Equity labels, subject to the regulatory oversight of the Commission.

For this purpose, the Exchange shall:

A. Application and Grant of the Philippine Green Equity Label

1. Review and evaluate the applications for the Philippine Green Equity label, including the completeness of the submitted documents and the applicant's compliance with the eligibility criteria and other requirements under these Guidelines;
2. Require the applicant to submit additional documents, clarifications, or information as may be necessary for the evaluation and processing of the application;
3. Undertake all necessary processing in relation to the application and determine whether the applicant has complied with the requirements for the Philippine Green Equity label in accordance with these Guidelines and the procedures approved by the Commission;
4. Notify the applicant in writing of its action on the application within the processing period prescribed by the Exchange ;

5. Upon approval of the application, grant the Philippine Green Equity label and notify the Commission within five (5) days of such grant, including the relevant details of the application and the basis for the approval. For this purpose, the Exchange shall establish and implement either a distinguishing mark identifying users of Philippine Green Equity Label in the Index or create a separate Index for Philippine Green Equity Label users, where applicable; and
6. Maintain records of applications and granted Philippine Green Equity labels and make available to the Commission such records, documents, evaluation results, and other information as may be necessary for the exercise of the Commission's regulatory oversight.

B. Compliance Monitoring

1. Establish a system of continuous monitoring of listed issuers with the Philippine Green Equity label, including review of annual disclosures submitted under Article Five.
2. Receive and evaluate external review reports submitted by companies in accordance with Sections 13, 18 and 19 of these Guidelines, and ensure that such reports are duly disclosed to the investing public.
3. Maintain an internal database of all issuers with Philippine Green Equity Label, indicating their revenue, investment, and fossil fuel exposure, as well as their alignment with applicable taxonomies.
4. Publish on its official website a registry of companies with valid Green Equity labels, including their most recent sustainability performance indicators, in coordination with the Commission; and
5. Promptly review and act on disclosures by issuers regarding amendments to activities or other material information under Sections 4 to 7 of these Guidelines, and report such matters to the Commission.

C. Accreditation of External Review Provider for the Green Equity Label

The Exchange shall be responsible for the accreditation and monitoring of Accredited Reviewers for purposes of the Philippine Green Equity Label, in accordance with its applicable rules and procedures. It shall review and evaluate applications for accreditation and determine compliance with the requirements prescribed under the applicable rules of the Exchange. The Exchange may require additional documents, information, or clarifications as may be necessary for its evaluation and shall maintain a list of Accredited Reviewers. The Exchange shall likewise monitor the continued compliance of Accredited Reviewers with the applicable requirements.

D. Issuance of Implementing Guidelines

The Exchange shall develop and issue, subject to approval by Commission, such implementing guidelines necessary to govern the granting and maintenance of the

Philippine Green Equity Label. Such guidelines shall ensure the consistent, orderly, and transparent application of the Framework.

The Exchange shall periodically review the implementing guidelines and submit any proposed amendments to the Commission for approval prior to implementation.

ARTICLE SEVEN: WITHDRAWAL, SUSPENSION, OR CANCELLATION OF THE USE OF THE PHILIPPINE GREEN EQUITY LABEL

Section 18. *Withdrawal, Suspension, or Cancellation of the Use of the Philippine Green Equity Label* – The Exchange shall have the authority to withdraw, suspend, and/or cancel the use of the Philippine Green Equity Label, subject to due notice and evaluation process, in accordance with these Guidelines and the applicable rules of the Exchange. The Exchange shall report to the Commission, within ten (10) days from the completion of the evaluation, any withdrawal, suspension, and/or cancellation of the use of the Philippine Green Equity Label.

The use of the Philippine Green Equity Label shall at all times be subject to the continued compliance with the established criteria, disclosure obligations, and other requirements set forth herein and the guidelines of the Exchange.

ARTICLE EIGHT: MISCELLANEOUS PROVISIONS

Section 19. *Transitory Provision* – Full alignment with the SFTG or ATSF shall not be mandatory for the initial grant or continued use of the Philippine Green Equity Label until the conclusion of the transition period, which shall be implemented as follows:

Phase 1: Transition & Preparation Period (until end 2026): Full taxonomy alignment shall not be mandatory. Administrative penalties, fines, or label revocations for technical non-alignment shall not apply. Nonetheless, the applicant shall still be required to disclose the substantial contribution of the covered Green Activities to at least one of the EOs under either the SFTG or ATSF. In applying this provision, the activities of the Company, to the best of the Company's knowledge and belief, should not cause significant harm to the EOs or materially not comply with the MSS. Where such a determination has been made, no additional disclosure shall be required.

Phase 2: Full Alignment (FY 2027 onwards): Full alignment with the applicable requirements of SFTG or ATSF shall be mandatory for the initial grant, retention, or renewal of the Philippine Green Equity Label.

External Review Reports submitted to the Commission in support of the use of the Philippine Green Equity Label prior to the effectivity of these Revised Guidelines shall remain valid and effective for the purpose of the company's application, as of the date of such submission.

All external review services engaged after the effectivity of these Guidelines shall be subject to the provisions hereof. For this purpose, the Exchange may prescribe a transition period in its implementing rules and regulations, subject to the approval of the Commission, as may be necessary.

Section 20. Penalties — Any violation of the requirements set forth in these guidelines, including, but not limited to, the failure to make necessary disclosures pursuant to Sections 13, 14, or 15 of these Guidelines resulting in material misrepresentation, omission, or the submission of false or misleading information shall be subject to such appropriate actions or measures as may be taken by the Exchange pursuant to its implementing guidelines.

Where a violation in connection with the Philippine Green Equity Label independently constitutes a violation of the Securities Regulation Code, its Implementing Rules and Regulations, or other applicable laws, regulations, circulars, or orders issued by the Commission, such violation shall be dealt with in accordance with the applicable law, rule, regulation, circular, or order.

The Commission shall have the right to take any further actions or measures deemed necessary to ensure compliance with these Guidelines and protect the interests of the investing public.

Section 21. Separability Clause — If any portion or provision of these Guidelines is declared unconstitutional or invalid, all other provisions not thereby affected shall remain valid.

Section 22. Repealing Clause — All other rules and regulations or parts thereof, inconsistent with these Guidelines are hereby repealed, amended, or modified accordingly.

Section 23. Effectivity — This Circular shall take effect immediately after the completion of its publication in two (2) newspapers of general circulation.

[date] , Makati City, Philippines.

For the Commission:

FRANCISCO ED. LIM
Chairperson