

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 6464

EXPLANATORY NOTE

The climate crisis has become the defining challenge of our era, with the Philippines bearing its most severe and destructive impacts. As a nation located within the Pacific typhoon belt and the Ring of Fire, our country faces a convergence of climate-related hazards that continue to intensify in frequency and scale. In the 2024 World Risk Index, the Philippines again ranked first among 193 countries as the most disaster-prone nation worldwide, marking our 16th consecutive year in the highest-risk position. This reflects the reality that millions of Filipino lives and livelihoods are persistently exposed to storms, floods, heatwaves, droughts, and other climate-induced disruptions.

Recent events starkly illustrate this vulnerability. In July 2025 alone, the NDRRMC recorded 895 flooding incidents nationwide due to the combined effects of Tropical Storm Crising and the Southwest Monsoon. Earlier, from late 2024 to early 2025, urban centers—including Metro Manila, Zamboanga, Davao, and Cagayan—experienced prolonged and extreme heat episodes, with Manila logging 69 days of dangerously high temperatures strongly attributed to climate change. These events underscore that climate impacts are no longer long-term projections; they are an immediate and escalating threat to public health, economic productivity, agriculture, infrastructure, and national security.

Yet, while the Philippines has enacted foundational legislation such as the Climate Change Act of 2009 (RA 9729) and remains committed to the Paris Agreement, significant policy gaps persist. Current laws do not sufficiently address accountability for climate-related harm, protections for vulnerable communities experiencing loss and damage, nor standards for businesses and major emitters whose activities contribute substantially to the climate crisis. Moreover, slow-onset impacts—such as sea-level rise, coastal erosion, water scarcity, and biodiversity loss—continue to accumulate without a clear national system for redress, compensation, or prevention.

This bill seeks to fill these critical gaps by establishing a comprehensive Climate Accountability framework for the country. It institutionalizes the Climate Change Actions Welfare and Support Board and the Climate Change Actions Welfare and Support Fund to ensure that affected communities receive compensation, relocation assistance, and rehabilitation support. It sets out clear state and corporate accountabilities, including due diligence obligations, climate-related disclosures, emission thresholds aligned with our Nationally Determined Contribution (NDC), and penalties for harmful practices such as greenwashing, climate denialism, and SLAPP suits used to silence environmental defenders. It likewise operationalizes the polluter pays principle and integrates attribution science to strengthen evidence-based climate litigation and enforcement.

This measure also recognizes that the climate crisis disproportionately affects the poorest and most vulnerable sectors like farmers, fisherfolk, indigenous peoples, informal settlers, women, children, senior citizens, and persons with disabilities. It therefore provides

mechanisms to ensure their protection, uphold their rights, and secure fair and just remedies when climate impacts occur.

By enacting this legislation, we affirm that climate justice is a national imperative. We ensure that climate harms are not borne solely by ordinary Filipino families but are addressed through a system grounded in accountability, equity, and scientific integrity.

In view of the foregoing, the approval of this measure is earnestly sought.



RUFUS B. RODRIGUEZ



MAXIMO B. RODRIGUEZ, JR.

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AN ACT

TO INSTITUTE POLICIES AND SYSTEMS TO ADDRESS CLIMATE CHANGE,
ESTABLISHING THE NECESSARY INSTITUTIONAL MECHANISMS FOR THE
PROTECTION OF MOST VULNERABLE COMMUNITIES FROM LOSS AND DAMAGE IN
THE COUNTRY, PROVIDING FOR CORPORATE AND STATE ACCOUNTABILITIES AND
REPARATIONS FOR VIOLATION THEREOF, AND OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress
assembled:*

CHAPTER I
GENERAL PROVISIONS

SECTION 1. Short Title. - This Act shall be known and referred to as "The Climate Accountability (CLIMA) Act".

SEC. 2. Declaration of Policy. - It is the declared policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature, and shall protect and promote the right to health, dignified life, of the people and instill health consciousness among them.

The protection of climate systems advances the right of the people to a balanced and healthful ecology and is a common good. As such common good, all economic agents of the State, including corporations, are to contribute to its attainment.

Likewise, to ensure informed and effective responses to climate change, the State shall recognize the importance of addressing climate denialism to prevent the corporations and the public in disseminating false information, intentional misrepresentation of facts, or dismissal of anthropogenic climate change contrary to scientific consensus, through denial or conspiracy theories.

Further, the State shall enact measures that protect and enhance the right of all the people to human dignity and reduced social and economic inequalities, especially those that arise from adverse impacts attributed to climate change. Towards this end, the State shall regulate the acquisition, ownership, use, and disposition of property and its increments and therefore.

SEC. 3. Definition of Terms. - For the purposes of this Act, the following terms shall be defined as:

- (a) Adaptation refers to the adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm and/or exploits beneficial opportunities;
- (b) Attribution science refers to the process of evaluating the relative contributions of GHG and multiple causal factors to the observed change or event in the climate system with an assessment of confidence. This is done through a systematic

analysis, using physical understanding, observational data, statistical analysis and climate models by climate experts;

- (c) Business refers to a for-profit enterprise, State-owned enterprises, transnational corporations and business enterprises of transnational character, other business enterprises, and joint ventures, whether individual or aggregate entities, undertaken by a natural person or a juridical person duly incorporated under the Revised Corporation Code of the Philippines or the corresponding relevant corporate establishment legislation in other countries. For the purposes of this Act, "business" shall mean businesses that reported a revenue of more than Fifteen Billion Pesos (P15,000,000,000.00) in the previous tax year, or carbon majors, regardless of amount of gross income;
- (d) Business relationship refers to any relationship between businesses to conduct business activities, including those activities conducted through affiliates, subsidiaries, agents, suppliers, partnerships, joint venture, beneficial ownership, or any other structure or contractual relationship as provided under the domestic law of the State, including activities undertaken by electronic means;
- (e) Carbon majors refer to juridical entity producing crude oil, natural gas, coal, or cement with a substantial share of cumulative GHG emissions and with operations or a legal presence in the Philippines;
- (f) Climate accountability refers to the responsibility of and corresponding need for remedial action from businesses and carbon majors significantly responsible for climate change. A climate accountability regime establishes a governance mechanism for ensuring that climate targets are met through formal climate governance structures and processes for setting meeting and monitoring progress against the countries' long term emission targets and/or pollution reduction and biodiversity protection and conservation targets. The accountability of carbon majors as defined in this Act shall range from negligence to causation based on emissions thresholds upon the promulgation of this Act;
- (g) Climate change refers to a change in climate that can be identified by changes in the mean and/or variability of its properties and that persists for an extended period typically decades or longer, whether due to natural variability or as a result of human activity
- (h) Climate change impact refers to the effects on natural and human systems of extreme weather and climate events and in general, climate change. Impacts generally refer to effects on lives, livelihoods, health, ecosystems, economies, societies, cultures, services, and infrastructure due to the interaction of climate changes or hazardous climate events occurring within a specific time period and the vulnerability of an exposed society or system;
- (i) Climate Change Victims/Survivors refer to (a) vulnerable groups of people or communities who suffered harm, including physical or mental injury, emotional suffering, or economic or property loss, or impairment of their human rights as a result of climate-related loss and damage; or (b) those communities affected by slow or extreme climatic events of such magnitude, that cannot be avoided either by mitigation (avoiding and reducing greenhouse gas emissions) or adaptation (adjusting to current and future climate change impacts); or who have been, or are likely to be, severely affected by climate change, while at the same time having inadequate human, social, and economic capital for climate change adaptation, including relocation;

- (j) Climate-related financial disclosures refer to the information about an entity's climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance, or cost of capital over short, medium, or long term;
- (k) Climate justice refers to justice that links development and human rights to achieve a human-centered approach to addressing climate change, safeguarding the rights of the most vulnerable people and sharing the burdens and benefits of climate change and its impacts equitably and fairly;
- (l) Climate risk refers to the potential for adverse consequences for human or ecological systems, recognizing the diversity of values and objectives associated with such systems;
- (m) Climate systems refer to the global system consisting of five (5) major components: the atmosphere, the hydrosphere, the cryosphere, the lithosphere, and the biosphere; and the interactions between them. The climate system changes in time under the influence of its own internal dynamics and because of external forcings such as volcanic eruptions, solar variations, orbital forcing, and anthropogenic forcings such as the changing composition of the atmosphere and land-use change;
- (n) Extreme weather event refers to a single, discrete event with a clearly identifiable beginning or end and that occur or reoccur in a matter of days or even hours at a local, national, or regional scale;
- (o) Greenhouse gases (GHG) refer to gaseous elements of the atmosphere both natural and man-made that absorb and emit radiation from the earth's surface leading to global warming that contribute to the greenhouse effect including, but not limited to, those identified in the latest Intergovernmental Panel on Climate Change (IPCC) Report, such as water vapour (H₂O), carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄) and ozone (O₃), Sulphur Hexafluoride (SF₆), Hydrofluorocarbons (HFCs), chlorofluorocarbons (CFCs), and perfluorocarbons (PFCs);
- (p) Intergovernmental Panel on Climate Change refers to the intergovernmental body of the United Nations responsible for assessing the science related to climate change and for providing internationally coordinated scientific assessments of the magnitude, timing; and potential environmental and socio-economic impact of climate change and realistic response strategies;
- (q) Just transition refers to maximizing the social and economic opportunities of climate action, while minimizing and carefully managing any social disruption, political and social risks - through effective social dialogue among all groups impacted, and respect for fundamental labor principles and rights;
- (r) Loss and damage refers to the political debate under the United Nations Framework Convention on Climate Change (UNFCCC) following the establishment of the Warsaw Mechanism on Loss and Damage in 2013, which is to 'address loss and damage associated with impacts of climate change, including extreme events and slow onset events, in developing countries that are particularly vulnerable to the adverse effects of climate change. Broadly, losses and damages refer to the harm from observed impacts and projected risks and can be economic or non-economic;

- (s) Mitigation, in the context of climate change, refers to human intervention to reduce GHG emissions or enhance their removal by natural sinks, e.g., nature-based solutions, or through GHG capture by manmade mechanisms;
- (t) Nationally determined contribution refers to the Philippines' nationally determined contribution ("NDC"), as a climate action plan to cut emissions and adapt to climate impacts, undertaken and communicated pursuant to Article 3 of the Paris Agreement. For the purposes of this Act, the NDC includes the National Adaptation Plan (NAP) and the Nationally Determined Contribution Implementation Plan (NDCIP). It is the country's long-term development plan towards a climate-resilient and low-carbon pathway;
- (u) Paris Agreement refers to an international treaty on climate change adopted by the Parties, including the Philippines, to the United Nations Framework Convention on Climate Change (UNFCCC) at the twenty-first session of the Conference of Parties of the UNFCCC in December 2015 and duly deposited with the United Nations Secretary-General as its Treaty Depositary which aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, and will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances. It increases the ability to adapt to the adverse impacts of climate change and foster climate resilience and low GHG emissions development;
- (v) Reparations refer to the amends for a tort or injury inflicted, especially, in the context of this bill, compensation, relocation, and rehabilitation and recovery for victims/survivors of climate loss and damage. Remedies can be in the form of pecuniary or monetary and non-pecuniary or nonmonetary under existing laws;
- (w) Slow onset event refers to risks and impacts associated with increasing temperatures, desertification, loss of biodiversity, land and forest degradation, glacial retreat and related impacts, ocean acidification, sea level rise, and salination;
- (x) Stakeholder refers to an individual or a group who holds an interest in how an organization operates as it can be the source of benefit or harm a stakeholder;
- (y) Source attribution refers to the process of identifying and assigning climate change impacts to specific sources of GHG emissions to allocate accountability for climate change. A source can be a particular sector, entity or activity;
- (z) Scope 1 emissions refer to GHGs released directly by a company or organization in manufacturing a product or delivering a service. The emissions are owned or controlled by the company;
- (aa) Scope 2 emissions refer to GHGs generated from electricity, heating, cooling, steam, or gas purchased by the company for its operation. Thus, the level of the emissions is indirectly influenced by the demand by the company even as they are generated outside the company; and
- (bb) Scope 4 emissions refer to GHGs reduced or avoided by a company or organization that happen outside a product's or a service's life cycle or value chain. It is a result of the use by customers of the product or service developed by the company.

CHAPTER II POLICIES AND SYSTEMS

SEC. 4. Adoption of the Precautionary Principle. - In cases where there is a threat or risk of serious damage and the need for environmental protection, the courts shall be guided by Rule 20 of the Rules of Procedure for Environmental Cases, modified as follows:

- (a) Applicability. - When there is a lack of full scientific certainty in establishing a causal link between human activity and environmental effect and when human activities may lead to threats of serious and irreversible damage to the environment that is scientifically plausible, actions shall be taken to avoid or diminish that threat. In these cases, the court shall apply the precautionary principle in resolving the case before it, with the proponent of an activity, rather than the public, bearing the burden of proof.

The constitutional right of the people to a balanced and healthful ecology shall be given the benefit of the doubt.

- (b) Standards for application. - In applying the precautionary principle, the following factors, among others, may be considered: (1) serious threats to human life or health; (2) inequity to present or future generations; and (3) prejudice to the environment.

The business and the SEC assisted by the CCC, academe, and research institutions which assists SEC on the analysis of the GHG emissions, shall also be obliged to disclose whether or not the cause and effect have not yet been scientifically established.

SEC. 5. Adoption of the Polluter Pays Principle. - Carbon majors or polluters shall pay for the damage they caused to the environment, as may be provided under relevant environmental and natural resource management laws such as, but not limited to:

- (a) Presidential Decree No. 705 or the "Revised Forestry Code of the Philippines";
- (b) Presidential Decree No. 856 or the "Code on Sanitation of the Philippines";
- (c) Presidential Decree No. 979 or the "Marine Pollution Decree of 1976";
- (d) Presidential Decree No. 1152 or the "Philippine Environmental Code";
- (e) Presidential Decree No. 1219 or "The Coral Resources Development and Conservation Decree";
- (f) Presidential Decree No. 1586 or "Establishing an Environmental Impact Statement System, Including Other Environmental Management Related Measures and for Other Purposes";
- (g) Republic Act No. 6969 or the "Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990";
- (h) Republic Act No. 7076 or the "People's Small-scale Mining Act of 1991";
- (i) Republic Act No. 7586 or the "National Integrated Protected Areas Systems Act of 1992" as amended by Republic Act No. 11038;
- (j) Republic Act No. 7942 or the "Philippine Mining Act of 1995";
- (k) Republic Act No. 8048 or the "Coconut Preservation Act of 1995";
- (l) Republic Act No. 8041 or the "National Water Crisis Act of 1995";
- (m) Republic Act No. 8371 or "The Indigenous Peoples' Rights Act of 1997"
- (n) Republic Act No. 8435 or the "Agriculture and Fisheries Modernization Act of 1997";
- (o) Republic Act No. 8550 or "The Philippine Fisheries Code of 1998";
- (p) Republic Act No. 8749 or the "Philippine Clean Air Act of 1999";
- (q) Republic Act No. 9003 or the "Ecological Solid Waste Management Act of 2000"; (r) Republic Act No. 9136 or the "Electric Power Industry Reform Act of 2001";
- (s) Republic Act No. 9147 or the "Wildlife Resources Conservation and Protection Act";
- (t) Republic Act No. 9072 or the "National Caves and Cave Resources Management and Protection Act";

- (u) Republic Act No. 9003 or "The Ecological Solid Waste Management Act" as amended by RA No. 11898 dated 23 July 2022, or the "Extended Producer Responsibility Act of 2022";
- (v) Republic Act No. 9168 or the "Philippine Plant Variety Protection Act of 2002";
- (w) Republic Act No. 9275 or "The Philippine Clean Water Act of 2004";
- (x) Republic Act No. 9367 or the "Biofuels Act of 2006";
- (y) Republic Act No. 9513 or the "Renewable Energy Act of 2008";
- (z) Republic Act No. 9729 or the "Climate Change Act of 2009" as amended by Republic Act No. 10174;
- (aa) Republic Act No. 10121 or the "Philippine Disaster Risk Reduction and Management Act of 2010";
- (bb) Republic Act No. 7611 or the "Strategic Environmental Plan (SEP) for Palawan Act";
- (cc) Republic Act No. 9483 or the "Oil Pollution Compensations Act of 2007"; and
- (dd) Republic Act No. 11285 or "An Act Institutionalizing Energy Efficiency and Conservation, Enhancing the Efficient Use of Energy, and Granting Incentives to Energy".

The rights and causes of action that are created under this Act shall be without prejudice to other causes of actions under existing laws. In estimating the amount of and accountability for damage, attribution science can be used as a complementary framework in lieu of proof of actual damage.

SEC 6. Application of the Doctrine of Last Clear Chance. - The Doctrine of Last Clear Chance shall be applied to this Act whereby carbon majors' knowledge of their significant contribution to climate change as what has been documented by the Report of the Commission on Human Rights' (CHR) National Inquiry on Climate Change, compels them to substantially reduce GHG emissions to be faithful to their duty of care. Failure to do so implicates them in exacerbating and, thus, makes them accountable for significantly contributing to the climate crisis.

For the doctrine to apply, it must be shown that both parties were negligent but the negligent act of one was appreciably later in time than that of the other. It may also apply when it is impossible to determine who caused the resulting harm; thus, the one who had the last opportunity to avoid the impending harm and who failed to do so will be held liable.

SEC. 7. Attribution Science. - Attribution science is a process that seeks to identify the relationship of climate drivers to an affected system (nature, sociocultural or economic). In attribution science, it is important to establish the causal connection between the defendants' GHG emissions or activities to the plaintiff's injuries and that these injuries were a foreseeable result of the emissions.

The first step is the detection of the change which demonstrates that a certain variable has changed in a statistically significant way. The second step is attribution which seeks to analyze causative factors to determine the role of a driver with respect to the detected change. The process looks into three areas: climate change attribution, impact attribution, and source attribution. The use of attribution science shall depend on the maturity of the tool and the readiness and technical capacity of the country.

The adjudication of cases under this Act, therefore, shall make use of attribution science as one of its bases for ruling. The adjudication shall build on existing understandings of the climate-related events most substantially affected by human influence on the climate. Establishing a threshold for GHG emissions beyond which corporations will be found liable shall be the principal basis for prosecuting and penalizing corporations.

CHAPTER III INSTITUTIONAL MECHANISMS

SEC. 8. National GHG Registry. - The CCC shall develop a platform for administering GHG compliance by all sectors. The registry shall serve the following purposes:

- (a) NDC monitoring of all regulatory activities;
- (b) GHG data consolidation for country reporting to the UN;
- (c) Calculating GHG reduction from mitigation actions;
- (d) Accounting for Internationally Transferrable Mitigation Outcomes (ITMOs);
- (e) Tracking carbon credit transactions (compliance and voluntary markets); and
- (f) Connection to international carbon markets.

The registry shall have the following features:

- (a) It shall cover both government and non-government GHG inventories;
- (b) The information has the capability to be disaggregated at the unit level (e.g. LGU, agency, and company); and
- (c) It must be inter-operable for cooperation approaches with other countries such as the transfer of ITMOs pursuant to Article 6 of the Paris Agreement.

SEC. 9. Establishment of the Climate Change Actions Welfare and Support Board. - There is hereby created an independent quasi-judicial body to be known as the Climate Change Actions Welfare and Support Board, hereinafter referred to as the "Board," which shall be attached to the CHR. The Board shall prepare and submit reports on the administration of the funds to the DOF.

The Board shall be composed of nine (9) members, who shall possess the following qualifications:

- (a) Must be of known probity, competence, and integrity; and
- (b) Must have a deep and thorough understanding and knowledge of climate change, environmental law, and/or ecosystems science.

There shall be four (4) permanent members and five (5) other members. The four (4) permanent members must be members of the Philippine Bar who have been engaged in the practice of environmental law or human rights for at least ten (10) years.

The five (5) other members shall consist of two (2) climate scientists or recognized experts who have a technical proficiency of climate science and the subfield of climate attribution science; two (2) representatives from private sectors; and one (1) representative from a chosen civil society organization engaged in human rights and climate justice issues. The Vice Chairperson or Commissioner of the CCC shall be an ex officio member.

The Board shall be chaired by a lawyer and shall organize itself within thirty (30) days from the completion of appointment of all three (3) members and shall, thereafter, organize its Secretariat.

SEC. 10. Appointment to the Board. - The President of the Philippines shall appoint the Chairperson and the members of the Board; Provided, That human rights organizations, environmental organizations, and indigenous peoples' rights, women's rights, youth's rights, and people with disabilities' rights advocates may submit nominations to the President for the civil society representative; Provided, 32 further, That the members of the Board cannot be removed without justifiable cause.

SEC. 11. Term of Office. - The members of the Board shall serve for three (3) years: Provided, That for the first appointees, the Chairperson and two (2) members, shall hold office for three (3) years and two (2) members shall hold office for two (2) years; Provided, further, That appointment to any future vacancy shall only be for the unexpired term of the predecessor:

Provided, finally, That there shall be no reappointment and in no case shall any member serve for more than seven (7) years.

SEC. 12. Functions of the Board. - The Board shall have the following powers and functions:

- (a) Receive, evaluate, process, and investigate applications for claims under this Act;
- (b) Issue subpoena ad testificandum and subpoena duces tecum;
- (c) Enjoin any and all acts involving or arising from any claims pending before it, which, if not restrained forthwith, may cause further or irreparable damage to any of the parties to the claim or seriously affect social and economic stability;
- (d) Hold any person in contempt, directly or indirectly, and impose appropriate penalties therefor;
- (e) Administer the Climate Change Actions Welfare and Support Fund;
- (f) Approve with finality all eligible claims under this Act;
- (g) Deputize appropriate government agencies to assist the Board in order for it to effectively perform its functions;
- (h) Exercise administrative control over its Secretariat;
- (i) Promulgate such rules as may be necessary to carry out the purposes of this Act, including rules of procedure in the conduct of its proceedings, with the Revised Rules of Court of the Philippines having suppletory application; and
- (j) Perform such other duties, functions, and responsibilities as necessary to effectively attain the objectives of this Act.

In cases where the issue is related to pollution in violation of environmental laws, the Pollution Adjudication Board of the Department of Environment and Natural Resources (DENR) shall be invited as a resource group to improve technical analysis of the complaint.

In any proceeding before the Board, the rules of evidence prevailing in the courts of law or equity shall not be controlling but applied suppletorily, and it is the spirit and intention of this Act that shall govern. The Board shall use every and all reasonable means to ascertain the facts in each case speedily, objectively, and without regard to technicalities of law or procedure, all in the interest of due process and social justice: Provided, That any decision, order, award, or ruling of the Board may be brought for review to the Court of Appeals within 15 days from receipt of a copy thereof.

In any proceeding before the Board, the parties may be represented by a legal counsel. The findings of fact of the Board shall be conclusive and binding on the parties and its decision or order shall be deemed final and executory.

SEC. 13. Compensation. - The Chairperson and members of the Board shall be entitled to compensation in accordance with the Salary Standardization Law.

SEC. 14. Secretariat of the Board. - The Board shall be assisted by a Secretariat provided by the CHR, without prejudice to the hiring of additional personnel as determined by the Board to accommodate the volume of required work.

The Secretariat shall assist the Board with its functions and perform other duties as may be assigned by the Board.

The Chairperson of the Board shall appoint a Board Secretary who shall head the Secretariat for the duration of the existence of its Board. There shall be a Technical Staff Head to be assisted by five (5) legal officers and three (3) climate scientists, and an Administrative Staff Head shall be assisted by three (3) administrative support staff.

CHAPTER IV FRAMEWORK OF BUSINESS ACCOUNTABILITY

SEC. 15. Due Diligence Standard of Care in the Conduct of Business. - In line with the country's commitment to abide by the global goals of the Paris Agreement, the country shall develop a roadmap or a long-term strategy for the Philippine NDC Implementation Plan per

sector (agriculture, transportation, energy, waste, industrial processes, and product and land use). The roadmap shall be co-developed by the respective lead agencies with its stakeholders and consolidated and monitored by the CCC. The accountability of business shall be referenced on its corresponding obligation in the roadmap.

Consistent with the sectoral plans of the NDC Implementation Plan, businesses in the conduct of their activities shall do no harm. To this end, these businesses are mandated to undertake the following throughout their value chain, among others:

- (a) Businesses must assess and report or inform the actual and potential human rights impacts their operations may cause or contribute to cause and to prevent and address them;
- (b) Businesses must proactively adopt measures and enact company policies to reduce their climate change impacts, and to uphold human rights, specifically, through the crafting and submission of transition plans, in line with the government's NDC;
- (c) Businesses must assess the impact of climate change and other global environmental issues in the sustainability of their operations; and
- (d) Businesses should ensure that reports relating to human rights risks and impacts, including their findings and how the human rights impacts were addressed are publicly available and accessible.

Businesses must undertake measures that are in reasonable proportion to the nature and scope of the business activities, their ability to influence, the severity of the violation that can typically be expected, and the nature of and causal contribution to such harms.

A business shall be held accountable for gross negligence emanating from the businesses' role in exacerbating extreme weather events or slow-onset events where they exceed established thresholds for GHG emissions. Thresholds are limits for ambient concentrations of GHGs that are sufficient to protect public health and welfare. DENR, CCC, and DOST shall provide technology-based emission standards reflecting the best available technology or system for emission reduction.

The thresholds to determine business' climate accountability shall be informed by the government's NDC, national policies and programs as well as their technical, economic, and operational circumstances.

SEC. 16. Business Responsibilities. - Businesses have the responsibility to align their conduct and policies with the United Nations Guiding Principles on Business and Human Rights to respect human rights and to provide a grievance redress mechanism when human rights are transgressed. Moreover, they have the following tasks and responsibilities under the law:

- (a) Climate related financial disclosures. - Businesses shall disclose to the SEC climate-related financial disclosures and the names of those who authorized the climate-related financial transactions. This shall include opportunities and risks from climate impacts, climate policies and new climate measures across the value chain;
- (b) Measurement of GHG emissions. - Businesses shall measure, analyze, and report their GHG emissions, throughout their value chains, to comply with the standards based on the most recent scientific methodologies and reports of the IPCC;
- (c) Prevention of human rights abuses. - Businesses must ensure, throughout their value chains, that in the conduct of their operations and activities, efforts must be made not just to counter the adverse impacts of climate change, but also to ensure the protection of human and vulnerable people and communities' rights. Businesses shall respect, protect, and promote the human rights of stakeholders, including the right to life, liberty and property, freedom of movement, right of public participation, and the right to self-determination of indigenous cultural communities. In accordance with the United Nations Guiding Principles on Business and Human Rights,

businesses have the responsibility to respect human rights especially in the context of climate change, and should avoid harming these rights by taking proactive steps to identify, prevent, mitigate, and address adverse impacts with which they are involved;

(d) Monitoring of people who experience the impacts of climate change. - Due diligence must be undertaken by businesses to address the adverse climate change-related human rights impacts they may cause or contribute through its own activities, or which may be directly linked to its operations, products or services by its business relationships. This can be achieved through on-the-ground assessments of adverse impacts through stakeholder participation.

Stakeholder consultations should be held on a regular basis with reports released on a semi-annual period. These can be in the form of surveys, assemblies, focus group discussion, and other modalities as appropriate. For projects that require the consent of the communities in which infrastructure is constructed, the business must proactively pursue the compliance with and adherence to the provisions of Republic Act No. 8371, or "The Indigenous People's Rights Act of 1997".

(e) Decarbonization Plan. - Businesses shall develop its mitigation and adaptation strategies that will comprise its decarbonization climate action plan and shall report on the status of this plan on an annual basis to the designated government agency under this Act or relevant Act; and

(f) Reporting. - Businesses shall submit an annual compliance report of their findings, and initiatives to address the issues mentioned under Chapters IV, V, and VI of this Act. The annual compliance report shall contain the following:

- i. Emissions Baseline and Reduction Progress - A detailed inventory of the current GHG emissions, including any reductions achieved during the reporting period, measured against the enterprise's Decarbonization Pathway;
- ii. Reduction Activities and Outcomes - A comprehensive description of specific emissions reduction activities undertaken, their outcomes, and the impact on the enterprise's overall GHG emissions. This shall include, but is not limited to, the following: a. Implementation of energy efficiency improvements; b. Transition to renewable energy sources; c. Enhancements in waste management practices; d. Other measures and initiatives undertaken within the value chain to reduce emissions; and e. Quantitative and qualitative outcomes of these activities and their contributions to the enterprise's emissions reduction targets;
- iii. Emissions Allowance and Excess Emissions - Documentation of the allocated emissions allowance for the year and any excess emissions; and
- iv. Future Plans - Outline of planned emissions reduction activities and investments for the upcoming year, aligned with the Philippine NDC Implementation Plan per sector.

All publicly listed companies and unlisted companies with revenues equal or above Ten Billion Pesos (P10,000,000,000.00) shall be covered by this Act.

The report shall be filed with the SEC copied the CCC and PAGASA, which shall impose penalties for non-compliance with its guidelines on these mandates, and shall be made available on all their platforms for download and distribution to the public at any time. The CHR, upon petition, may conduct investigations and assist in the gathering of evidence to determine compliance with the reporting obligations under this Act. The SEC shall handle the

storage and management of reports, including the system/platform to which the reports are stored. Provided, That the Board shall allocate a budget for the maintenance of such system/platform.

To help businesses with their reportorial requirements, this Act shall establish a reporting facility for GHG emissions of businesses, and a threshold for acceptable emissions established. Such a reporting facility will be lodged with the SEC. (g) Greenwashing. - Greenwashing refers to the conveyance of false information on the environmental soundness of their products, operations, and services. Acts of greenwashing include, but are not limited to, outright false statements, understating impacts, omitting trade-offs, absence of proof backing up claims, vague or overbroad claims, false third-party certifications, and the like. More detailed guidelines shall be provided in the implementing rules and regulations of the Act. Any act of greenwashing shall be restrained and the culpable business engaged in greenwashing fined under the existing Civil Code and existing environmental statutes.

SEC. 17. Incentives. - Businesses which observe their due diligence standard of care as set out in the Philippines' NDC and other mechanisms and roadmaps shall be recognized by the government through a tax credit regime. The qualification for incentives and the list of incentives shall be rationalized in the implementing rules and regulations upon the passage of this Act and in accordance with Republic Act No. 11534 or the "Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)" and Republic Act No. 10771 or the "Green Jobs Act".

The basis of the incentives in the context of this Act is the avoidance or prevention of emissions by users as a result of the utilization of a company's products or services. These are called Scope 4 or avoided emissions. These are reduction of emissions outside the company's life cycle or value chain and due to the use of the products or services. The avoided emissions are what would have been released if the product or services have not been optimized or developed. The carbon credit from avoided emissions cannot be used to compensate the company's generated direct (Scope 1) and indirect emissions (Scope 2) in the processing of its products.

Notwithstanding the grant of such incentives, there shall be imposed a 3% windfall tax on the gross profit of carbon majors operating in the country for the immediately preceding year after the approval of this Act. The proceeds of such tax shall accrue to the funds of the Peoples' Survival Fund as amended by this Act. In addition, to hasten the transition to renewable energy sources, the fossil fuel-based operations of carbon majors shall be taxed at 1% of the current net present value of such assets which shall progressively be reduced at 10% intervals until such assets are transitioned away.

CHAPTER V LOSS AND DAMAGE MECHANISM

SEC. 18. Establishment of the Climate Change Actions Welfare and Support Fund. - The Climate Change Actions Welfare and Support (CLAWS) Fund is hereby created as a special fund in the Bureau of the Treasury for the financing of the claims approved by the Board. The CLAWS Fund shall be used to respond to claims made by climate change victims/survivors. Claims may take the form of the following, among others:

- (a) Compensation for economic and non-economic harms;
- (b) Technology transfers;
- (c) Capacity building;
- (d) Financial support;
- (e) Relocation; and
- (f) Recovery and rehabilitation measures.

The amount of Fifty Million Pesos (P50,000,000.00) shall be initially allotted as the opening balance of the CLAWS Fund under the General Appropriations Act (GAA); Provided, That the balance of the CLAWS Fund may be increased as the need arises; Provided, further,

That the CLAWS Fund shall not be used to fund personal services and other operational services of the Board; Provided, finally, That the Board shall submit to the Congress and the Department of Budget and Management (DBM) an annual narrative and financial report on the utilization of the CCRF.

The CLAWS Fund may be augmented by donations, endowments, grants, and contributions, which shall be exempted from donor's tax and be considered as allowable deductions from the gross income of the donor, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended. The CLAWS Fund shall also serve as the repository for funds generated by international and other mechanisms created for loss and damage finance, such as the funding arrangements responding to loss and damage associated with the adverse effects of climate change established under Decision 2/CP.27 and Decision 2/CMA.4.

SEC. 19. Complaints on Climate-related Violations. - Any real party in interest or the climate change victims/survivors may seek redress for any harm caused by non-compliance of the business entity with its obligations under Sections 4 and 15 to 16 of this Act or commission of any prohibited activities under this Act.

For the purpose of enforcing the provisions of this Act or its implementing rules and regulations, any real party in interest or climate change victims/survivors may file appropriate civil, criminal, and administrative suits against any of the following: (a) Any person who violates or fails to comply with the provisions of this Act or its implementing rules and regulations; or (b) Any public officer with respect to orders, rules, and regulations inconsistent with this Act.

The petitions may be filed before the Environment Management Bureau's Pollution Adjudication Board, and appealable before the Department of Environment and Natural Resources.

The filing of a petition under this Section shall be without prejudice to the seeking of appropriate administrative recourse, including the remedies available before the Board, or international redress.

SEC. 20. Resolution of Claims. - The Board shall be convened, with an attendance of a majority, to resolve all claims.

SEC. 21. Citizen suit. - For the purpose of enforcing the provisions of this Act or its implementing rules and regulations, any real party in interest as well as minors, generations yet unborn, and biodiversity represented by a legal guardian, in compliance with A.M. No. 09-6-8-SC, or the "Rules of Procedure for Environmental Cases, can file appropriate civil, criminal, and administrative suits against any of the following:

- (a) Any person who violates or fails to comply with the provisions of this Act or its implementing rules and regulations; or
- (b) Any public officer with respect to orders, rules and regulations inconsistent with this Act.

CHAPTER VI FINAL PROVISIONS

SEC. 22. Penal Provisions. - Businesses shall be held liable for any observed adverse impacts on the climate through the exercise of their work. This is anchored on Section 32 of the Civil Code of the Philippines which provides for the liability for damages of any public officer or employee, or any private individual, who directly or indirectly obstructs, defeats, violates or in any manner impedes or impairs the right and liberties of another person. The violation of the human right to the environment entitles the victims thereto for damages from the perpetrators of such damage. These shall be complemented by environmental statutes. The following shall be covered by the act:

(a) Emission Penalty. - Based on data collated by the reporting facility for businesses' GHG emissions established by this Act, an emission penalty shall be applied pursuant to Section 7 of this Act for breaching the threshold for acceptable emissions which are also aligned with the country's nationally determined contributions. The threshold shall be established after due consultation among the PAG-ASA, the CCRB, SEC, DENR, DTI, DA, DOE, DOTr, and the CCC. The fine shall be based on the Civil Code and existing environmental statutes. All collected penalties shall be remitted to the CLAWS Fund.

(b) Strategic lawsuit against public participation (SLAPP) Suits. - SLAPP refers to an action whether civil, criminal, or administrative, brought against any person, institution, or any government agency or local government unit, or its officials and employees, with the intent to harass, vex, exert undue pressure, or stifle any legal recourse that such person, institution, or government agency has taken or may take in the enforcement of environmental laws, protection of the environment, or assertion of environmental rights. This Act shall prohibit SLAPP Suits and shall penalize such suits filed, with damages equivalent to 15% of the gross income of the petitioner and entity at whose instance and for whose benefit the SLAPP Suit was filed.

Fines and penalties under this Act shall accrue to the CLAWS Fund. In addition to the fines, the court has power to order the closure or suspension of business until such time that proper environmental safeguards are put into place and the government is assured of the compliance mechanism by the business: Provided, That an establishment liable for a third offense shall suffer permanent and immediate closure.

This paragraph shall be without prejudice to the immediate issuance of an ex parte order for such closure or suspension or cessation of operations during the pendency of the case upon prima facie evidence that there is an imminent threat to life, public health, safety or general welfare, or to biodiversity.

If the offender is a juridical person, the president, manager, directors, trustees, or the officials directly related to the operations shall suffer the penalty herein provided.

SEC. 23. Potential Loss of Employment. - The Secretary of the Department of Labor and Employment is authorized to establish a compensation and reemployment scheme for employees of businesses that will be affected by any suspension or permanent cessation of business activities as a result of the implementation and enforcement of this Act. The Board can help determine the scope of the relief package for the employees.

SEC. 24. Coordination with Various Sectors. - In order to fully implement this Act, the SEC in conjunction with the CCC shall consult nongovernment organizations, community leaders, indigenous peoples, civic society, the academe, youth organizations, industry associations, professional organizations, the private sectors, vulnerable groups, and other concerned stakeholder groups.

SEC. 25. Joint Congressional Oversight Committee. - A Joint Congressional Oversight Committee is created in order to monitor the implementation of this Act. The Committee shall be composed of five (5) Senators and five (5) members of the House of Representatives, selected respectively by the Senate President and the Speaker of the House. The Committee shall be co-chaired by one (1) member from the Senate and the House of Representatives, selected separately by their peers who are also members of the Committee.

SEC. 26. Appropriations. - An amount of Fifty Million Pesos (P50,000,000.00) shall be appropriated for the initial implementation of this Act. Thereafter, the amount necessary to effectively carry out the provisions of this Act shall be included in the General Appropriations Act.

SEC. 27. Implementing Rules and Regulations. - The CCC, CHR, DENR, the SEC, DOF, DOST-PAGASA, BOI, DBM, and NEDA, in consultation with the civil society organizations,

academe, and research institutions, shall issue the Implementing Rules and Regulations within ninety (90) days from the effectivity of this Act.

SEC. 28. Separability Clause. - If for any reason any section or provision of this Act is declared by the court as unconstitutional or invalid, the other sections or provisions thereof shall not be affected thereby.

SEC. 29. Repealing Clause. - All laws, ordinances, rules, and regulations, and other issuances or parts thereof, which are inconsistent with this Act, are hereby repealed or modified accordingly.

SEC. 30. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,