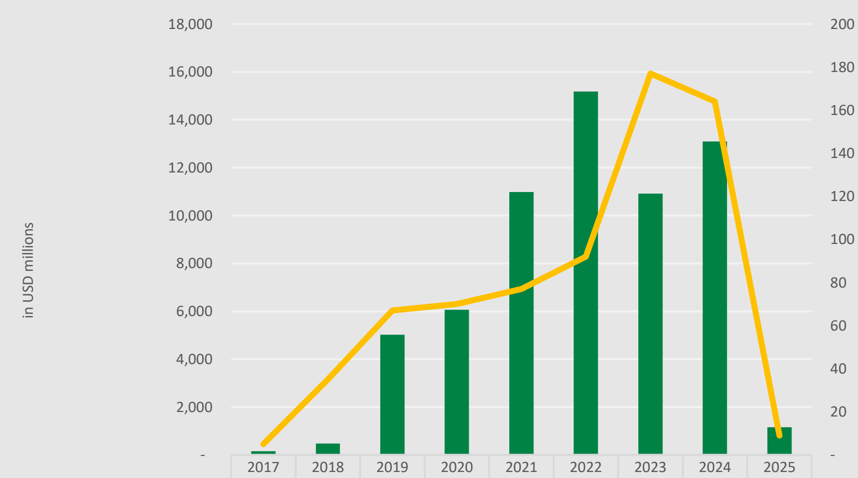
SUSTAINABLE FINANCE MARKET UPDATE

Markets and Securities Regulation Department | March 2025 | Issue No. 55

IN MARCH, THE PHILIPPINES REPORTED AN ISSUANCE OF ASEAN-LABELED SUSTAINABILITY-LINKED BONDS AMOUNTING TO USD87.28 MILLION. MEANWHILE, THAILAND BELATEDLY REPORTED A SERIES OF UNLISTED SUSTAINABILITY-THEMED BOND ISSUANCES TOTALING OVER USD5.0 BILLION FROM APRIL 2024 TO FEBRUARY 2025, WITH THE HIGHEST VOLUME COMING FROM SUSTAINABILITY BONDS ISSUED BY THE SOVEREIGN AND STATE-OWNED ENTERPRISES.

TOTAL ASEAN-LABELED GREEN, SOCIAL, SUSTAINABILITY AND SUSTAINABILITY-LINKED (GSS+) BONDS



	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Amount Issued	156	469	5,021	6,067	10,977	15,181	10,909	13,097	1,158
No. of Issuance	5	35	67	70	77	92	177	164	9

Source: ACMF

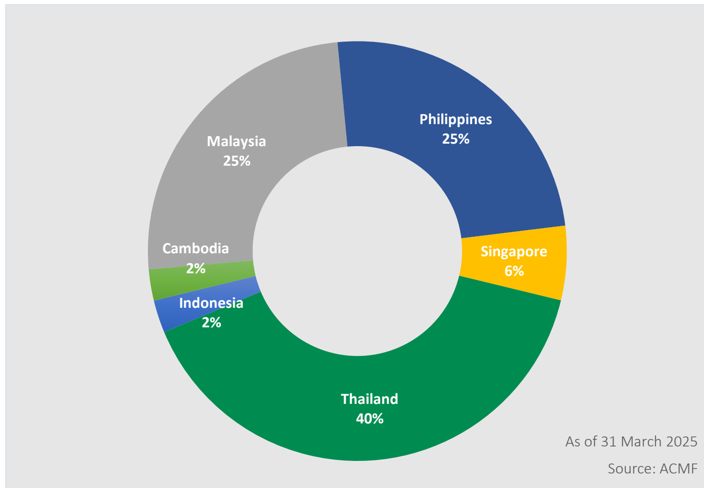
As of 31 March 2025, the total amount of ASEAN-labelled Green, Social, Sustainability and Sustainability-Linked Bonds issued was USD63.03 billion, with Philippine issuers accounting for US$15.49 billion dollars or 25% of the total amount issued.

TOTAL ASEAN–LABELLED GSS+ BOND ISSUANCES BY COUNTRY

(in USD Millions; figures may vary due to exchange rates)

Country	As of 31 Mar 25	As of 28 Feb 25	% Change	RANK
Philippines	15,490.84	15,403.56	0.57%	3rd
Thailand	25,159.65*	19,708.57	27.66%	1st
Malaysia	15,679.61	15,679.61	0.00%	2nd
Singapore	3,603.03	3,603.03	0.00%	4th
Indonesia	1,583.28	1,583.28	0.00%	5th
Cambodia	1,517.78	1,517.78	0.00%	6th

This includes USD5,451.08 million issuances from Thailand from April 2024 to February 2025



As of 31 March 2025
Source: ACMF

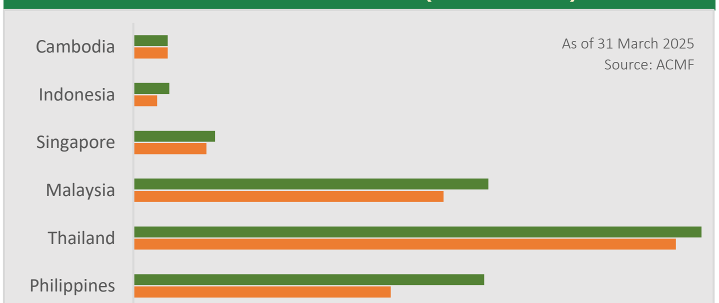
A total of USD87.28 million worth of ASEAN-labelled Sustainability-Linked bonds was issued in March. Philippine issuer Cebu Landmasters, Inc. issued two series of sustainability-linked bonds with proceeds to be used to refinance the company's maturing obligations in 2025 and for general corporate purposes. Cebu Landmasters, Inc. raised a total of PHP5 billion under its PHP15 billion programme, with tenors of 3 and 5 years. Meanwhile, Thailand issued a total of approximately USD 5.45 billion ASEAN-labeled GSS+ bonds spanning from the period of April 2024 to February 2025. Thailand's Ministry of Finance emerged as the largest issuer, raising around USD 3.06 billion across multiple sustainability and sustainability-linked bond issuances. Proceeds were allocated toward COVID-19 rehabilitation, debt repayment, and working capital, among others.

SEC JOINS ASIAN CLIMATE FINANCE DIALOGUE TO ADVANCE SUSTAINABLE FINANCE AND CARBON MARKET DEVELOPMENT

The Securities and Exchange Commission (SEC) Philippines joined the Fourth Round Table of the Asian Climate Finance Dialogue in Tokyo, Japan on 11-12 March 2025. The dialogue, hosted by the Asian Development Bank Institute (ADBi) and the Asian Development Bank (ADB), featured discussions on global trends in climate-related disclosure, measurement, reporting and verification (MRV) platforms, and the implications of Article 6 of the Paris Agreement for mobilizing carbon finance. The event also gathered policymakers and financial regulators to discuss climate finance mechanisms, including the role of carbon markets and green finance initiatives in achieving carbon neutrality across the ASEAN region.

Throughout the roundtable, SEC Philippines provided updates on its involvement in supporting green finance regulations and frameworks. The discussions focused on aligning national climate strategies with sustainable finance practices, emphasizing the importance of measurable, reportable, and verifiable (MRV) information systems and carbon pricing mechanisms. SEC highlighted its active participation in fostering collaboration between financial regulators and climate-focused ministries to enhance transparency and promote market-driven decarbonization solutions.

TOTAL AMOUNT OF GSS+ BONDS ISSUED AND TOTAL AMOUNT OUTSTANDING PER COUNTRY (in USD Millions)



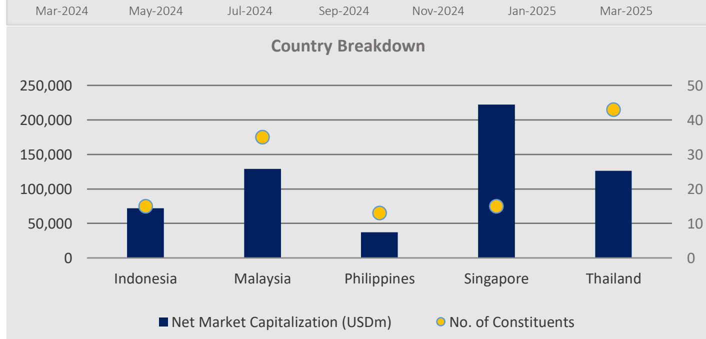
	Philippines	Thailand	Malaysia	Singapore	Indonesia	Cambodia
Cumulative	15,490.84	25,159.65	15,679.61	3,603.03	1,583.28	1,517.78
Outstanding	11,369.51	23,955.36	13,694.71	3,233.31	1,053.12	1,517.78

SEC SHARES VISION FOR SUSTAINABILITY REPORTING AT INTERNATIONAL TAX AND INVESTMENT CONFERENCE

On 26 March 26 2025, SEC Chairperson and CEO Emilio B. Aquino participated in the International Tax and Investment Conference held at the Manila Marriott Hotel in Pasay City. With the theme "F.A.S.T. Forward: Promoting ESG Investing in the Philippines," Chairperson Aquino delivered a keynote address highlighting the importance of sustainable corporate governance and the need for greater transparency and accountability in the private sector.

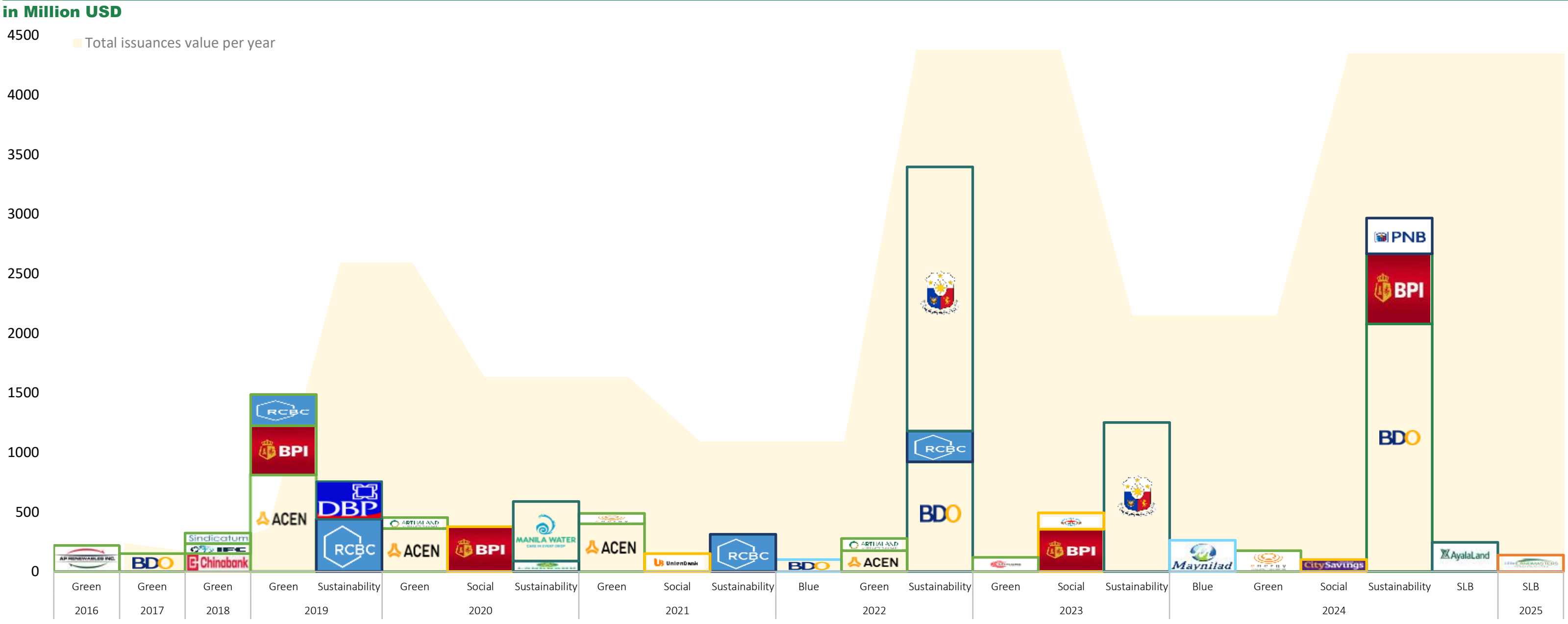
In his remarks, he discussed the SEC's efforts to align the country's sustainability reporting framework with international standards, particularly the International Sustainability Disclosure Standards (ISSB). Chairperson Aquino also introduced the Sustainability Reporting (SuRe) Form, which aims to standardize disclosures among publicly listed companies. He further announced the SEC's plan to implement mandatory climate-related disclosures beginning in 2026, with tiered compliance requirements based on company size and market capitalization.

FTSE4GOOD ASEAN 5 INDEX



As of 31 March 2025
Source: FTSE Website

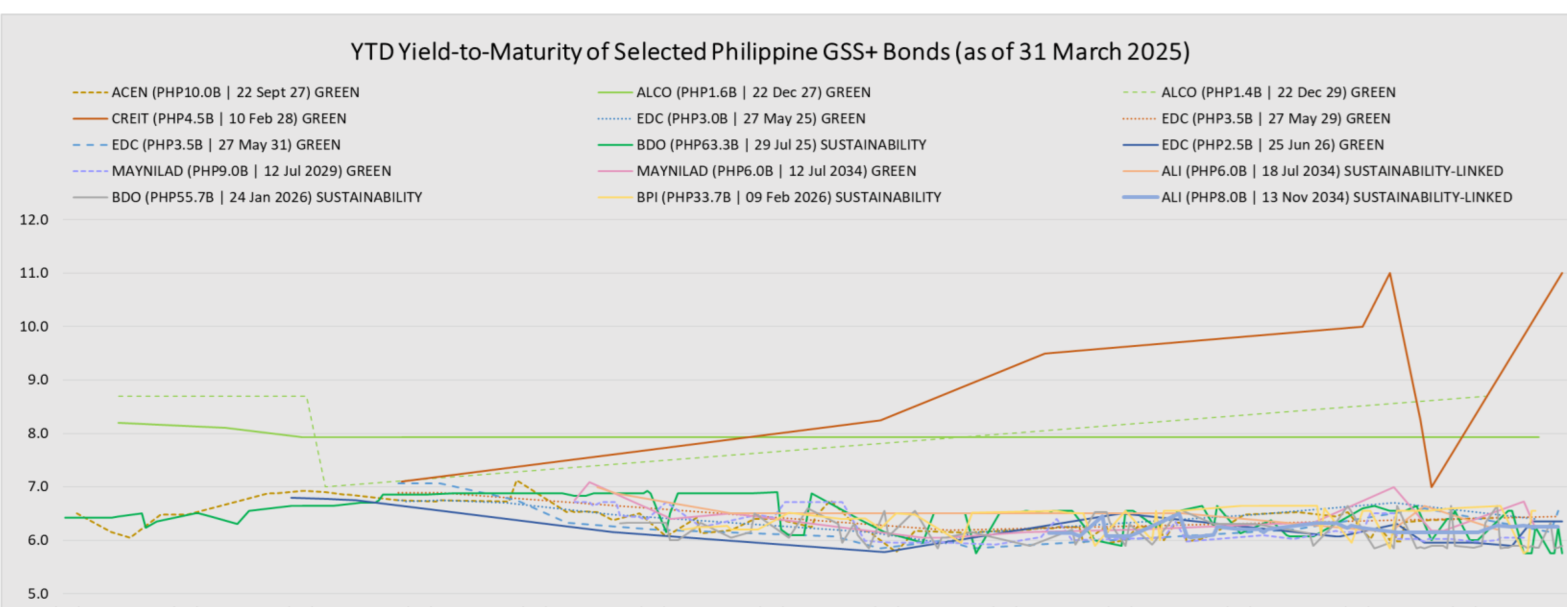
PHILIPPINE GSS+ BOND ISSUANCES*



*Includes Green Bonds that are issued prior to the release of the SEC GSS Bond Guidelines, as well as Sustainability and Blue Bonds that are not ASEAN-labelled.

PHILIPPINE SUSTAINABILITY NEWS UPDATE

- DENR targets 5M trees by 2028 via 'Forests For Life' program.[1] The Department of Environment and Natural Resources (DENR) has launched the "Forests For Life: 5M Trees by 2028" initiative, aiming to plant and sustain five million indigenous trees across six critical areas in the Philippines by 2028. The program emphasizes long-term forest growth rather than one-time planting, with a three-year maintenance period to ensure tree survival and environmental benefits such as flood mitigation, water security, and biodiversity protection. Utilizing geospatial monitoring for progress tracking, the DENR encourages individuals and organizations to invest PHP100 per tree to support seedlings, care, and monitoring, promoting transparency through an online registry and integrating the effort into broader sustainability programs.
- UP Cebu launches MATiX Lab to drive sustainable materials innovation.[2] The University of the Philippines Cebu inaugurated the Materials Innovation & Exploration Lab (MATiX) on March 21, 2025, establishing a pioneering hub for sustainable materials research, product development, and industry collaboration. Funded by the Department of Trade and Industry's Tatak Pinoy program with ₱1.7 million, MATiX aims to bridge academia, industry, and community efforts to develop eco-friendly materials for sectors like furniture, fashion, and packaging. The facility features a New Materials Library and a digital archiving system, providing resources for researchers, entrepreneurs, and designers. Building upon UP Cebu's FabLab, MATiX is envisioned to empower local artisans and MSMEs, fostering innovation and sustainability in the Philippines.
- Palawan approves 50-year ban on new mining permits.[3] Palawan's local government has unanimously approved a 50-year ban on new mining permits, citing environmental concerns and strong local opposition. The ban, which also includes a 25-year moratorium on mining license renewals or expansions, aims to protect the province's rich biodiversity as a UNESCO biosphere reserve. While existing mines can continue operations without expanding, the decision has been hailed as a major environmental victory by advocates, who say it cannot be overridden by the national government due to local government endorsement requirements under the Philippine Mining Act. However, the Chamber of Mines criticized the move, warning it could hinder national mineral development amid rising global demand. The ban's future could still be challenged in the upcoming May midterm elections.
- ATRAM adds Cebu Landmasters to SDG fund, citing strong ESG performance.[4] Cebu Landmasters Inc. (CLI) has been included in the ATRAM Philippine Sustainable Development Growth Fund, recognizing its strong commitment to sustainability and ESG (Environmental, Social, and Governance) practices. The fund features the top 20 listed companies with strong ESG performance and financial growth, and has delivered an 18% return year-to-date as of December 2024. CLI's inclusion reflects its ongoing sustainability initiatives such as the GROW and LAMBO programs, which support reforestation and livelihood opportunities for farmers and fishermen, and its Magspeak Mountain Resort, a model of green development. CLI has planted over 400,000 trees across 151 sites and supports 536 farmers through direct farm-to-market initiatives. The recognition comes ahead of the company's planned ₱5 billion sustainability-linked bond offering, further reinforcing its sustainability agenda.
- Climate actions assure sustainability.[5] The Climate Change Commission (CCC) emphasized the urgent need for the Philippines to strengthen climate resilience and sustainability during the 5th Philippine Environment Summit. Citing the National Adaptation Plan (NAP) as a strategic framework, the CCC highlighted its role in reducing climate risks, enhancing adaptive capacities, and integrating climate measures into development planning. With provinces like Iloilo highly vulnerable to climate impacts, the CCC also underscored the importance of the Nationally Determined Contribution Implementation Plan (NDCIP) in cutting emissions through clean energy and efficiency strategies. The summit called for collective action—from policy implementation to everyday practices like reducing plastic use and supporting renewables. The CCC also showcased the Leganes Integrated Katunggan Ecopark, a rehabilitated mangrove forest that now serves as a key carbon sink.



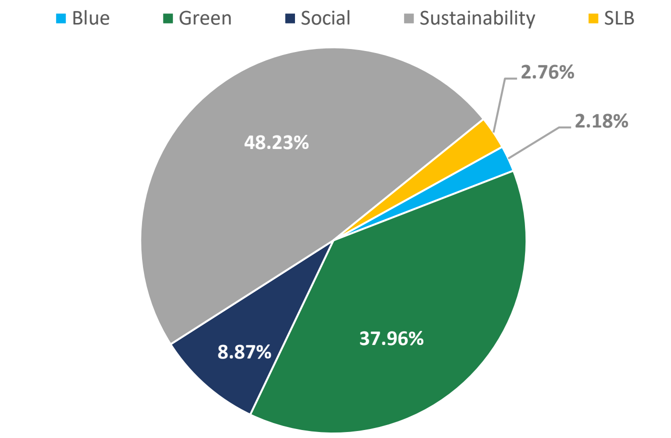
[1]Philippine News Agency. (2025, March 21). *DENR targets 5M trees by 2028 via 'Forests For Life' program*. BusinessWorld Online. https://www.pna.gov.ph/articles/1246572
[2]Cebu Daily News. (2025, March 22). *UP Cebu launches MATiX Lab to drive sustainable materials innovation.* https://cebudailynews.inquirer.net/629023/up-cebu-launches-matix-lab-to-drive-sustainable-materials-innovation
[3]PhilStar Global. (2025, March 7). *Palawan approves 50-year ban on new mining permits.* https://www.philstar.com/headlines/climate-and-environment/2025/03/07/2426551/palawan-approves-50-year-ban-new-mining-permits
[4]Manila Bulletin. (2025, March 12). *ATRAM adds Cebu Landmasters to SDG fund, citing strong ESG performance.* https://mb.com.ph/2025/3/11/cli-touts-inclusion-in-atram-sustainable-development-growth-fund
[5]Manila Standard. (2025, March 10). *Climate actions assure sustainability—CCC.* https://manilastandard.net/spotlight/environmental-and-sustainability/314567095/climate-actions-assure-sustainability-ccc.html

Securities and Exchange Commission Philippines | ACMF

SUSTAINABLE FINANCE MARKET UPDATE

Markets and Securities Regulation Department | March 2025 | Issue No. 55

ASEAN-Labeled Bonds Issuances by Philippine Issuers

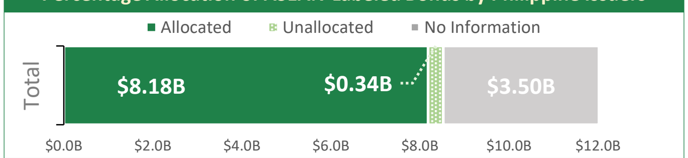


Blue	Green	Social
USD261.84M	USD4.56B	USD1.07B

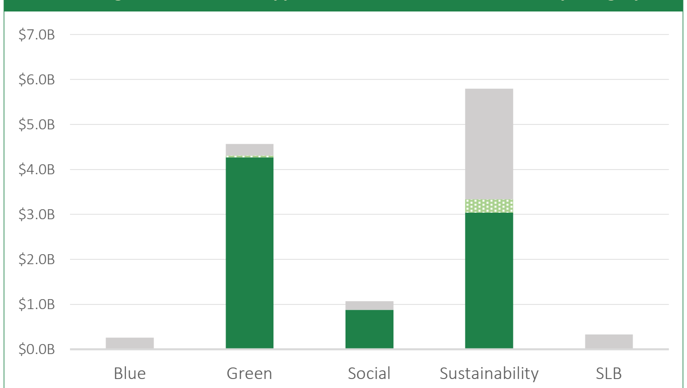
Sustainability	Sustainability-Linked
USD5.80B	USD331.66M

As of March 2025, the total ASEAN-labelled bonds issued by Philippine entities, as confirmed by the SEC, amounted to USD12.02 billion. Sustainability Bonds continue to dominate the Philippine thematic bond landscape, accounting for USD5.80 billion or 48.23% of total issuances, largely driven by major banks such as BDO, RCBC, BPI and PNB. Green bonds follow at USD 4.56 billion or 37.96%, largely driven by AC Energy Finance and ACEN Finance. Social bonds, amounting to USD1.07 billion or 8.87%, support inclusive finance, with contributions from BPI, ASA Philippines Foundation, and UnionBank. Sustainability-linked bonds (SLBs) remain limited at USD 331.66 million or 2.76%, but recent issuances by Cebu Landmasters, Inc. signal growing awareness and participation among property developers in tying financing to sustainability performance, which in turn, could encourage more issuers to explore performance-based thematic instruments.

Percentage Allocation of ASEAN-Labeled Bonds by Philippine Issuers

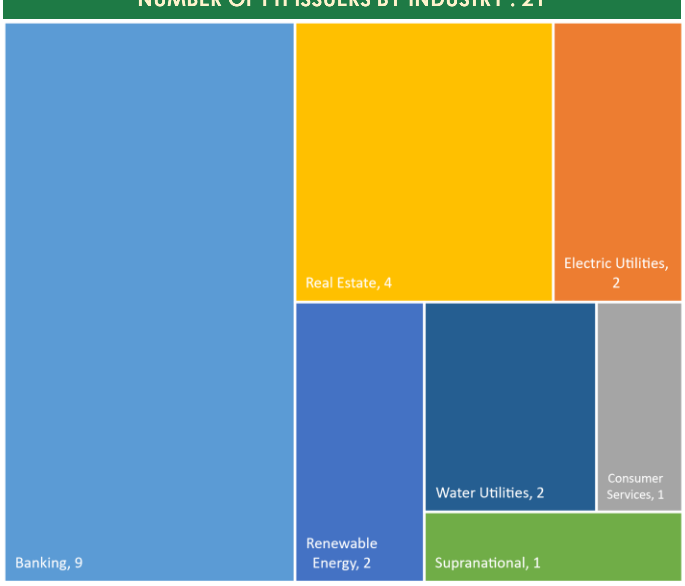


Percentage Allocation of Philippine-Issued ASEAN-labeled Bonds by Category



Out of the USD12.02 billion ASEAN-Labeled GSS+ Bonds issued by Philippine companies, approximately USD8.18 billion (68.06%) has been successfully disbursed to eligible projects while USD341.26 million (2.84%) is yet to be disbursed to projects. A substantial USD3.50 billion (29.10%) is classified as "No Information," since the Impact Report for these issuances are not yet available. Within these categories, Green bonds have the highest disbursement rate, with 93.42% of proceeds already directed to eligible Green projects.

NUMBER OF PH ISSUERS BY INDUSTRY : 21



Turning Proceeds into Progress: Actual Projects Funded through ASEAN-Labeled Bonds

GREEN BONDS HIGHLIGHTS

Issuer: AC Energy Finance International Limited and ACEN Finance Limited


133MW Cagayan North Solar
Lal-lo, Cagayan, Philippines


120MW Alaminos Solar Plant
Alaminos, Laguna, Philippines


81MW N. Luzon Renewables Wind
Pagudpud, Ilocos Norte, Philippines


80MW La Carlota & Manapla Solar Plant
Negros Occidental, Philippines


405MW Ninh Thuan Solar
Ninh Thuan, Vietnam


252MW Quang Binh Wind
Quang Binh, Vietnam

The proceeds from green bond issuances of AC Energy Finance International Limited and its affiliate, ACEN Finance Limited, included large-scale renewable energy projects across Southeast Asia, featuring solar and wind plants in the Philippines and Vietnam, and a major geothermal facility in Indonesia. In the Philippines, among the solar projects they backed are located in Cagayan (133 MW), Laguna (120 MW), Negros Occidental (80 MW), and the 81 MW Ilocos Norte wind farm. In Vietnam, some of the projects they financed are the 405 MW Ninh Thuan solar farm and and the 252 MW Quang Binh wind farm.

Source: ACEN Renewables Website

Issuer: Energy Development Corporation


28.9 MW Palayan Bayan Binary Project (Steamfield), Albay


3.6 MW Mindanao 3 Binary Project Kidapawan City, Cotabato

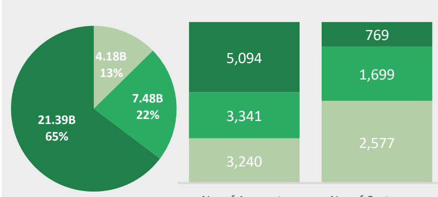
The proceeds from EDC's green bond issuances have been fully allocated to operational renewable energy initiatives, particularly in the geothermal sector. The funds supported the operation of the 28.9 MW Palayan Bayan Binary Project in Albay and 3.6 MW Mindanao 3 Binary Project in Kidapawan, Cotabato City. Proceeds were also used for geothermal capital expenditures, including the acquisition of critical spare parts and investments to enhance natural catastrophe (NatCat) resiliency across EDC's facilities. These efforts contributed to 3.6 MW of additional installed renewable energy capacity and the avoidance of 5,769.8 metric tons of CO_2e emissions.

Source: EDC and First Balfour Websites

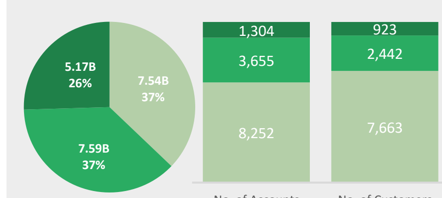
SOCIAL BONDS HIGHLIGHTS

Issuer: Bank of the Philippine Islands

PHP21.5B BPI COVID-Action Response (CARE) Bonds: Financed/refinanced eligible MSMEs



PHP20.3B BPI Reinforcing Inclusive Support for MSMEs (RISE) Bonds: Financed/refinanced eligible MSMEs



Microenterprises Small Enterprises Medium Enterprises

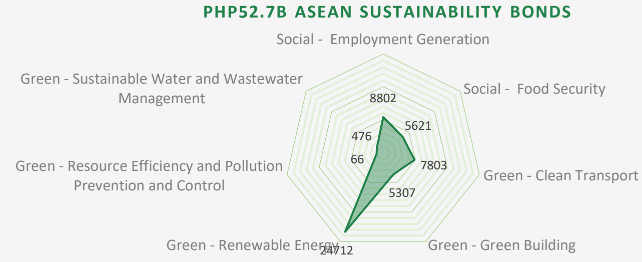
BPI has successfully issued social bonds to support micro, small, and medium enterprises (MSMEs) through COVID-19 Action Response (CARE) Bonds and Reinforcing Inclusive Support for MSMEs (RISE) Bonds. The PHP21.5 billion CARE Bonds, issued in August 2020 as the country's first peso-denominated COVID-response bonds, financed 5,045 eligible MSMEs across 11,675 loan accounts, with a total earmarked portfolio of PHP33.04 billion. This was followed by the PHP20.3 billion RISE Bonds, which expanded financial access to over 11,000 MSME customers through 13,211 accounts, with microenterprises receiving the largest share.

Source: BPI Integrated Reports

SUSTAINABILITY BONDS HIGHLIGHTS

Issuer: BDO Unibank, Inc.

PHP52.7B ASEAN SUSTAINABILITY BONDS



BDO's PHP52.7 billion ASEAN Sustainability Bonds reflect the bank's strong commitment to advancing both environmental sustainability and social development. Of the total proceeds, PHP33.4 billion was allocated to green projects, including significant investments in renewable energy (PHP24.7B), clean transportation (PHP7.8B), green buildings (PHP5.3B), and sustainable water and waste management. On the social side, PHP14.4 billion supported initiatives focused on employment generation (PHP8.8B) and food security (PHP5.6B).

Source: BDO ASEAN Impact Report