



ESG FRAMEWORK FOR ENHANCING SOCIAL SECURITY

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Outline of Discussion

Part I

**PHL Social Security Sustainability Frameworks,
Challenges & Opportunities**

Part II

**SSS: Reaching Out to & Protecting Overseas Filipinos;
Areas for Regional Cooperation**

Part III

SSS ESG Pathways

Part I

PHL Social Security Sustainability Frameworks, Challenges & Opportunities

Sustainability Pillars of PHL Social Security



ENVIRONMENTAL

Sustainability is mainstreamed in coverage, contribution collection, benefit provision, fund investment & risk management, structures & operations, incorporating climate adaptation, disaster preparedness, risk mitigation, promoting climate resilience, ensuring just transition for workers, enterprises & communities, protection of biodiversity, & maximizing opportunities for development, innovation & expansion



SOCIAL

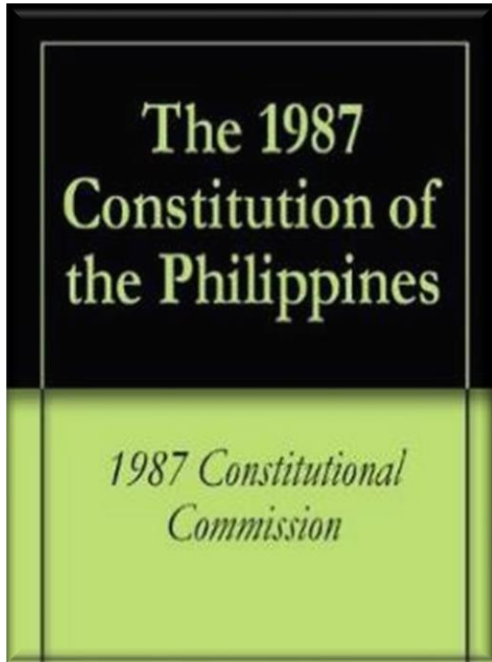
Sustainability focuses on individuals, sectors, communities & the society, & addressing inclusive coverage, fair processes & access to benefits & programs, protection against life contingencies, respect for human & workers' dignity, promotion of health & well-being, contribution to economic development & social justice, with mutual & inter-generational, gender & rights-based perspectives, esp. for the vulnerable/marginalized



GOVERNANCE

Sustainability requires legal, ethical, transparent & efficient contribution collection & remittance, benefit & fund management for viability, responsiveness & adequacy goals; excellence in member services & concern for employee welfare, inclusive & democratic decision-making structures & processes; fostering of social dialogue, forging agreements or cooperation, shared responsibility & accountability

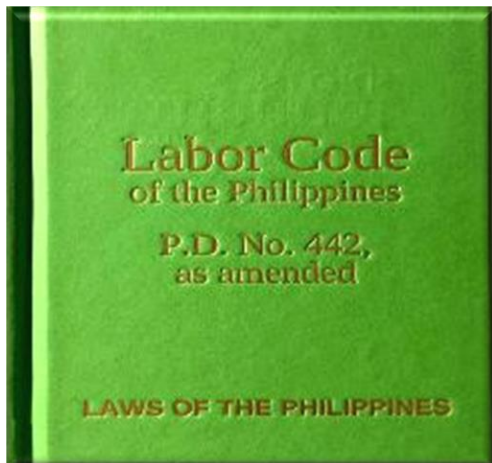
Sustainability Pillars of PHL Social Security



PREAMBLE

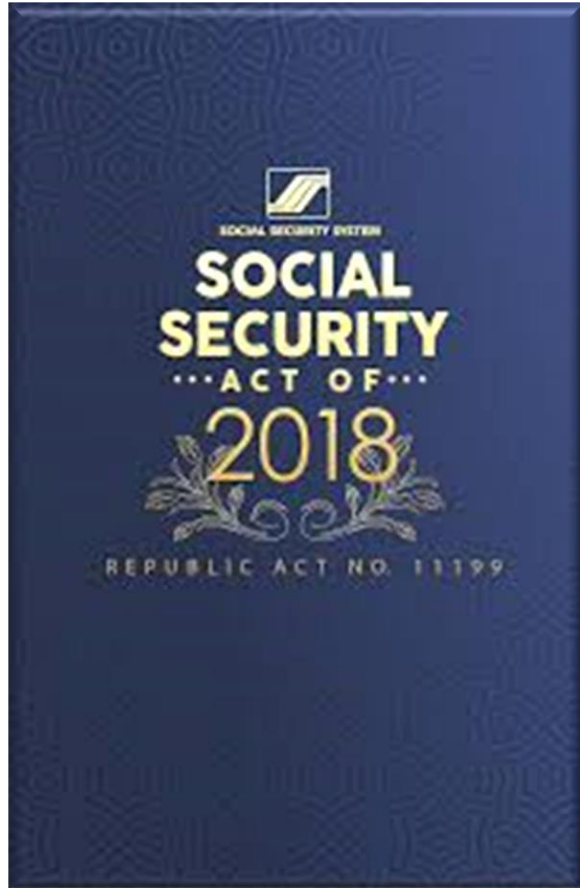
... to build a **just & humane society** & establish a Government that shall embody our ideals & aspirations, promote the common good, conserve & develop our patrimony, & secure to ourselves & our posterity, the blessings of independence & democracy under the rule of law & a regime of truth, justice, freedom, love, equality & peace, do ordain & promulgate this Constitution.

State Policies, Article II; Bill of Rights, Article III; National Patrimony, Article XII; & Social Justice & Human Rights, Article XIII



A Decree instituting a Labor Code, thereby revising & consolidating labor & social law to afford **protection to labor**, promote employment & human resources development & insure industrial peace on **social justice**

Legal Framework of PHL SSS: RA 11199



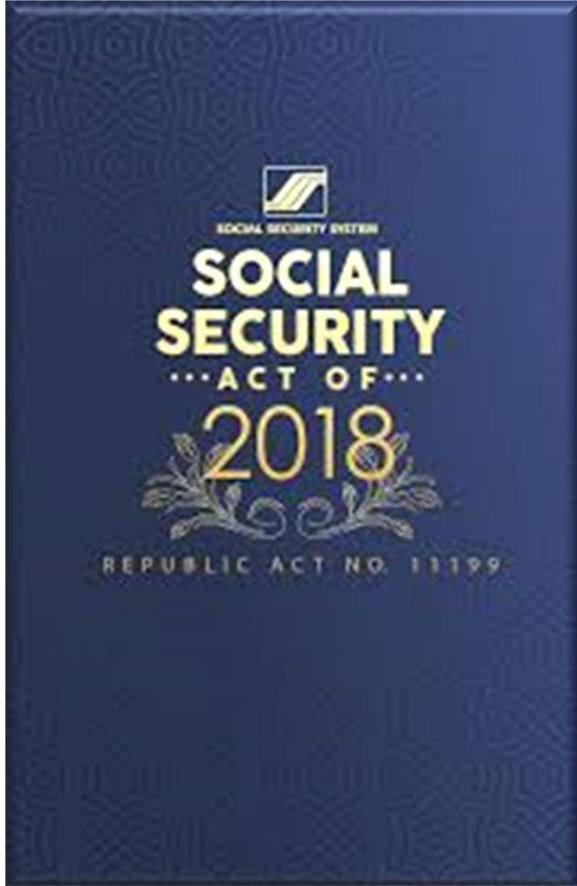
Section 2 on Declaration of Policy

It is the policy of the State to establish, develop, promote & perfect a sound & viable tax-exempt **social security system** **suitable to the needs of the people throughout the Philippines** which shall **promote social justice** through savings & ensure **meaningful social security protection to members & their beneficiaries against the hazards** of disability, sickness, maternity, old age, death & other contingencies **resulting in loss of income or financial burden**. Towards this end, the State shall endeavor to extend **social security protection to Filipino workers, local or overseas, & their beneficiaries**.

Legal Framework of PHL SSS: RA 11199

Section 2 on Declaration of Policy

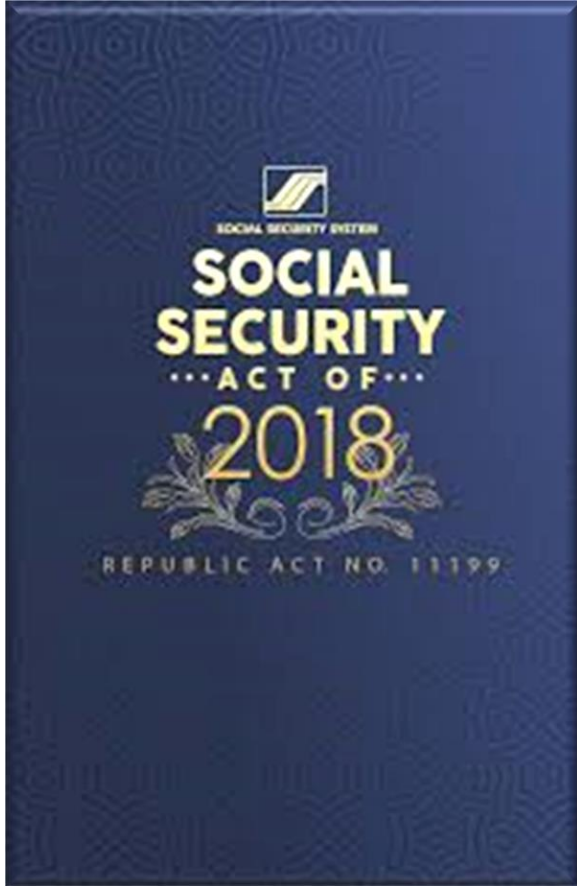
... The maximum profitability of **investible funds & resources** of the program shall be ensured through a **culture of excellence** in management grounded upon sound & efficient policies employing **internationally recognized best practices**.



Legal Framework of PHL SSS: RA 11199

Section 3 on Social Security System, par. (a)

...In the discharge of its mandated responsibilities under this Act, the SSS shall function & operate as an **independent & accountable** GOCC within the corporate governance standards & principles of RA 10149 (GCG Law)...

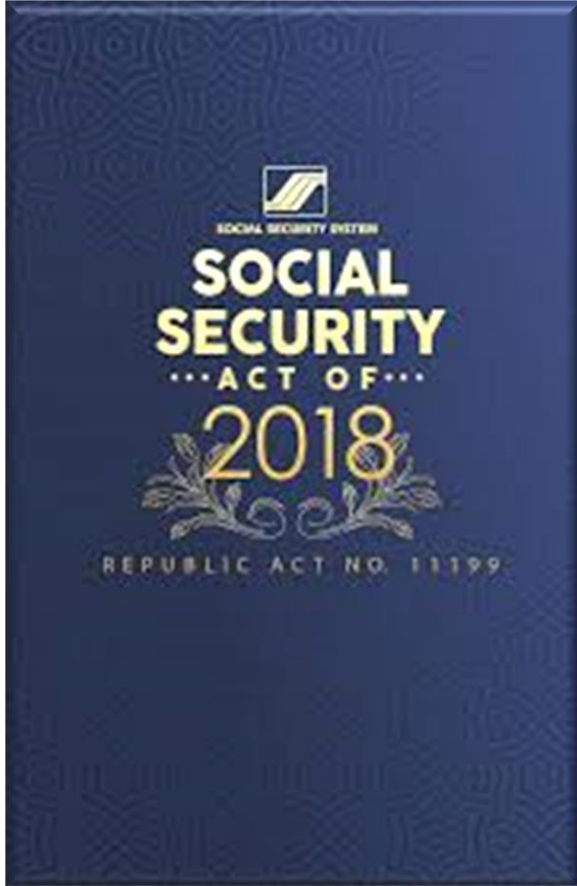


Legal Framework of PHL SSS: RA 11199

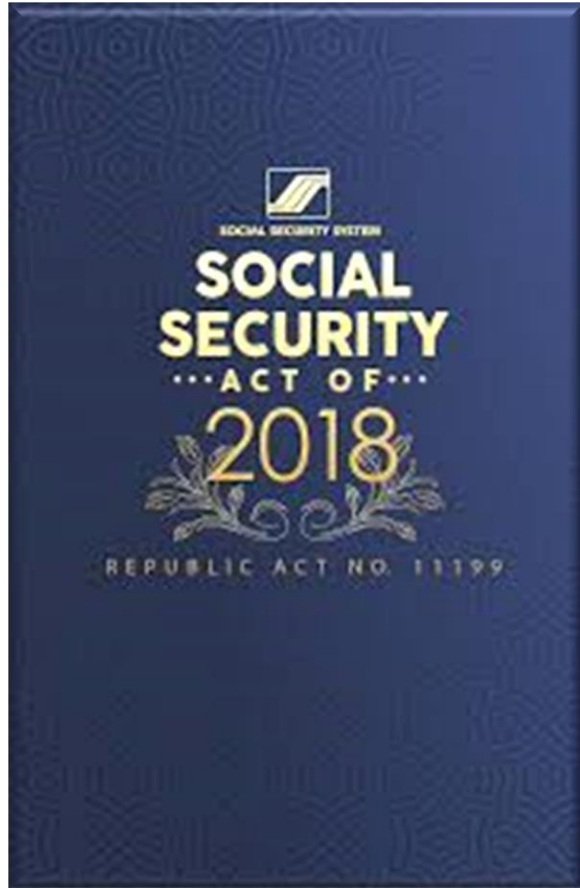
Provisions on portability

Section 4 on Powers and Duties of the SSS, par. (b) (10)

To enter into agreement with the GSIS or any other entity, enterprise, corporation or partnership for the **benefit of members transferring from one system to another** subject to the provision of RA 7699, otherwise known as Portability Law...



Legal Framework of PHL SSS: RA 11199



Section 9-A on Compulsory Coverage of Self-Employed

Coverage in the SSS shall be **compulsory upon such self-employed persons as may be determined by the Commission** under such rules & regulations as it may prescribed, including, but not limited to the following:

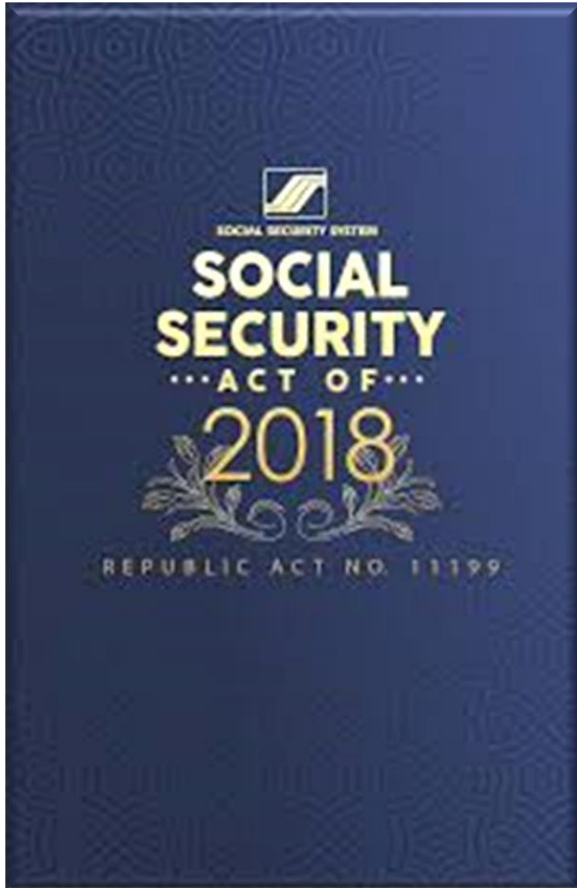
- a) All self-employed professionals;
- b) Partners & single proprietors of businesses;
- c) Actors & actresses, directors, scriptwriters & news correspondents...;
- d) Professional athletes, coaches, trainers & jockeys; &
- e) Individual farmers & fishermen...

Legal Framework of PHL SSS: RA 11199

Section 9-B on Compulsory Coverage of Overseas Filipino Workers (OFWs)

Coverage in the SSS shall also be **compulsory upon all sea-based & land-based OFWs** as defined under RA 8042, otherwise known as the Migrant Workers & Overseas Filipinos Act of 1995, as amended by RA 10022: *Provided* , that they are not over 60 years of age.

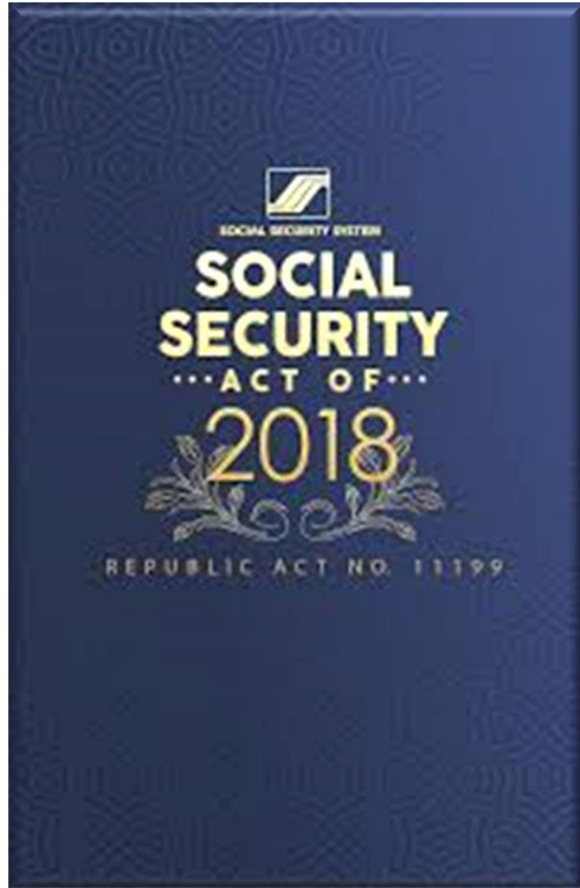
All benefit provisions under this Act shall apply to all covered OFWs. The benefits include, among others, retirement, death, disability, funeral, sickness & maternity [also unemployment].



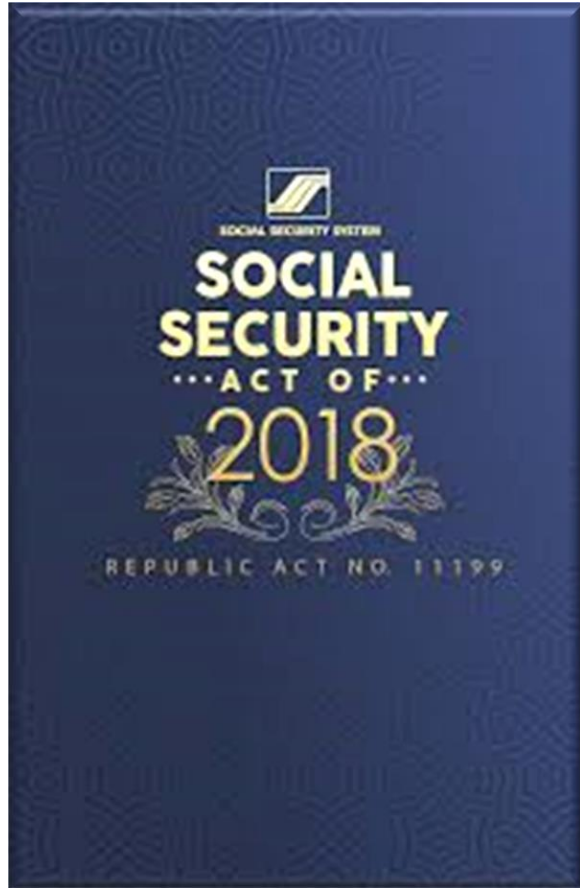
Legal Framework of PHL SSS: RA 11199

Section 9-B on Compulsory Coverage of OFWs

(d) The DFA, DOLE & all its agencies involved in deploying OFWs for employment abroad are **mandated to negotiate bilateral labor agreements** with OFWs' host countries to ensure that the employers of land-based OFWs, similar to the principals of sea-based OFWs, pay the required SSS contributions... *Provided*, that in countries which already extend social security coverage to OFWs, the DFA thru the Philippine embassies & the DOLE shall negotiate further agreements to serve the best interests of the OFWs.



Legal Framework of PHL SSS: RA 11199



Section 9-B on Compulsory Coverage of OFWs

(e) The DFA, DOLE & SSS shall **ensure compulsory coverage of OFWs thru bilateral social security & labor agreements** & other measures of enforcement.

(f) Upon the termination of their employment overseas, OFWs may continue to pay contributions on a voluntary basis to **maintain their rights to full benefits.**

(g) **Filipino permanent migrants**, including Filipino immigrants, permanent residents & naturalized citizens of their host countries **may be covered by SSS on a voluntary basis.**

Portability Law: RA 7699 (1 May 1994)



An Act instituting limited portability scheme in social security insurance systems by totalizing the workers' creditable services or contributions in each of the system

Portability shall refer to the transfer of funds for the account & benefit of a worker who transfer from one system to the other

Select Global ESG Frameworks Shaping Social Security



United Nations Sustainable Development Goals (UN SDGs)

- Universal protection (SDG 1), good health & well-being (SDG 3), fair labor standards & pension (SDG 8) & inclusive policies for marginalized groups (SDG 10)



Declaration on Fundamental Principles & Rights at Work; Decent Work Agenda; Green Jobs; Treaties, Conventions & Recommendations

- Maintenance of Social Security Rights, 1982 (C157); Equality of Treatment (Social Security Convention), 1962 (C118); Domestic Workers Convention, 2011 (C189), Maritime Labor Convention (MLC), 2006; Safety & Health in Mines, 1995 (C176); Maternity Protection, 2000 (C183); etc.



Guidelines for Pension Fund Governance

- Sustainable financing & digital transformation of pension administration

Guidelines for Multinational Enterprises

Due Diligence Guidance for Responsible Business Conduct



Human Rights Declaration (19 Nov 2012) & Social Protection Framework

- Inclusive policies for expansion of coverage & portability for workers

Annual Mtg of Asia-Pacific Parliamentary Forum

31st Forum: “Resilient Partnerships for Peace, Prosperity & Sustainability” (2023, Manila)

- Resolutions:
- (1) Gender & Sustainable Development Goals; Resolution on Women’s Participation & Leadership
 - (2) Enhancing Regional Cooperation on Climate Action, Biodiversity Conservation & Disaster Risk Reduction
 - (3) Regional Cooperation on Universal Health Care in Asia-Pacific
 - (4) Resolution on Human Capital Development & Inclusive Growth

32nd Forum: “Fostering Innovation & Connectivity” (2024, Thailand)

- Resolutions:
- (1) To promote green innovation for self-resilience, eco-friendly development, quality of life & sustainable economic growth
 - (2) To encourage governments to increase funding & scholarships in science, technology, engineering & mathematics (STEMs) to support human resource development for innovation & for a green economy

ESG Challenges & Opportunities

Environmental

- 2018: ILO said that 80M full-time jobs will be lost in 2030 due to heat stress
- 2020: ILO indicated that 1.2B jobs depend on services provided by the environment
- 2021: UN said 100M new jobs by 2030 thru investments in jobs & for poverty eradication & sustainable recovery
- UN: 45% of greenhouse gas emission comes from goods production & consumption; 90% of biodiversity loss due to extraction & processing of natural resources
- Companies in distress, companies downsizing, reducing work hours/days; temporarily or permanently closing
- **Job losses: Loss of income, financial burden, displacement of workers & their families**
 - Access to social security benefits (unemployment, retirement) & privileges (loans)
 - Stop in social security contributions; missed loan payments
- **Serious impact of climate crisis on safety & health of workers**
 - Excessive heat, UV radiations, floodings, wildfire, pollution, occupational disease, etc. possibly resulting to sicknesses, miscarriage, disabilities, deaths
- At least 20 typhoons per year in the Philippines
- Disproportionate effect on women & children (as do conflict & migration); gender-responsive climate action

ESG Challenges & Opportunities

Social

- Contributions to the system & access & adequacy of social security benefits are affected by inadequate income, growing income disparity, job or productive work generation, rising cost of living, access to other social services, among others
- Alternative work arrangements: work from home, gig economy, rise of independent contractors, freelancers; informalization of work, supply-chain
- Monitoring of & running after scattered micro-small-medium scale industries which comprise about 98% of the Philippine economic structure in terms of size of employment for payment of social security contributions
- Resolution of formally filed social security cases takes time
- Increasing internal and global migration
- Many migrants facing gaps in pension rights, health care coverage & unemployment benefits, with women & low-income workers most affected
- Digital divide among individuals, communities, regions – cost of technology, available level of technology, access to digital service, ownership & type/specs of digital tools, technological literacy

ESG Challenges & Opportunities

Governance

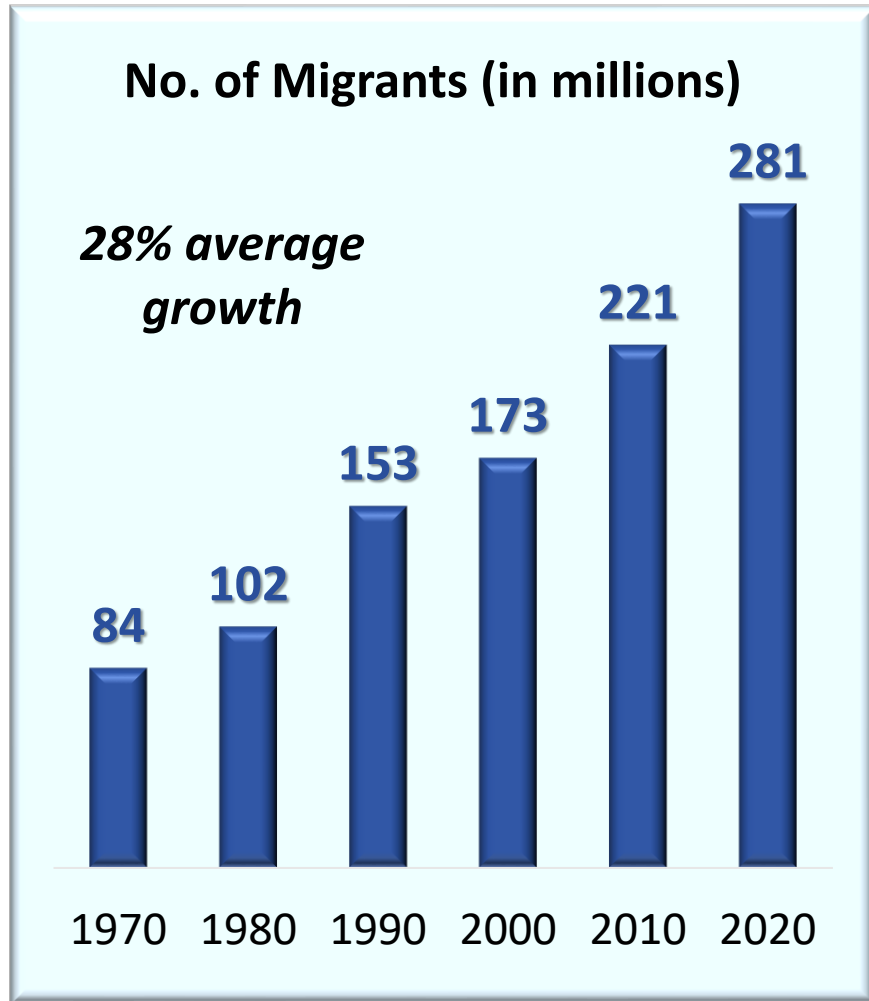
- Multi-sectoral stakeholders
- Regulatory demands, reporting obligations
- Various standards including international & evolving standards
- Broader socio-economic-political – geo-political context
- Fraud
- Fake news, negative news
- Gender-responsive or transformative approaches
- Inter-agency cooperation
- Cross-border benefit transfers
- International understanding, diplomacy & cooperation

Part II

SSS: Reaching Out to & Protecting Overseas Filipinos

(as mandated under Sec. 9-B of RA 11199)

Why Topic on Migrants is Important



- ▶ **Increasing global migration trends**
 - Economic, demographic, social, political & environmental factors as primary drivers
 - Over 280-M migrants, or 5% of world's labor force (1 out of 20)
- ▶ Increasingly common phenomenon of **cross-border employment**
- ▶ Rise of **international social security agreements** in support of labor mobility
- ▶ **Large benefit transfers** from institutions to individuals abroad

Need to Ensure that Migrant Workers:



- ▶ Can retain social security rights across jurisdictions
- ▶ Can transfer & receive benefits from one country to another
- ▶ Are increasingly covered by formal international agreements for portability
- ▶ Are supported by a fair, sustainable & efficient system of social security

Need to Focus on Asia-Pacific since:



But party to only 23% of global social security agreements & only 43% of countries are involved (lowest rate of any region)

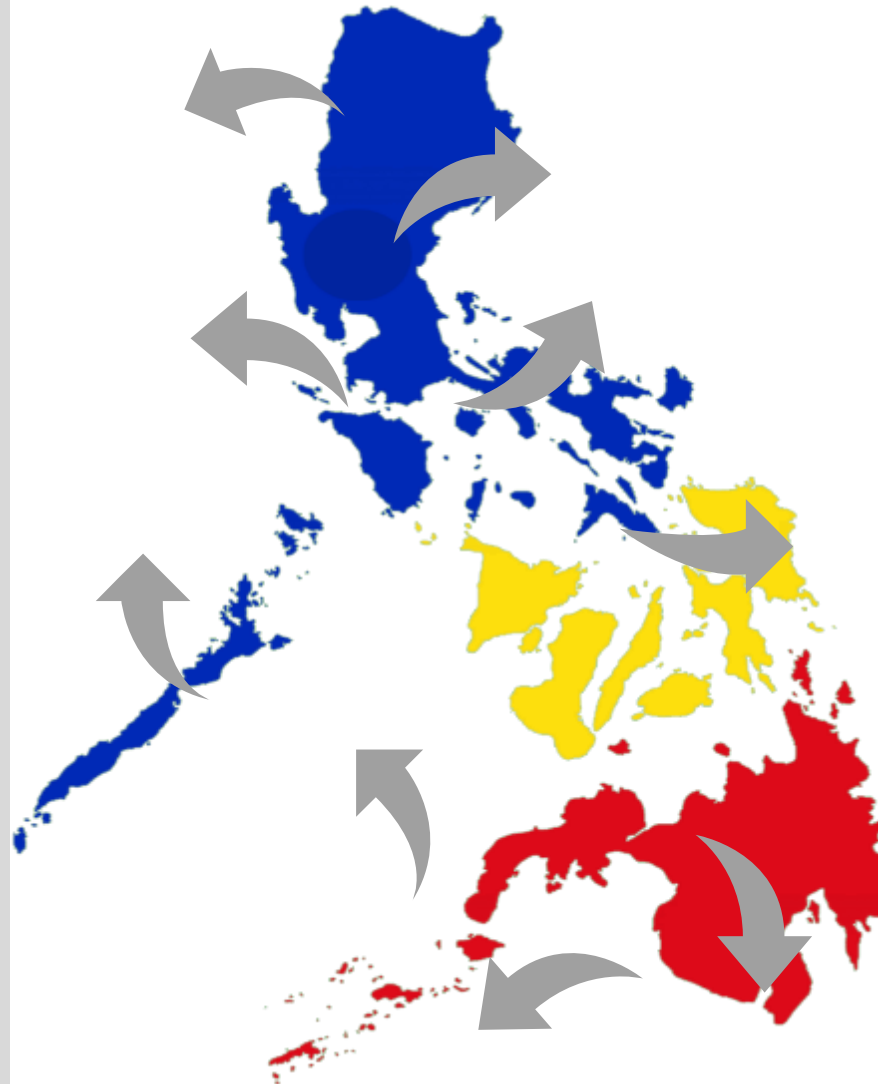
Facts & Figures on PHL Migration

10.85 Million Overseas Filipinos (2022)

Permanent	52%
Temporary	38%
Irregular	10%

2.47 Million OFW Deployments (2024)

Land-based	80%
Sea-based	20%

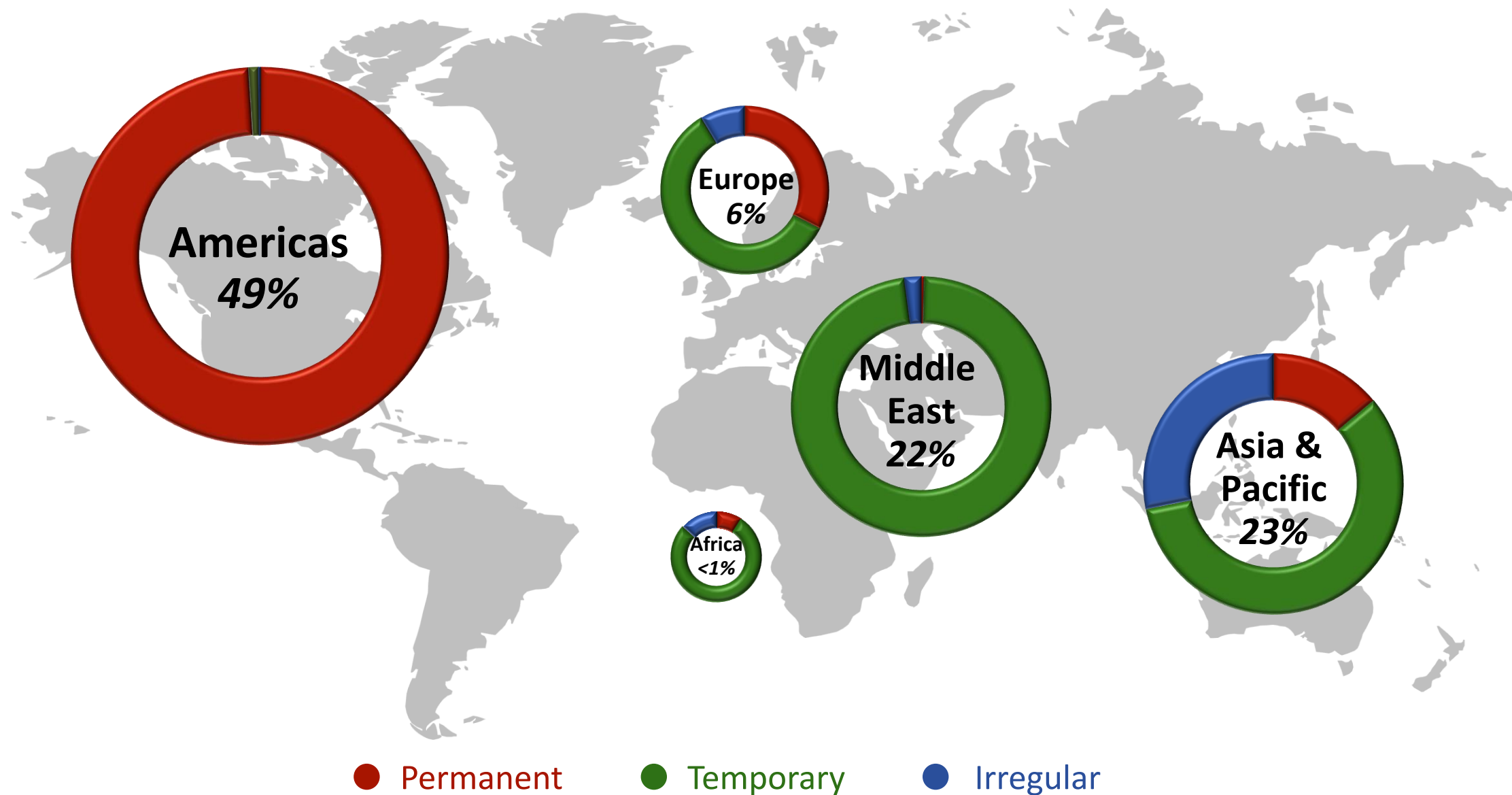


Profile of Deployed OFWs

- ▶ 56% women
- ▶ 42% aged 30-39
- ▶ Mostly from CALABARZON (19%) & Region III (15%)
- ▶ Majority at 40% working in elementary occupations
- ▶ 75% deployed in Asia, mainly in KSA, UAE & Singapore
- ▶ 62% remitting thru banks

References: DFA, DMW, PSA

Facts & Figures on PHL Migration



Issues of Filipino Migrants on Social Security



- ▶ **Exclusion from coverage (hence, no access to basic safety nets)**
 - Nationality- or territory-based conditions, with minimum residency period
 - Limited to formal sector or regular employment only
- ▶ **Failure or difficulty to qualify for full pension entitlement**
 - Long insurance periods required for benefit eligibility
 - Not exportable, or with reduced/modified amount & other restrictions
- ▶ **Administrative challenges in filing benefit claims**
 - Stringent documentation, transfer formalities & lack of information

Two-Pronged Approach for Filipino Migrants

1. FORGING OF BILATERAL SOCIAL SECURITY AGREEMENTS (since 1980s)

SSS as lead in collaboration with gov't agencies (DFA, DOLE, DMW)

Scope: Permanent & temporary migrants covered by host country

Purpose: Initiation of portability thru mutual cooperation

Standards: UN Declaration of Human Rights; ILO C118 & C157



2. COVERAGE UNDER PHL SSS PROGRAMS (since 1995)

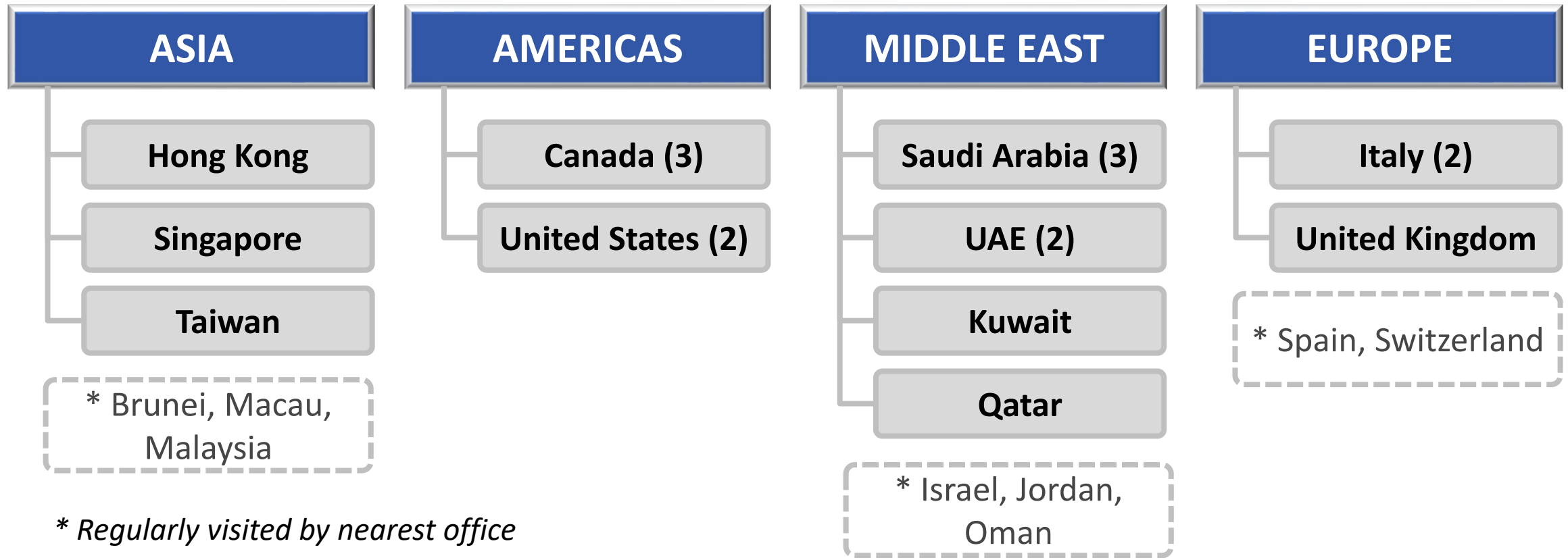
Program promotion & servicing mainly by SSS foreign offices

Scope: All types, but mainly temporary & irregular migrants

Purpose: Ensuring active SSS membership for benefit eligibility

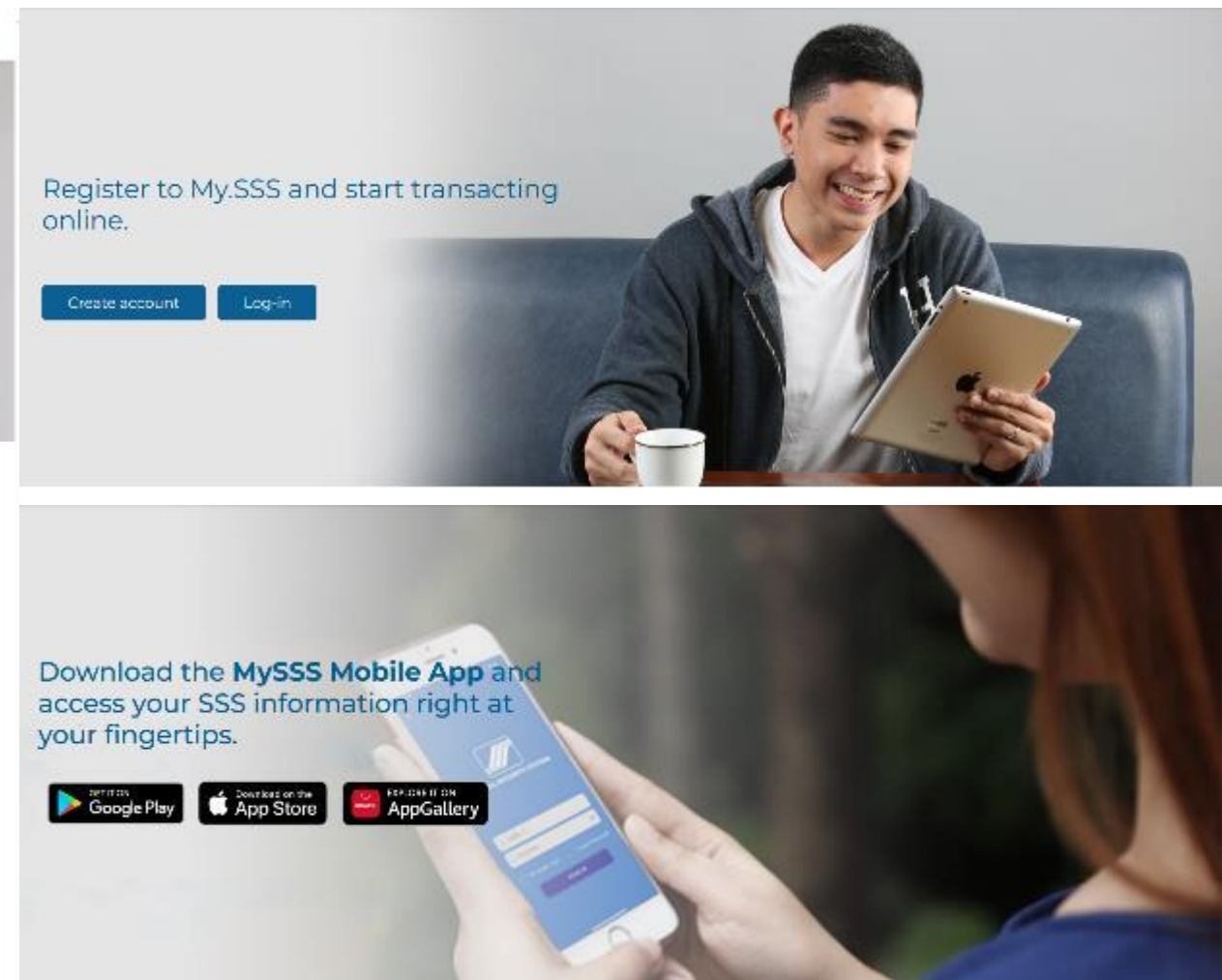
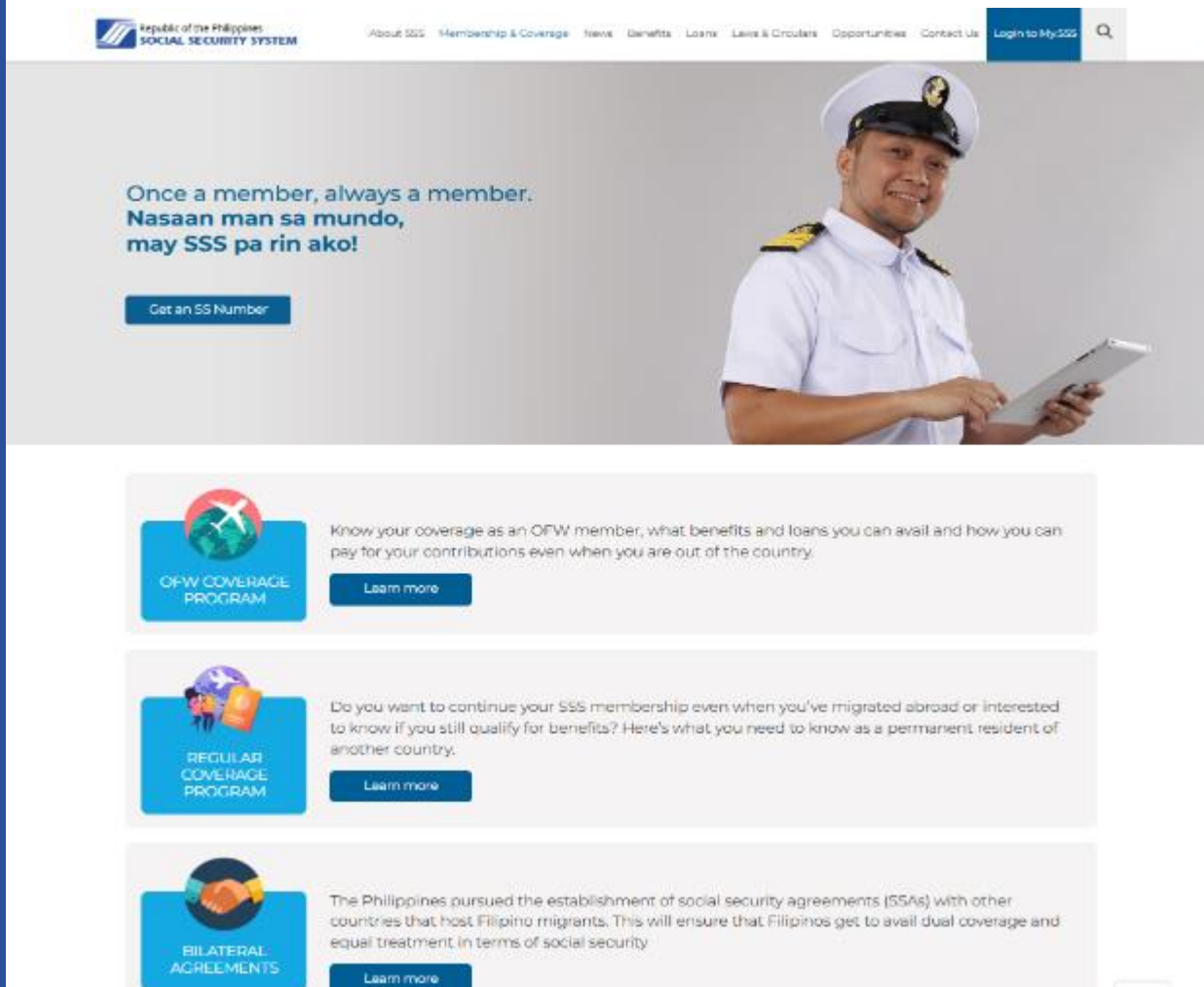
Standards: UN Declaration of Human Rights; ILO C102 & R202

Service Delivery: SSS Foreign Offices



***Total of 18 SSS foreign offices in 12 country destinations,
adhering to one-country team approach led by PHL Embassy***

Service Delivery: Online/Digital Channels



SSS Website, My.SSS Portal & SSS Mobile App

Service Channels: Network of Payment Facilities

Local e-payment



Overseas e-payment



Online/Others



Auto Debit
Arrangement



Filipino migrants

Service Delivery: Benefit Disbursements

Get a **Pension Account** abroad

Available for overseas Filipinos, former Filipinos with acquired foreign citizenship, and foreign nationals

[Learn How](#)



Enhanced Value Proposition to OFWs: Voluntary Contributions



Are you future ready?

Start your journey to financial freedom with MySSS Pension Booster!

[Learn more](#)

[Enroll via MySSS](#)



MySSS
PENSION
BOOSTER

#MakeThatMove
#GetThatBoost

Service Delivery: Information Channels



- ▶ Dedicated e-mail, contact center & video conferencing (ofw.relations@sss.gov.ph)
- ▶ Text-SSS facility
- ▶ Self-service info terminals
- ▶ “uSSSap Tayo” (CRMS) portal
- ▶ SSS social media accounts

Statistics on SSS Coverage of OFWs



**1.79 Million
OFWs Covered (2024)**

Land-based 1.44-M

Sea-based 0.35-M

**~80,000
Foreign Nationals
Covered
(2015-2024)**

Paying members with at least 1 contribution in 2024	559,917 <i>(↑ by 2% y-o-y from 548,721)</i>
Contribution collection in 2024	₱9.94-B <i>(Ave. of ₱8.7-B in last 5 yrs)</i>
My.SSS registration as of Dec 2024	644,723
No. of pensioners abroad	71,000

Forging of Bilateral Social Security Agreements (SSAs): PHL Experience

What is an SSA

International treaty to ensure protection of the social security rights of covered persons

- ▶ Coordinates & regulates social security programs of 2 countries for those who have worked, lived &/or paid their contributions
- ▶ Removes nationality- & territory-based restrictions in benefit access, especially pensions
- ▶ Addresses issues on dual mandatory coverage

Condition of reciprocity, compatibility of schemes & mutual consent as pre-requisites

What are the Salient Features of SSAs

Equality of treatment	Entitlement under same conditions as nationals
Applicable Legislation	Coverage under 1 social security scheme only
Export of benefits	Continuous benefits wherever migrants reside
Totalization of insurance periods	Aggregation for benefit eligibility & computation
Mutual administrative assistance	Coordination among country liaison offices

What are the Processes in Pursuing SSAs

1. Conduct of exploratory meetings by agencies

Confirmation on common grounds	Presentation of scheme & profile of covered	Disclosure of preference on provisions	Commitment to proceed
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2. Conduct of formal negotiations by delegation

<u>Requirement:</u> "Authority to negotiate"	<u>Prior:</u> Draft SSA for review of other Party	<u>Initial:</u> Discussion & clarification of clauses	<u>Succeeding:</u> Finalization for interim concurrence
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3. Signing & ratification of Party-States

Scheduling thru diplomatic channels	Compliance with ratification requirements	Liaison meetings on implementing guidelines
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Entry into force & implementation

Status of PHL Bilateral SSAs



16 in-force agreements (effectivity date)

- ▶ Austria (1982)
- ▶ UK & N. Ireland (1989)
- ▶ Spain (1989)
- ▶ France (1994)
- ▶ Canada (1997)
- ▶ Quebec (1998)
- ▶ Netherlands (2001)
- ▶ Switzerland (2004)
- ▶ Belgium (2005)
- ▶ Denmark (2015)
- ▶ Portugal (2017)
- ▶ Germany (2018)
- ▶ Japan (2018)
- ▶ Sweden (2019)
- ▶ Luxembourg (2020)
- ▶ South Korea (2024)

Over 5,200 SSA transactions handled in Y2024

Further Insights

- 1 **PHL as among Asia-Pacific countries with most bilateral SSAs**, next to Korea (39), Australia (31), Japan (22) & India (19)
- 2 **All PHL bilateral SSAs with countries also administering social insurance type of scheme**, covering old age/retirement, survivorship/death and invalidity/disability contingencies only
- 3 **To date, no PHL SSA with other ASEAN Member-States**, some with provident fund type of scheme

Areas for Regional Cooperation on Social Security Portability

(as aligned with ASSA Sustainability Pledge)

ESG Context: Options for Advocacy & Assistance

Upholding environmental stewardship (E)

- Shift to green investments & ESG-screened assets
- Integration of climate resilience policies, incl. disaster-linked benefits into portable schemes
- Assessment of social security costs related to environmental risks

Developing inclusive social security policies (S)

- Amending laws to include migrants under scheme &/or allow own nationals to remain affiliated
- Unilateral: export of benefits
- Bilateral: network of regional SSAs on totalization
- Multilateral: ASEAN SSA like in EU/CARICOM/CIPRES
- Non-traditional work to be integrated into policy/SSA

Collaborating on innovation & capacity (G)

- ASEAN Digital SS Card & online info/data linkage for:
 - Tracking of contributions
 - Claims filing & payments
 - Life-status validation & compliance enforcement
 - Communications
 - Policy on migration trends
- Sharing of digital initiatives, transparency reforms & ESG metrics/disclosures



Part III

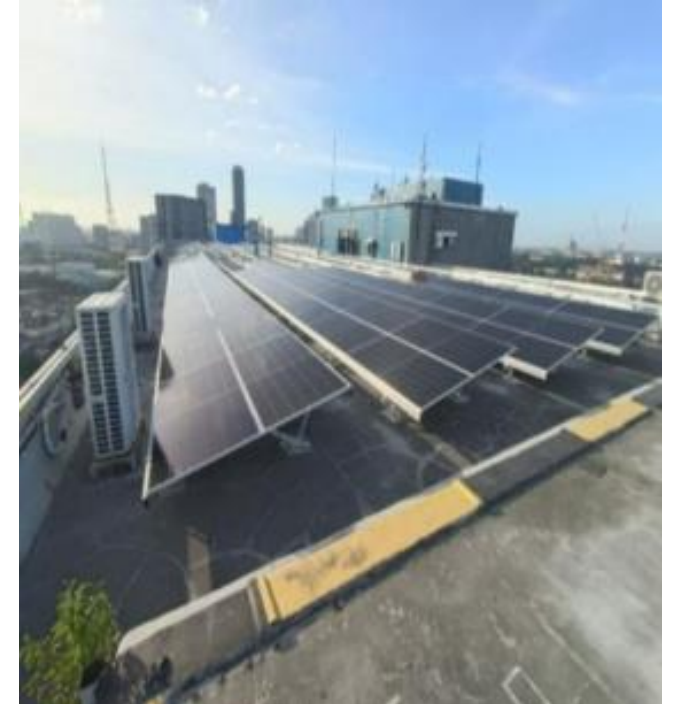
SSS ESG Pathways

Key ESG Initiatives of SSS



- ✓ ESG Investment Policy/Investments in companies with ESG initiatives
- ✓ Digitalization of operations/transactions - paperless & checkless
- ✓ Installation of solar panels, LED lights, inverter aircon, reduction & more efficient use of energy
- ✓ Community engagements (tree planting, clean up drives, walking, cycling, etc.)
- ✓ Green public procurement, buying sustainable products
- ✓ Waste reduction, segregation, disposal & resource conservation
- ✓ Continuing education/training on environmental sustainability

Key ESG Initiatives of SSS



Key ESG Initiatives of SSS



- ✓ E-wheels program to reach far-flung barangays or localities
- ✓ Coverage of job order workers (JOWs) & contract of service workers (COSs) in local government units & government agencies thru forging of MOUs/MOAs
- ✓ E-centers at SSS branches, partner-barangays & large companies to assist members in online transactions
- ✓ Opening of Service Offices, branches for members' easier transactions & access to benefits
- ✓ Loans program: Calamity, educational, salary
- ✓ Reducing requirements & interest rates, condonation of penalties
- ✓ OFWs Day, Pensioners' Day
- ✓ Visitation of pensioners aged 80 years & above

Key ESG Initiatives of SSS

	Female	Male
Benefits disbursed	56%	43%
No. of pensioners	45%	54%



Key ESG Initiatives of SSS



GOVERNANCE




- ✓ Strengthening of tripartite/women representation in the Social Security Commission (SSC)
- ✓ Creation of SSC Oversight Committees, including the Benefits & ESG Oversight Committee & the Risk and Actuary Oversight Committee, & appointment of Chief Sustainability Officer
- ✓ Code of Ethical Standards for SSS officials & employees
- ✓ SSC & SSS Compliance Officers
- ✓ Strengthening of meritocracy, industrial relations (SSS management & union), gender equality programs, Committee on Decorum & Investigation for anti-gender-based violence & harassment, occupational health & safety measures
- ✓ Conduct of stakeholders' forum/dialogues/consultations

Key ESG Initiatives of SSS

- ✓ Compliance with local governance requirements (GCG, ARTA); Adherence to international standards (ILO, ISSA)
- ✓ Bilateral SSAs to implement portability law for migrants
- ✓ SSS whistleblowing policy
- ✓ Disclosure & Transparency Requirements
- ✓ Helplines & Support Services; Customer online satisfaction surveys





Sustainability is as much about respect for human dignity, universal fundamental principles & values, rights in the world of work including social security, & about good governance, all contributing to a more humane, productive, prosperous, decent, just, equal & democratic society.

And yes, **sustainability** is about the environment, needing change in mentality; requiring greening of production, distribution & consumption of goods & services, & change in lifestyle.

“THERE IS NO SOCIAL SECURITY ON A DEAD PLANET.”

*"The earth is a home and a workplace to us,
providing all the resources, opportunities
and challenges to productive work and quality life.
It is our responsibility as a grateful humanity
to care for it. The earth is sacred.
It is our solemn duty to respect its integrity."*

ebarcos



End of Presentation