



# THAILAND TAXONOMY



รู้จัก Thailand Taxonomy 2.0 ขับเคลื่อนเศรษฐกิจไทยสู่ความยั่งยืน

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## What can I help with?

**What has been Thailand's economic legacy since the year 2000?  
People, Planet, or Profit?**



 Search

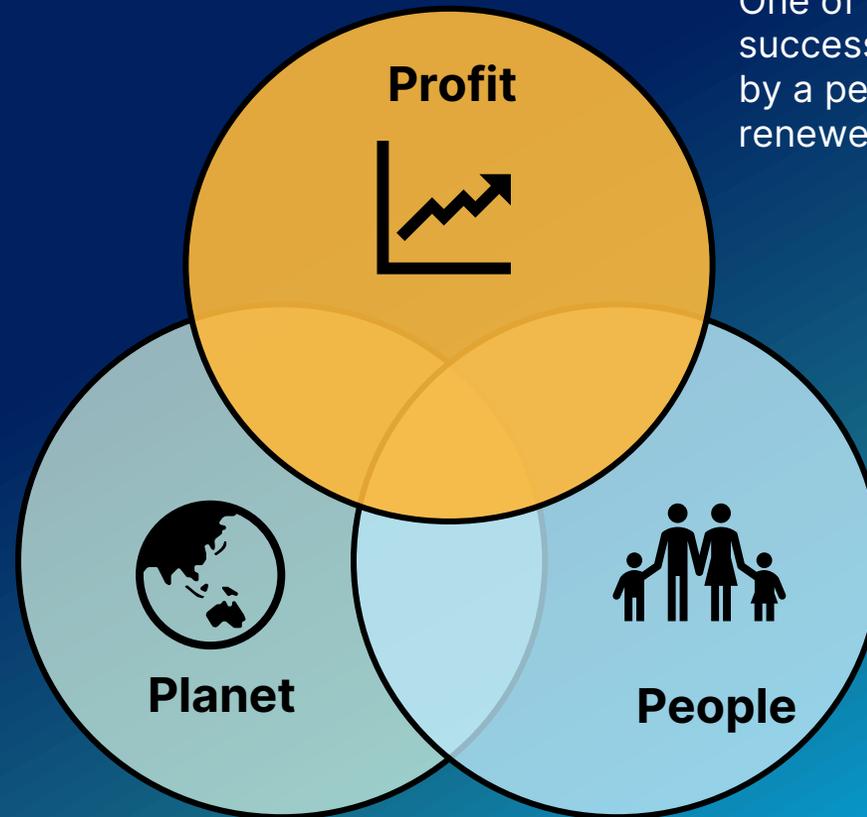
 Reason

 Deep research

 Create image



Since 2000, Thailand's journey has put a Profit-first legacy tempered by growing recognition of People and Planet. While Industrialization and Tourism drove prosperity, inequality and environmental degradation reveal unresolved tensions\*.



One of early robust growth and successful industrialization, followed by a period of plateauing growth and renewed efforts at transformation

One of growing awareness and incremental policy progress, but with a need for much bolder action to achieve sustainability

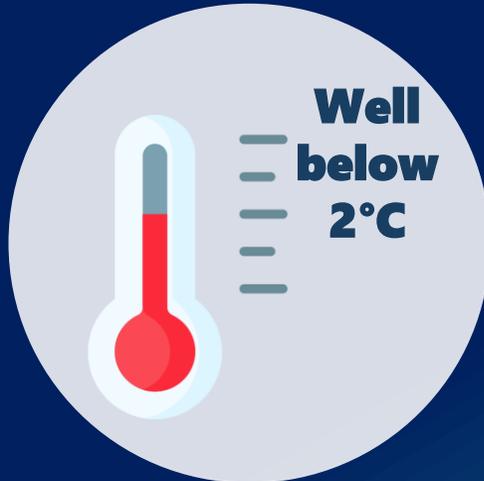
Substantial improvement in material well-being and access to services, tempered by the enduring challenge of inequality

\*answered by ChatGPT o3 accessed on May 25<sup>th</sup>, 2025.

# In 2022, Thailand has raised its climate ambition with clear targets aligned with Paris Agreement

Key supporting plans: National Economic & Social Development Plans, Climate Change Master Plan, National Energy Plan

## MITIGATION\*



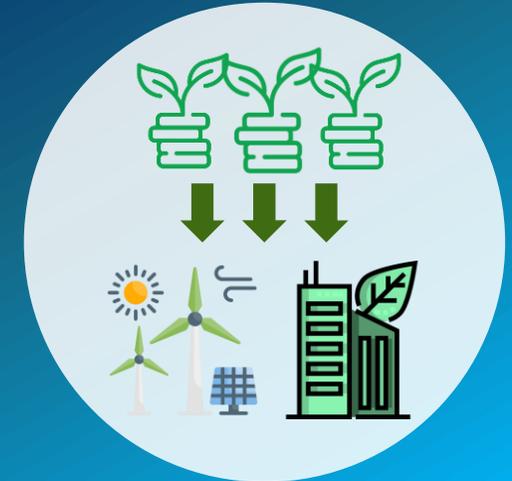
- Reduce 30-40% from BAU by 2030
- Carbon Neutrality by 2050
- Net-zero GHG emissions by 2065

## ADAPTATION\*



Build adaptive capacity and enhance climate resilience across six priority sectors

## CLIMATE FINANCE

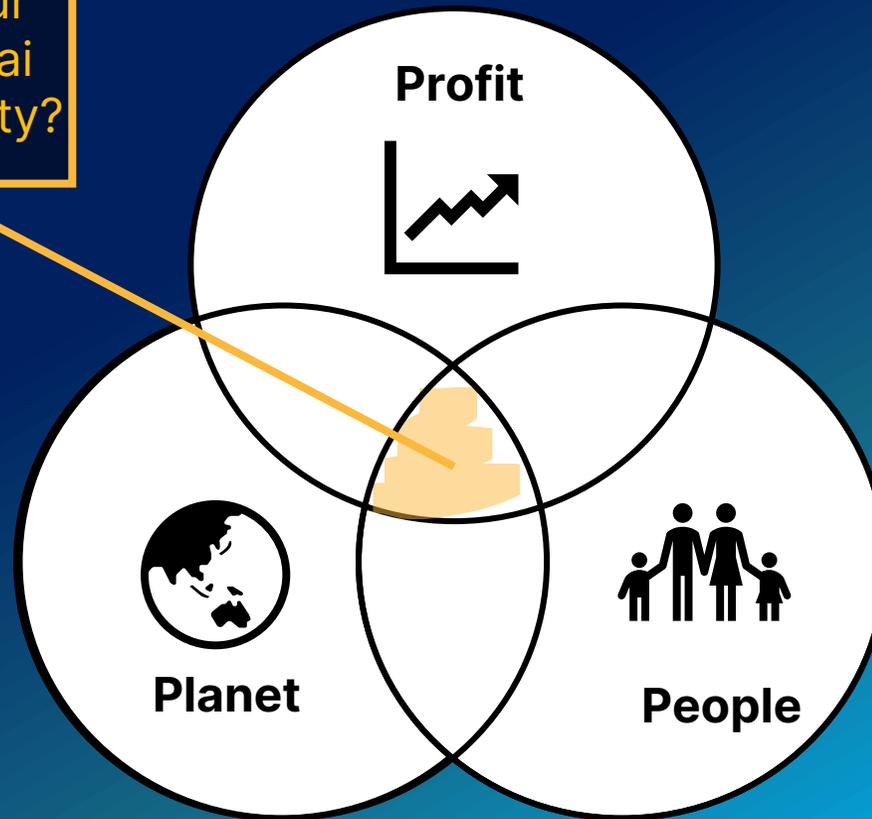


Get the money flowing to support Thailand's climate actions in both mitigation and adaptation

\*Source: Thailand's second updated NDC (UNFCCC, 2022)

# What kind of Thai economy are we collectively prepared to **build** in the next 25 years (by 2050)?

Is there any tool for guiding our investment and driving our Thai economy towards Sustainability?



# Shift towards Sustainability Requires Instruments to Unlock Sustainable Finance

## Unsustainable activities

Fossil based energy

Coal-fired power plant

Internal Combustion Vehicles

Low efficient buildings

High polluted practices

## Instruments needed to unlock Sustainable Finance

1. Information instruments

2. Financial instruments

3. Economic instruments

4. Financial regulations

## Sustainable activities

Clean Energy

Clean Transport

Sustainable manufacturing

Green Building

Waste Management

Smart Agriculture

Sustainable Forestry

**Green Taxonomy** is an information-based policy instrument that provides a common language for identifying and classifying economic activities that *significantly contribute* to environmental & climate-related objectives.

### 1. Information Instruments

Labelling

Certification

Standards

**Green Taxonomy**

Risk assessment

Disclosure

Handbook & Guidelines

Awareness campaigns

### 2. Financial Instruments

Grant & Subsidy

Equity

Loan/Bond

Credit guarantee

Insurance

### 3. Economic & Fiscal Instruments

Emission Trading System

Carbon tax

Carbon credits

User charges / Certificates

Procurement rules

Guaranteed revenue

Minimum standards

Tax relief

### 4. Financial Regulations

Reporting requirement

Disclosure requirement

Accounting systems

Lending/ bond/ insurance requirements



# THAILAND TAXONOMY



Energy



Transportation



Agriculture



Construction  
& Real Estate



Manufacturing



Waste  
Management

**Thailand Taxonomy** identified and prioritizes 6 sectors that are both major contributors to environmental impacts for sustainable transformation, aligning with Thailand's economic structure and commitments.



Thailand Taxonomy is structured and designed to improve the ecological and climate credentials of the economy, and **activities within each sector are selected on the basis of the following:**

- 1**  
**Contribution to Environmental Objectives**
- 2**  
**Availability of Technologies and Best Practices**
- 3**  
**Align with National Policies & Other Green Taxonomies**  
(inclusion into other taxonomies)
- 4**  
**Economic Significance**  
certain activities is provided for information purposes, but it is not the main reason for activities selection.

\*Climate-material activities are selected based on the International Standard Industrial Classification of All Economic Activities (ISIC)(Rev. 4) classification system.

**Working Group  
& Technical Experts**

**65+**

**Organisations**

**Working Group  
& Technical Experts**

**30+**

**Meetings**

**Public Hearing**

**250+**

**Feedbacks**

**Thank you for your contributions, insights, and support in developing the**

**THAILAND TAXONOMY**

# Key Features of Thailand Taxonomy Development



## Key Development Principles

- ✓ Based on up-to-date climate science
- ✓ Covers a maximum of climate-material activities
- ✓ Interoperable with other green taxonomies
- ✓ Locally applicable, consider Thai Context in amber activities
- ✓ Provides paths to decarbonization for hard-to-abate sectors of the economy
- ✓ Dynamic & Living document

**1. Substantially contribute to at least one of the six Environmental Objectives**

**Good for the Planet**

**2. Do No Significant Harm (DNSH)**

To any of the other five environmental objectives that are material

**Good for People**

Comply with  
**3. Minimum Social Safeguards (MSS)**

To respects human rights, upholds labor rights, has good governance

**E01- Climate change mitigation**

**E02- Climate change adaptation**

**E03- Sustainable use and protection of marine and water resources**

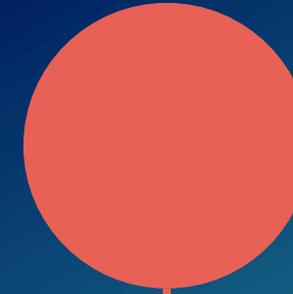
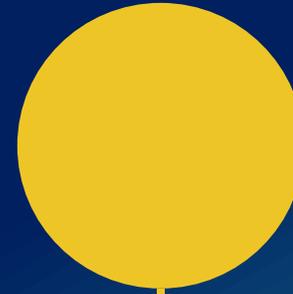
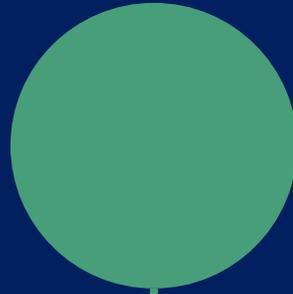
**E04- Promotion of resource resilience and transition to a circular economy**

**E05- Pollution prevention and control**

**E06- Protection and restoration of biodiversity and ecosystems**

Thailand Taxonomy uses a “traffic light system” to assess if an economic activity makes a Substantial Contribution to at least one of the six Environmental Objectives

## “Traffic Light System”



### Green

Activities that **clearly and significantly contribute** to achieving one of the six Environmental Objectives

### Amber

Activities that **can be developed to become more environmentally friendly** and potentially move into the green category in the future. They are crucial for the transition to a low-carbon & sustainable economy.

### Red

Activities that **cause significant harm** to one or more Environmental Objectives and must be gradually phased out.

\*All activities must comply with important principles such as the **Do No Significant Harm (DNSH)** principle and **Minimum Social Safeguards**.

# THAILAND TAXONOMY

## Examples of a wide range of Thailand Taxonomy applications

 <b>Corporate Reporting &amp; Strategy</b>	 <b>Financial Products</b>	 <b>Investment Decisions</b>	 <b>Policymaking</b>
<ul style="list-style-type: none"><li>• <b>Sustainability Reporting:</b> Companies can report the percentage of their economic activities (e.g. CapEx, revenue) that meet the taxonomy criteria.</li><li>• <b>Strategic Planning:</b> Identifying areas for green investment and transition within the company to improve taxonomy alignment over time.</li><li>• <b>Supply Chain Management:</b> Encouraging suppliers to adopt more sustainable practices that align with taxonomy criteria.</li></ul>	<ul style="list-style-type: none"><li>• <b>Structuring Green Bonds/Loans:</b> Defining eligible projects and activities for which proceeds can be used.</li><li>• <b>Creating Sustainable Investment Funds:</b> Setting criteria for portfolio selection.</li><li>• <b>Benchmarking:</b> Comparing the sustainability level of different financial products.</li></ul>	<ul style="list-style-type: none"><li>• <b>Screening:</b> Identifying investments that meet specific environmental criteria.</li><li>• <b>Due Diligence:</b> Assessing the environmental performance and risks of potential investments or loans.</li><li>• <b>Portfolio Allocation:</b> Shifting capital towards taxonomy-aligned assets.</li></ul>	<ul style="list-style-type: none"><li>• <b>Developing Green Standards and Incentives:</b> Using the taxonomy as a basis for official green labels for financial products or services.</li><li>• <b>Informing Public Spending:</b> Guiding government investments and public procurement towards sustainable options.</li><li>• <b>Monitoring National Progress:</b> Tracking the growth of the green economy.</li></ul>

# THAILAND TAXONOMY

An Example of Strategic Planning from a Hotel  
by identifying areas for green investment and transition to improve taxonomy alignment over time.



## Existing Operations of hotel business

- Operation of hotel rooms to service the customers
- Operation of carpark to service the customers
- Operations of wastewater treatment plant

## Planned Activities to be aligned with Taxonomy

1. Installation of solar PV system for own-hotel consumption.
2. Repair and improve the Heating, Ventilation, and Air Conditioning for higher energy saving.
3. Installation of infrastructure for charging electric cars.
4. Replace the shuttle bus and limousine fleet to Electric Vehicles.
5. Upgrade the wastewater treatment plant to be able to reuse the effluent for other activities in the hotel.

### Remark

Activity 1, 2, 3 included in Construction and Real Estate Sector  
Activity 4 included in Transportation Sector  
Activity 5 included in Waste Management Sector



## Future Operations of hotel business

- **Greener** Operation of hotel rooms to service the customers
- **Greener** Operation of carpark to service the customers
- **Greener** Operations of wastewater treatment plant

# Advantages of Adopting the Thailand Taxonomy



- ✓ While Thailand Taxonomy is a powerful tool for promoting sustainability, it cannot be used as a one-size-fits-all solution for all environmental and economic challenges.
- ✓ Thailand Taxonomy is not a mandatory list of economic activities for investors to invest in or not invest in.
- ✓ There are other instruments that can be used to incentivize toward green investment.

# THAILAND TAXONOMY

## Taxonomy is:

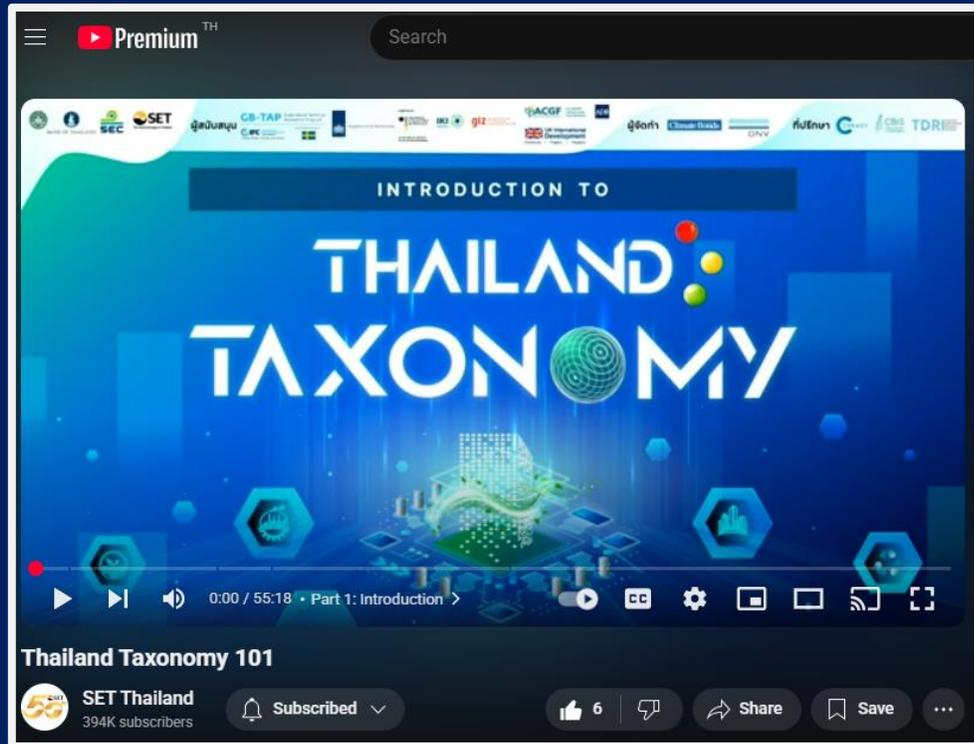
- ✓ A system for classifying economic activities to separate sustainable activities from those that are unsustainable and harmful to the environment and climate.
- ✓ A convenient tool for use by economic agents, financial market participants and government agencies.
- ✓ A tool to categorise financial flows and increase transparency in disclosure, issuance of green financial instruments and financial decision-making.
- ✓ A tool to decarbonise those activities that have the potential to affect the climate (climate material) or environment.
- ✓ A living document

## Taxonomy is NOT:

- ✗ A tax collection. The name Taxonomy contains "Tax" but it's not a tax.
- ✗ A classifier of activities into 'good' and 'bad'.
- ✗ A tool for assessing the financial or economic characteristics of an activity.
- ✗ Prohibit lending. Loans can still be issued according to the policies of financial institutions.
- ✗ Prohibit investment. Investments can still be made according to the risk appetite of each individual.

# THAILAND TAXONOMY

Available now



E-learning on  
Introduction to Thailand Taxonomy

Available soon



Online webinars

When purpose meets profit,  
we not only enrich ourselves but also  
our planet and our people...

Let's redefine what '**business as usual**'  
means...guiding by Thailand Taxonomy



# THAILAND TAXONOMY

