



Joint Committee  
on Climate Change

# Malaysia Taxonomy for Sustainable Finance Call for Feedback

# Table of Contents

FOREWORD .....	3
Guide in preparing and submitting feedback.....	3
ABBREVIATIONS .....	5
OVERVIEW .....	6
ASEAN Taxonomy for Sustainable Finance .....	6
Climate Change and Principle-based Taxonomy.....	7
Principles-Based Sustainable and Responsible Investment Taxonomy for the Malaysian Capital Market.....	8
PART A: ELEMENTS OF SUSTAINABLE FINANCE TAXONOMY .....	9
Section 1: The case for environmental considerations beyond climate .....	9
Section 2: Essential Criteria - the case for incorporating social aspects .....	11
Section 3: Technical Screening Criteria (TSC) .....	13
PART B: TAXONOMY ASSESSMENT AND CLASSIFICATION .....	16
Section 1: Classification approach .....	16
- <i>ASEAN Taxonomy classification</i> .....	16
- <i>CCPT classification approach</i> .....	18
- <i>SRI Taxonomy classification approach</i> .....	19
Section 2: Classification alignment.....	20
Section 3: Reporting to regulator.....	22
- <i>Current reporting under CCPT implementation</i> .....	22
- <i>Weighted-average methodology for entity-level and portfolio-level reporting</i> .....	22
- <i>Reporting of portfolios and financial instruments</i> .....	24
PART C: APPLICABILITY OF TAXONOMY TO ITOs.....	27
Section 1: The case for scoping in underwriting in Malaysia Taxonomy .....	27
Section 2: Foreign fund managers .....	28
APPENDIX 1: ASEAN TAXONOMY FOR SUSTAINABLE FINANCE .....	30
- <i>Environmental objectives, essential criteria and assessment frames</i> .....	30
- <i>Classification system</i> .....	31

## FOREWORD

Bank Negara Malaysia (BNM) and Securities Commission Malaysia (SC) in partnership with the Joint Committee on Climate Change (JC3) are developing the Malaysia Taxonomy for Sustainable Finance ('the Malaysia Taxonomy'). This document builds on the earlier works of principle-based taxonomies, i.e. the [Climate Change and Principle-based Taxonomy \(CCPT\)](#) and the [Principles-Based Sustainable and Responsible Investments Taxonomy \(SRI Taxonomy\)](#).

Since 2021, Malaysia's sustainable finance landscape has advanced steadily, underpinned by clearer policy direction and stronger institutional readiness across the financial sector and real economy. As market participants mature in their climate journey, demand is increasing for more quantitative and technical screening thresholds to assess the sustainability of economic activities. The development of the Malaysia Taxonomy is therefore a natural progression from earlier principles-based frameworks, enabling greater clarity and consistency as the domestic market evolve with continued increase in intra- and interregional trade and given the global nature of financing and investment operations.

Alignment with regional and international sustainable finance taxonomies, including the ASEAN Taxonomy for Sustainable Finance is important. This ensures interoperability, reduce compliance burden, and facilitate cross-border capital flows. The proposed Malaysia Taxonomy therefore seeks to reflect these developments, to the extent possible, to maintain relevance in both domestic and global markets, while strengthening safeguards against greenwashing.

The development of the Malaysia Taxonomy is led by the Malaysia Taxonomy for Sustainable Finance Taskforce (the Taskforce), co-chaired by BNM and SC under the Joint Committee on Climate Change (JC3). This document invites views from financial institutions, asset managers, government agencies, industry associations, and other interested parties on the proposed Malaysia Taxonomy.

### Guide in preparing and submitting feedback

- Provide written feedback including suggestions on the specific questions and other areas to be clarified or elaborated and alternative proposals the Taskforce should consider. Please ensure that the feedback represents views from both risk management and business functions;
- Support feedback with appropriate justification, rationale, and evidence. Respondents should specify the applicable paragraphs and include sufficient examples or illustrations where applicable; and
- By submitting feedback, comments or proposals, respondents acknowledge and agree that the Taskforce may reproduce, publish or otherwise use the content of such submissions, in whole or in part, in any form and for any purpose it deems appropriate. The Taskforce is not obligated to seek permission from, or provide attribution to, the respondents. The Taskforce will not publish or disclose the names

or identifiable details of respondents unless explicit consent is provided or disclosure is required by law.

Responses should be submitted electronically via email using the template to [sustainability@bnm.gov.my](mailto:sustainability@bnm.gov.my) and [environmental@seccom.com.my](mailto:environmental@seccom.com.my) by **14 April 2026**. The email must be titled “**MY Taxonomy: Feedback from [name of individual and institution]**”. Any queries can be directed to the e-mails indicated above.

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## ABBREVIATIONS

AMC	Asset management company
CCPT	Climate Change and Principle-based Taxonomy
CDP	Carbon Disclosure Project
CO <sub>2</sub>	Carbon dioxide
EIA	Environmental Impact Assessment
EPU	Economic Planning Unit, Prime Minister's Department
EQA 1974	Environmental Quality Act 1974
ESG	Environmental, social, and governance
FIs	Financial institutions
GDP	Gross domestic product
GHG	Greenhouse gas
IFI	International Financial Institution
IPBES	Intergovernmental Panel Science-Policy Platform on Biodiversity and Ecosystem Services
IPCC	Intergovernmental Panel on Climate Change
ITOs	Insurers and takaful operators
JC3	Joint Committee on Climate Change
LULUCF	Land Use, Land-Use Change, and Forestry
MGP	Malaysian Sustainable Palm Oil General Principle
MSPO	Malaysian Sustainable Palm Oil
NDC	Nationally determined contributions
RE	Renewable energy
TCFD	Task Force on Climate-Related Financial Disclosures
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN PRI	United Nation Principles for Responsible Investment
VBI	Value-based Intermediation
VBIAF	Value-based Intermediation Financing and Investment Impact Assessment Framework
WWF	Worldwide Fund for Nature

## OVERVIEW

Financial regulators in Malaysia have developed and published sustainable finance taxonomies to guide industry players in integrating sustainability considerations into financial decisions. Since then, market participants, both financial institutions and real sector players, have progressively been adopting more robust risk assessment practices, underpinned by a deeper understanding of climate-related risks and their potential impacts on business operations and customers. Investor expectations have also grown to encompass a wider range of issues, including adaptation, nature-related considerations, and social factors. Additionally, the broader sustainability landscape has advanced considerably both in scope and sophistication. Notable developments include the publication of the [ASEAN Taxonomy for Sustainable Finance](#) (ASEAN Taxonomy), which introduced a credible, science-based framework and technical screening criteria for six focus sectors and three enabling sectors under its corresponding Plus Standard.

These developments both domestically and abroad have prompted a review of existing taxonomies in Malaysia, not only to reflect the maturity level but to also provide guidance on emerging priorities across environmental and social dimensions. The proposed Malaysia Taxonomy therefore aims to establish a coherent national approach, drawing on lessons from past implementation of existing taxonomies and feedback from stakeholders. This Call for Feedback document features a brief overview of the ASEAN Taxonomy and the principle-based taxonomies<sup>1</sup> to set the context for key matters under consideration which are as follows:

- Part A: Key elements of sustainable finance taxonomy;
- Part B: The taxonomy assessment and classification approach as well as consolidation of taxonomy reporting at entity and portfolio level based on underlying exposures; and
- Part C: Applicability of the taxonomy for insurance and takaful operators (ITOs).

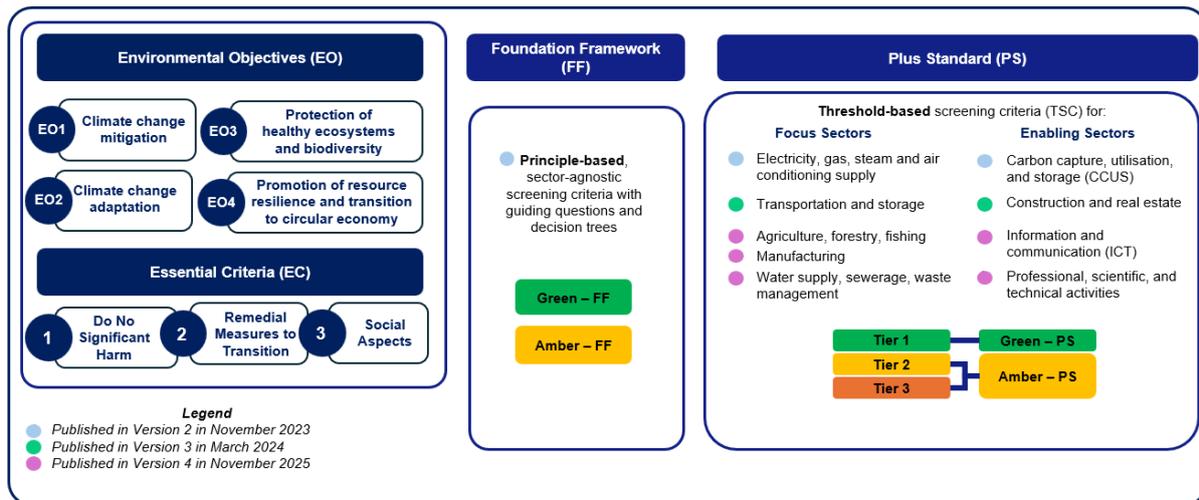
### [ASEAN Taxonomy for Sustainable Finance](#)

The ASEAN Taxonomy, developed by the ASEAN Taxonomy Board (ATB), is a multi-tiered classification framework which is intended to serve as the common language used to identify and classify sustainable projects and economic activities in ASEAN Member States (AMS). The ASEAN Taxonomy has been designed to be interoperable with other widely used international taxonomies such as the EU Taxonomy for Sustainable Activities. It is also aligned with the ASEAN Green Bond Standards, and ASEAN Sustainability Bond Standards. It is designed to be an inclusive, credible, and where possible, science-based classification system for sustainable activities. Figure 1 illustrates the structure of the ASEAN Taxonomy.

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<sup>1</sup> The Climate Change and Principle-Based Taxonomy and the Principles-Based Sustainable and Responsible Investments Taxonomy.

Figure 1 Overall structure of the ASEAN Taxonomy



## Climate Change and Principle-based Taxonomy

The Climate Change and Principles-based Taxonomy (CCPT), issued by Bank Negara Malaysia (BNM) on 30 April 2021, was intended to raise awareness of climate change and its impacts, and facilitate the classification of economic activities aligned with climate objectives, thereby strengthening the financial sector’s capacity for climate risk management. To ensure consistent implementation, JC3 together with BNM published various toolkits and supporting materials including due diligence questionnaire (DDQ), supplementary notes and Frequently Asked Questions (FAQs).

Figure 2 Overview of the Climate Change and Principle-based Taxonomy (CCPT) and its supporting toolkits

### CCPT 5 Guiding Principles

- GP1 Climate change mitigation**  
Avoid/reduce/enable others to avoid/reduce GHG emissions.
- GP2 Climate change adaptation**  
Increase own resilience/ enable others.
- GP3 No significant harm to the environment**  
Prevent pollution, protect ecosystem & biodiversity, sustainable use of energy.
- GP4 Remedial measures to promote transition**  
Support transition via implementation of action plans towards sustainable practices.
- GP5 Prohibited activities**  
Activities illegal or contravene environmental laws.



### Classification

- Supporting** (C1)  
Activities with positive impact on climate change, and causing no significant harm to the environment
- Transitioning** (C2)  
Activities causing significant harm to the environment, but remedial measures taken to reduce harm
- Watchlist** (C4)  
Activities causing significant harm to the environment and no remedial measures taken to reduce harm; OR  
Activities with no positive impact on climate change but causing no significant harm to the environment (C5a, C5b)

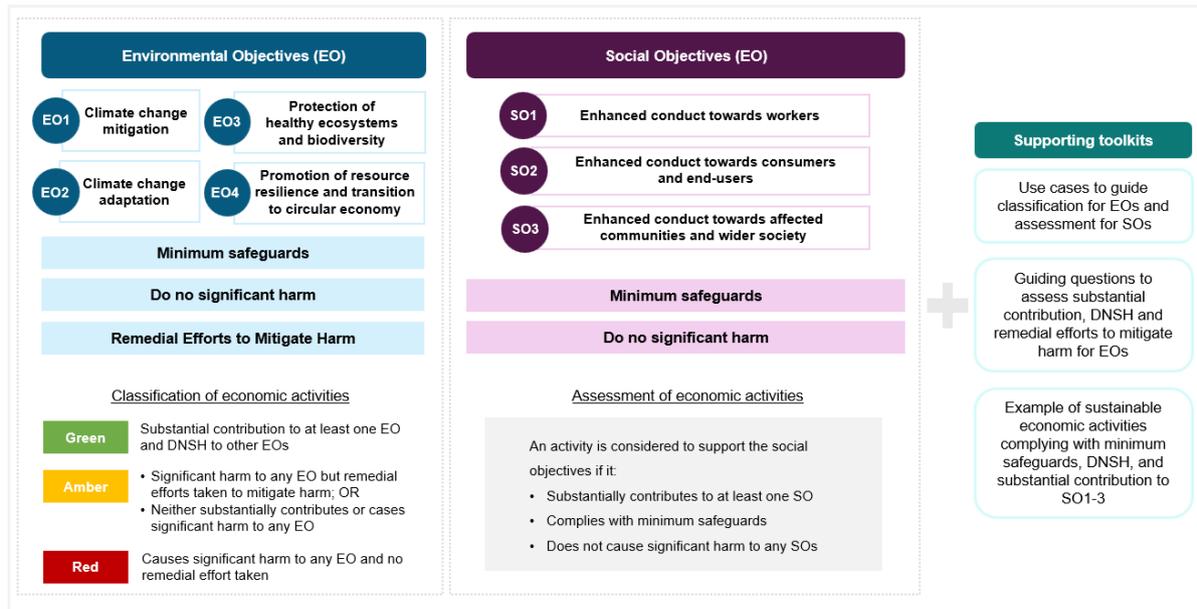
### Toolkits to support CCPT implementation

- 1 Support from other JC3 sub-committees**
  - Bridging data gaps to facilitate CCPT assessment
  - Capacity building
- 2 Use cases**
  - Via the Value Based Intermediation Assessment Framework (VBIAF) sectoral guides
- 3 Enhanced Frequently Asked Questions (FAQs)**
  - Provide clarifications of expectations on assessment and classification
- 4 Standardised due diligence questionnaire / screening criteria**
  - Accord more focus on assessment and classification of investment assets

## Principles-Based Sustainable and Responsible Investment Taxonomy for the Malaysian Capital Market

The Principles-Based Sustainable and Responsible Investment Taxonomy for the Malaysian Capital Market (SRI Taxonomy) was introduced by the Securities Commission Malaysia (SC) on 12 December 2022. The SRI Taxonomy builds on the CCPT to provide universal guiding principles for environmental components in classifying economic activities within the Malaysian capital market.

*Figure 3 Overview of the SC SRI Taxonomy and its supporting toolkits*



The CCPT and the SC SRI Taxonomy were introduced at a time when Malaysia's sustainable finance landscape and ecosystem was still at the early stage. The two taxonomies adopt a principles-based approach rather than prescriptive criteria. Being a transition taxonomy, both taxonomies also emphasise the importance of recognising transitioning and remedial efforts as businesses require time, and structured support to progressively transition and align with long term sustainability goals.

# PART A: ELEMENTS OF SUSTAINABLE FINANCE TAXONOMY

Given the growing emphasis on sustainable finance, developing a coherent national taxonomy and considering for interoperability across jurisdictions are essential to ensure consistency, transparency and facilitate cross border capital flows. The aim therefore is twofold – create a unified taxonomy at the national level and align the structure of the national taxonomy with the ASEAN Taxonomy. Part A examines the salient components of the ASEAN Taxonomy that are currently absent or less prominently featured within existing taxonomy frameworks.

## Section 1: The case for environmental considerations beyond climate

As one of the world's megadiverse countries, Malaysia's economy is deeply intertwined with natural systems. Sectors such as agriculture, forestry, tourism, and fisheries rely heavily on ecosystem services. The 2022 joint report by Bank Negara Malaysia and the World Bank underscores this vulnerability, finding that nature-related risks, including biodiversity loss, ecosystem degradation, and resource overextraction, pose a threat to financial and economic stability. Estimates indicate that Malaysia could experience a 6% annual loss in its GDP by 2030 under a partial ecosystem collapse scenario.

Climate change and nature loss are deeply interconnected and mutually reinforcing. Climate impacts such as rising temperatures, changing rainfall patterns, and extreme weather events exacerbate biodiversity loss and ecosystem degradation. Such degradation of natural ecosystems, in turn reduces their capacity to sequester carbon, regulate water flows, and enhance climate resilience. Recognising these interdependencies would help mobilise financing for nature-related and climate-resilient investments, reduce the risk of maladaptation, and better meet evolving investor expectations. Malaysia is also a signatory to the Kunming-Montreal Global Biodiversity Framework (GBF), which sets national targets to halt and reverse biodiversity loss by 2030. The GBF calls for integrating biodiversity into all sectors, including finance. Embedding nature into the Malaysia Taxonomy is a direct response to Target 14 of the GBF, which urges governments to align financial flows with biodiversity positive outcomes.

Several enhancements to the environmental objectives such as explicit guiding principles (GPs) for protection of biodiversity and healthy ecosystems as well as promotion of resource resilience and transition to a circular economy are being considered (Box 1).

## **Box 1: The Malaysia Taxonomy to give prominence to broader environmental considerations and resource efficiency**

### ***Protection of Healthy Ecosystems and Biodiversity***

In the ASEAN Taxonomy, Environmental Objective on Protection of Healthy Ecosystems and Biodiversity (EO3) focuses on incorporation of conservation, restoration, and protection mechanisms of natural ecosystems and biodiversity. This is location- and context-specific, and typically relevant for activities related to agriculture, forestry and fishing, real estate, and manufacturing.

Generally, activities must promote or enable restoration, conservation, facilitate protection mechanisms of the ecosystem and biodiversity, and promote the sustainable use as well as protection of water and marine resources. At the same time, activities must minimise or eliminate any direct or indirect adverse effects on the natural ecosystems and biodiversity.

### ***Resource Resilience and the Transition to a Circular Economy***

The adoption of circular economy principles is increasingly recognised as a strategic imperative for Malaysia's sustainable development agenda. By shifting from a linear "take-make-waste" model to a regenerative system that prioritises resource efficiency, waste minimisation, and product life extension, Malaysia can enhance its environmental resilience while unlocking new economic opportunities. Implementing circular economy practices supports national climate goals, reduces dependency on finite resources, and fosters responsible innovation across industries. For the financial sector, integrating circular economy considerations into investment and lending decisions can help identify long-term value creation and mitigate environmental risks.

In the ASEAN Taxonomy, Environmental Objective on Resource Resilience and the Transition to a Circular Economy (EO4) focuses on the materiality of activities, and their impacts to business operations, through adoption of the following principles of circularity:

- (a) Minimising resource use;
- (b) Optimising resource yield; and
- (c) Closing resource loops through effective waste management.

Generally, an activity may be considered as meeting EO4 through one or both of the following:

- (a) Adjusting business operations to conserve raw materials, energy, water, and other natural resources; and/or
- (b) Implementing circular economy principles via adapted products, production, technologies, and processes.

## **PART A Section 1: Questions**

1. Do the principles outlined above (including ASEAN Taxonomy's EO3 and EO4) sufficiently cover nature and environmental-related considerations? If no, please elaborate on other considerations that should be taken into account.
2. Has your institution incorporated nature or broader environmental considerations in assessments for financing and investments? If so, please share the considerations/criteria currently being used.
3. Which Malaysian sectors, e.g. tourism, public health etc., should be considered for future prioritisation due to their significant nature-related considerations, in addition to the current ASEAN Taxonomy sectors such as agriculture, forestry and fishing, real estate, and manufacturing?
4. What are the key anticipated implementation and data challenges in implementing environmental considerations? You may use the ASEAN Taxonomy guiding principles as a reference in answering these questions.
5. What practical guidance, tools or resources would your institution require to be able to conduct environmental-related assessments? Which of these can be undertaken at an industry level?

## **Section 2: Essential Criteria - the case for incorporating social aspects**

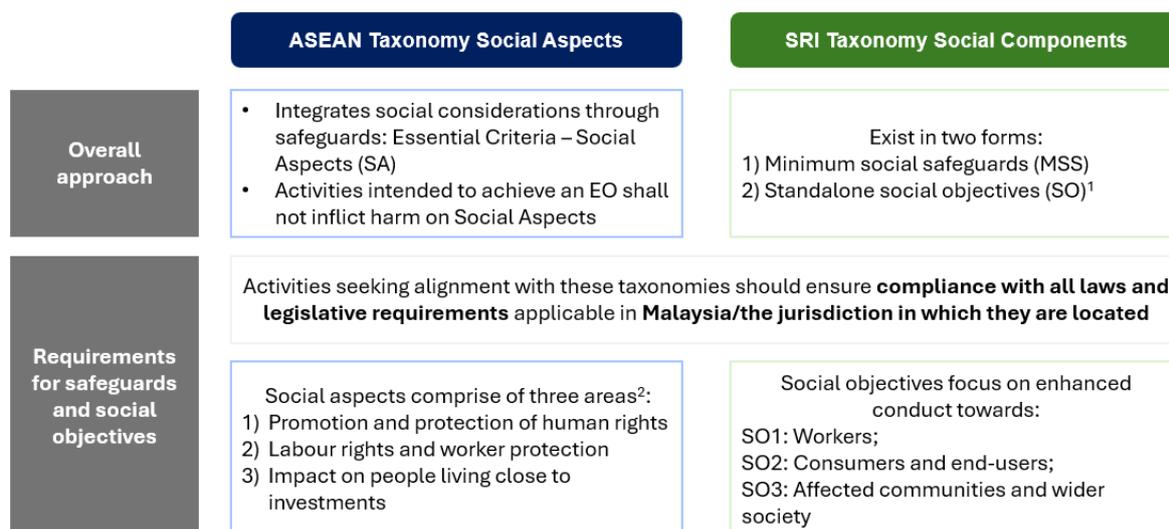
Social risks could expose financial institutions and investors to financial risks through their clients and investment portfolios. When the social implications on workers or surrounding communities are overlooked, FIs and investors may face reputational damage, regulatory penalties, and project delays. These consequences can directly impair asset quality, increase credit and operational risks, and erode investor confidence.

The Thirteenth Malaysia Plan maps national priorities to the Sustainable Development Goals (SDGs), with a focus on inclusive growth, labour market reform, and rural development. The SC SRI Taxonomy includes a social component which provides broad-based guiding principles for the Malaysian capital market constituents in managing social risks as well as unlocking opportunities to enhance social standards. This reflects demands for investors, particularly foreign investors.

The ASEAN Taxonomy also incorporates social considerations to facilitate institutions to identify economic activities that either advance social sustainability, or at minimum, avoid harm to the social agenda.

Figure 4 Overview of social considerations in the ASEAN Taxonomy and SRI Taxonomy

## ASEAN Taxonomy Essential Criteria on Social Aspects and SRI Taxonomy Minimum Social Safeguards are generally aligned



<sup>1</sup> The SO in the SRI Taxonomy extends beyond minimum social safeguards and its inclusion aims to promote greater transparency on social investments and impact in supporting social objectives.

<sup>2</sup> Activities should be assessed for appropriate avoidance and mitigation of potentially exploitative practices in these areas.

The Three Social Aspects within the ASEAN Taxonomy are set out below:

Social aspects	Definitions
<b>Promotion and protection of human rights</b>	Promotion of human rights and fundamental freedoms, in line with the ASEAN Human Rights Declaration (AHRD) and the Phnom Penh Statement on the Adoption of the AHRD (ASEAN, 2012)
<b>Labour rights and working conditions</b>	The promotion of labour rights and the prohibition of forced labour, including child labour, exploitation, trafficking of persons, violence and abuse, in line with the ASEAN Declaration on the Protection of the Rights of Migrant Workers and the ASEAN Consensus on the Protection and Promotion of Rights of Migrant Workers (ASEAN, 2012). Additionally, recognises and includes informal workers in labour and social protection systems, supports transitions to formal employment, and promotes decent work opportunities in the informal economy that are consistent with the ASEAN Declaration on Promoting Competitiveness, Resilience and Agility of Workers for the Future of Work (ASEAN, 2023).
<b>Impact on people living close to investments</b>	Management of investment-related impacts to people (including children) living in at-risk areas by encouraging inclusive and targeted measures to reduce the impacts of investments on vulnerable populations and strengthen institutional capacity to address the needs of people affected, in line with the ASEAN Declaration on Strengthening Social Protection (ASEAN, 2013)

## Part A Section 2: Questions

1. Does your institution think the proposed principles sufficiently cover the social aspects? Should the Malaysia Taxonomy include social considerations beyond the Social Aspects outlined in this section?
2. Does your institution monitor and assess social considerations of financing? If yes:
  - a. What is the motivation? (e.g. shareholder expectations, competitiveness)
  - b. What are the frameworks or criteria used? (e.g. ASEAN Taxonomy)
3. What challenges does your institution foresee in monitoring the social aspects proposed above? Please be as specific as possible.
4. Would your institution recommend a phased implementation for additional social considerations introduced into the taxonomy? If yes, please explain how this can be practically done.
5. What guidance or resources would your institution require to conduct social-related assessments?

## Section 3: Technical Screening Criteria (TSC)

Technical screening criteria (TSC) are a set of rules and metrics (quantitative or qualitative) used to determine whether economic activities align with specific environmental objectives. The use of TSC brings about several benefits:

- (a) TSC provides clear, measurable benchmarks that reduce ambiguity in classifying activities. This ensures consistent application across institutions;
- (b) Grounding assessment and classification based on science-based thresholds can prevent greenwashing and enhance the credibility of classification;
- (c) Institutions can use TSC to evaluate risks more accurately to inform decision making;
- (d) Usage of well-established and benchmarked TSCs helps strengthen the credibility of corporates' transition and sustainability strategies, making it easier for them to raise sustainable or transition finance and to prepare consistent sustainability disclosures; and
- (e) Harmonised TSC (e.g. with ASEAN Taxonomy) allows for cross-border comparison, making it easier for investors to compare sustainable investments globally.

The ASEAN Taxonomy has three types of TSC:

- (a) **Quantitative Criteria:** These include measurable thresholds such as solar and wind power generation, afforestation and reforestation, and zero-emission transport infrastructure.
- (b) **Qualitative Criteria:** These are process- or practice-based requirements, such as adoption of best available technologies (BAT), implementation of climate risk assessments, and use of certified sustainable practices (e.g. green building certifications, climate-resilient design standards).
- (c) **Nature-of-Activity Criteria:** Certain activities are inherently aligned with climate objectives and may be automatically classified as contributing to GP1 or GP2, e.g. solar and wind power generation, afforestation and reforestation, and zero-emission transport infrastructure.

The ASEAN Taxonomy Plus Standard (PS) features TSCs for 109 economic activities across nine sectors<sup>2</sup>. Classification refers to an economic activity's contribution to an EO, while tier refers to the different levels of TSC. The TSCs of the ASEAN Taxonomy PS has three different tiers - Green Tier 1, Amber Tier 2, and Amber Tier 3, which demarcate differences in the level of economic activity's contribution to an EO. It is important to note that TSC developed for Amber tiers represent transitional activities i.e. those that do not yet meet 'green' criteria but represent meaningful progress toward sustainability. This acknowledges practical challenges faced by real sector players and provides flexibility for ASEAN Member States to begin with lower tiers for a limited period before advancing to Tier 1. Amber tiers encourage continuous improvement and progressive alignment with environmental goals and may also temporarily classify activities where remediation of harm is still outstanding.

### **PART A Section 3: Questions**

1. Does your institution currently apply any form of TSCs to assess economic activities? If yes, please describe the approach and scope.
2. How familiar is your institution with the ASEAN Taxonomy's design and assessment methodology, including application of its quantitative thresholds and qualitative criteria?

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<sup>2</sup> 6 focus sectors include: (i) agriculture, forestry, and fishing; (ii) electricity, gas, steam and air conditioning supply; (iii) manufacturing; (iv) transportation and storage; (v) water supply, sewerage, and waste management; (vi) construction and real estate. 3 enabling sectors include: (i) carbon capture and storage/utilisation; (ii) information and communication technology; (iii) professional, scientific, and technical activities.

3. How does the ASEAN Taxonomy's design and assessment methodology, particularly the use of quantitative thresholds and qualitative criteria, support your institution's ability to classify economic activities?
4. How would your institution integrate the ASEAN Taxonomy in your activities and overall strategy? (e.g. internal reporting, disclosure, financing framework, etc.)
5. How would the ASEAN Taxonomy support your institution in gaining regional and international credibility, in your respective industry?
6. Please describe which elements of the TSC your institution may have issues in applying (e.g. resources, interpretation/understanding of thresholds, clarity of qualitative criteria, sector coverage).
7. What support or clarity would be necessary to apply TSC-based assessments (e.g. data, tools, modelling capability, capacity building, guidance, sectoral granularity)? Please be as specific as possible.

## PART B: TAXONOMY ASSESSMENT AND CLASSIFICATION

### Section 1: Classification approach

#### - ASEAN Taxonomy classification

In the ASEAN Taxonomy, the assessment for the EOs, DNSH, and remedial actions are conducted at the activity level, while social aspects are assessed at the entity level. The ASEAN Taxonomy adopts a traffic light classification to categorise the economic activities post-assessment:

- (a) Green (Supporting Activities): Activities that make a substantial contribution to climate and environmental objectives and meet all screening criteria.
- (b) Amber (Transitioning Activities): Transition activities that are not yet fully green but are on a credible, time-bound decarbonisation pathway aligned with environmental goals.
- (c) Red (Watchlist Activities): Watchlist activities that do not meet the minimum environmental or social safeguards or cause significant harm, and no remedial actions are planned or underway to mitigate such harm.

The ASEAN Taxonomy therefore allows for assessments of activities by entities of different sizes, capacities, and stages of development.

Table 1 ASEAN Taxonomy classification approach

Classification	Environmental Objectives	Essential Criteria		
	EO 1 – 4	No Significant Harm	Remedial Efforts to Promote Transition	Social Aspects
Green	Fulfil Tier 1 TSC	✓		✓
	Fulfil Tier 1 TSC	✗	Remedial measures commenced at the time of the assessment	✓
Amber Tier 2	Fulfil Tier 2 TSC	✓		✓
	Fulfil Tier 2 TSC	✗	Remedial measures commenced at the time of the assessment	✓
Amber Tier 3	Fulfil Tier 3 TSC	✓		✓
	Fulfil Tier 3 TSC	✗	Remedial measures commenced at the time of the assessment	✓
	Fulfil Tier 1, 2 or 3 TSC	✗	Remedial measures planned to address harm within 5 years	✓

Classification	Environmental Objectives	Essential Criteria		
	EO 1 – 4	No Significant Harm	Remedial Efforts to Promote Transition	Social Aspects
Red	Fulfils Tier 1, 2 or 3 TSC	✓		X
	Fulfils Tier 1, 2 or 3 TSC	X	No remedial measures undertaken or planned	
	Does not fulfil any of TSC tiers			

While the ASEAN Taxonomy provides a static assessment of activities' performance, defining Green and Amber classifications, and requiring a DNSH at the activity level, the ASEAN Transition Finance Guidance Version 2 (ATFG)<sup>3</sup> addresses dynamic transition plans at the entity-level. This enables financing for entities at various stages of their sustainability journey, provided they demonstrate credible pathways including alignment to ASEAN Taxonomy.

The ATFG introduces three tiers to evaluate transition plans:

- (a) Aligned and Aligning – 1.5°C: Entities that demonstrate sufficient climate ambition that is already aligned or aligning with a science-based 1.5°C trajectory and meet all other criteria of transition credibility.
- (b) Aligned and Aligning – Well below 2°C: Entities that demonstrate sufficient climate ambition that is already aligned or aligning with a science-based well below 2°C, and have committed to addressing any material omissions in the next 2 years.
- (c) Progressing: Entities that demonstrate most but not all elements of ability to deliver and/or a climate ambition that is material but not yet aligned or aligning to well below 2°C, and have committed to addressing any material omissions in the next 2 years.

The progressing tier of ATFG supports companies showing material progress towards the Paris Agreement but not yet meeting all criteria, with a commitment to address gaps within 2 years. Activities which may be classified under ASEAN Taxonomy Amber T2 and Amber T3 may be used as evidence of this progress.

<sup>3</sup> The ASEAN Transition Finance Guidance (ATFG) Version 2 issued by the ASEAN Capital Markets Forum sets ASEAN's entity-level framework for assessing and enabling credible transition finance, including principles, reference pathways, and a three-tier system (Aligned & Aligning–1.5°C; Aligned & Aligning–Well below 2°C; Progressing) to evaluate transition plan credibility. Available at: <https://www.sfinstitute.asia/wp-content/uploads/2024/10/ATFG-Version-2-vFinal.pdf>

The Taskforce is considering to similarly supplement the Malaysia Taxonomy with the ATFG. It would complement the taxonomy by building on the Amber tiers and providing credible and practical decarbonisation pathways to the Green tier, creating an approach to assess the forward-looking plans of entities.

- *CCPT classification approach*

In the CCPT, the classification system is constructed based on the following considerations (*refer to Table 2 below*):

- (a) Positive impact on climate change objectives e.g. mitigation (GP1) and adaptation (GP2);
- (b) Potential negative effects to the broader environment (GP3); and
- (c) Measures taken (or not taken) to reduce harmful practices (GP4)

FIs must ensure that the identified positive impacts and any remedial actions are meaningful and substantive, rather than minimal or negligible, to prevent risks of greenwashing. For reporting, CCPT requires FIs to conduct both transactional-level assessments (for GP1 and GP2) and overall business-level assessments (for GP3 and GP4) before determining the appropriate CCPT classification for a client.

Social aspects are not assessed as a standalone criterion. Instead they are addressed through GP5 (Prohibited Activities), which functions as ‘minimum safeguards’ that must be met before any CCPT classification can be assigned. FIs are required to ensure that the economic activities financed are not illegal and do not contravene national environmental, human-rights, and labour laws, in line with VBIAF expectations. This includes, but not limited to, compliance with key legislation such as the Employment Act 1955, the Children and Young Persons (Employment Act 1966), and the Minimum Wages Order 2018.

*Table 2 CCPT classification approach*

Classification		Economic Activity (Transaction Level)		Overall Business	
		GP1 Climate Change Mitigation	GP2 Climate Change Adaptation	GP3 No Significant Harm to the Environment	GP4 Remedial Efforts to Promote Transition
<b>Supporting</b>	<b>C1</b>	GP1 or GP2 or both		✓	
<b>Transitioning</b>	<b>C2</b>	GP1 or GP2 or both		X	✓
	<b>C3</b>	X		X	✓
<b>Watchlist</b>	<b>C4</b>	GP1 or GP2 or both		X	X
	<b>C5a</b>	X		X	X
	<b>C5b</b>	X		✓	

- *SRI Taxonomy classification approach*

In the SRI Taxonomy, economic activities seeking alignment under the environmental component must first ensure compliance with minimum safeguards<sup>4</sup>. EOs and DNSH are then assessed at activity level while remedial measures need to be taken at the business entity or activity level as close as possible to the place and time which the significant harm to EOs occurs. Social considerations beyond minimum social safeguards are assessed separately under the social objectives (SO) of SRI taxonomy. Economic activities are classified into three broad categories for the environmental component under SRI Taxonomy:

- (a) Green: Substantial contribution to at least one EO and DNSH to any of the other EOs
- (b) Amber: Causes significant harm to one or more EOs but remedial efforts are taken to mitigate the harm **OR** neither substantially contributes nor causes significant harm to any EOs
- (c) Red: Causes significant harm to one or more EOs and no remedial effort is taken, regardless whether it substantially contributes to any of the other EOs

*Table 3 SRI Taxonomy classification approach*

Classification	Activity level		Activity or Entity level
	EO 1 - 4	DNSH	Remedial Efforts to Promote Transition
<b>Green</b>	Contributes to at least 1 EO	✓	
<b>Amber</b>	Contributes to at least 1 EO	X	✓
	X	✓	
	X	X	✓
<b>Red</b>	Contributes to at least 1 EO	X	X
	X	X	X

**PART B Section 1: Questions**

1. How would the ASEAN Taxonomy's classification, which also contains two tiers of amber category, support your institution's transition pathway?
2. What challenges, if any, does your institution face when evaluating transition plans of clients/borrowers and classifying existing or prospective financing/ investment? Please elaborate the specific difficulties encountered.

<sup>4</sup> Minimum safeguards refer to all national laws and legislative requirements relating to environmental and social considerations applicable in Malaysia, such as in the areas of environmental protection, climate change, land use, human rights, anti-corruption, labour welfare and others.

3. Given your institution's current stage of development and transition path, what support would your institution require in applying the Taxonomy?
4. Does your institution view that SMEs should be subjected to a phased approach in applying the Taxonomy? Please provide justification for your answer, and alternatives if applicable.

## Section 2: Classification alignment

Classification alignment is an important consideration for usability, comparability and implementation efficiency. Table 4 illustrates the alignment of classification between ASEAN Taxonomy, CCPT and SRI Taxonomy.

*Table 4 Mapping of ASEAN Taxonomy, CCPT, and SRI Taxonomy classification categories*

Classification Categories		
ASEAN Taxonomy	CCPT	SRI Taxonomy
Green	C1 (Supporting)	Green
Amber Tier 2	C2 (Transitioning)	Amber
Amber Tier 3		
Red	C4 (Watchlist)	Red
	C5a (Watchlist)	
Out of scope for ASEAN Taxonomy	C3 (Transitioning)	N/A
	C5b (Watchlist)	

Notwithstanding, there are several existing nuances in the underlying assessment logic used to derive the individual classifications across the three taxonomies. Table 5 outlines salient differences in the assessment approaches.

*Table 5 Comparison in assessment approaches across the three taxonomies*

Components of assessment	ASEAN Taxonomy (Plus Standard)	CCPT	SRI Taxonomy
<b>Substantial contribution criteria</b>	Detailed criteria for economic activities with specific tiering for green and different pace transition	Outlines principles, broad criteria not specific to economic activities	Outlines principles, broad criteria not specific to economic activities
<b>DNSH approach</b>	DNSH criteria for each EO as well as selected activities	Principle-based and environmental-specific DNSH	Principle-based and environmental-specific DNSH

Components of assessment	ASEAN Taxonomy (Plus Standard)	CCPT	SRI Taxonomy
<b>Remedial measures to address significant harm identified</b>	Remediation criteria with timelines and action status (i.e. commenced or planned) which integrated into classification	Broad principles outlined in GP4; take into consideration remediation plan	Principles-based; supported with general guiding questions and several EO-specific guiding questions
<b>Assessment level</b>	Activity-level (EO/DNSH); entity-level social aspects	Transaction/activity-level (GP1/2); entity-level (GP3/4)	Activity-level EO/DNSH; entity/activity-level remediation
<b>Social safeguards</b>	Entity-level safeguards via social aspects; explicitly considered in assessing classification	Integrated in GP5 (prohibited activities) rather than articulated as a dedicated social safeguard; not explicitly considered in assessing classification	Minimum social safeguards assessed at the outset; not explicitly considered in assessing classification  Additional social objectives classified separately

In addition, there are alternative methods applied to assess certain economic activities. For instance, the ASEAN Taxonomy includes a ‘red list’ comprising activities classified as ‘red’ under both the PS and FF. Any activity that enables the listed activities is also automatically classified as ‘Red’. The ‘red list’ reflects ASEAN’s commitment to mitigating climate change and driving the transition to low-carbon world.

## **PART B Section 2: Questions**

1. What are the challenges in aligning the CCPT and the SRI Taxonomy to the ASEAN Taxonomy from the perspective of existing users?
2. *[For current CCPT users]* Should C3 and C5b categories be excluded from Malaysia Taxonomy classification given that they fall outside the scope of the ASEAN Taxonomy (both FF & PS)? Please provide justification for your answer, and alternatives if applicable.
3. What challenges do you foresee in reassessing and reclassifying borrowers’ economic activities from the current CCPT classification to the ASEAN Taxonomy?
4. What support would your institution require (e.g. guidance, common industry tools, data) in implementing the Malaysia Taxonomy framework?

5. How should the Malaysia Taxonomy account for the diverse needs and varying capabilities of SMEs, e.g. proportionate and phased approach in reporting? Additionally, what specific support would SMEs require in applying the Taxonomy?

### Section 3: Reporting to regulator

#### - *Current reporting under CCPT implementation*

CCPT's application to financial institutions' assets is entity-level, as an aggregated portfolio within the banking book (reported as overall instead of per investment instrument). Meanwhile, financial investments are currently classified under CCPT based on contractual cash flow characteristics and the entity's business model via four primary measurement categories<sup>5</sup>:

- (a) Financial Assets at Amortised Cost: Typically, financing and debt instruments held to collect contractual cash flows (e.g. held-to-maturity bonds).
- (b) Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI): Often, debt instruments held in a 'collect-and-sell' business model or elected equity investments.
- (c) Financial Assets at Fair Value Through Profit or Loss (FVTPL): Includes equities, derivatives, and debt instruments that do not meet the criteria for the other categories.
- (d) Others, including loans structured as bonds.

As the market matures, expanding the scope of reporting to include specific instruments like green bonds, or equities is no longer efficient. This approach risks creating a parallel classification system that does not integrate with existing financial reporting architecture such as the International Financial Reporting Standards (IFRS) 9 which may potentially lead to gaps and inconsistencies in financial reporting.

#### - *Weighted-average methodology for entity-level and portfolio-level reporting*

Consistent with the ASEAN Taxonomy approach, the Taskforce proposes a weighted-average assessment based on the revenue/ turnover, or expenditure (CapEx/OpEx) of the underlying investee entities (transaction-level) to be used in deriving entity- and portfolio-level classification. This methodology assesses the fundamental economic activities being financed instead of relying on instrument-level label. The alignment of a financial asset would be determined by the proportion of the

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<sup>5</sup> All financial instruments are currently covered under CCPT bi-annual reporting except for the following: (i) instruments issued by sovereign entities and BNM; (ii) collective investment schemes (CIS); (iii) Exchange traded funds (ETFs); (iv) derivatives and structured products; (v) fixed and call deposits with *FIs* (classified under "Investments" at amortised cost by ITOs); and (vi) Investment-linked funds (applicable to ITOs only).

company's or investee's activities that are taxonomy-aligned, with an overall classification for the entity or portfolio derived from these proportions.

The weighted-average methodology offers significant advantages over scoping in instrument-specific approach. The former enables a clear and proportional view of the actual use of proceeds for the investment, facilitating a deeper understanding regarding the real impact of FIs capital allocation and reducing the risk of greenwashing. The weighted-average methodology also allows for monitoring of the percentage of taxonomy-aligned turnover down to the specific activity-level within FIs financial statements. Such level of detail provides deep, auditable insights that generic bond labels cannot match. From interoperability perspective, the methodology aligns with other internationally recognised taxonomies i.e. the EU Taxonomy (refer Table 4 for entity-level reporting mandated in other jurisdictions) and standards i.e. the IFRS sustainability-related disclosures.

Entities should select the most representative metric (e.g. revenue, capital expenditure or operating expenditure) based on their activities and disclose their choice and rationale for transparency. This approach provides flexibility while ensuring comparability across diverse entities.

Figure 5 illustrates the exposures-based classification for a company with diversified lines of business. In this regard, entity-level assessment would be reported in the following manner: 5% or RM50 mil is Out-of-Scope (e.g., Activities not covered by the taxonomy, such as retail services); 20% or RM200 mil is categorised as Red C5 (e.g., coal-fired power plants violating environment laws); 20% or RM200 mil is categorised as Red C4 (e.g., high-energy-consuming buildings with no efficiency measures); 30% or RM300 mil is Amber C2 (e.g., fleet conversion to hybrid or low-emission vehicles); 25% or RM250 mil categorised as Green C1 (e.g., utility-scale solar photovoltaic (PV) power generation).

*Figure 5 Example of entity-level assessment for company (Company A) with various business lines*

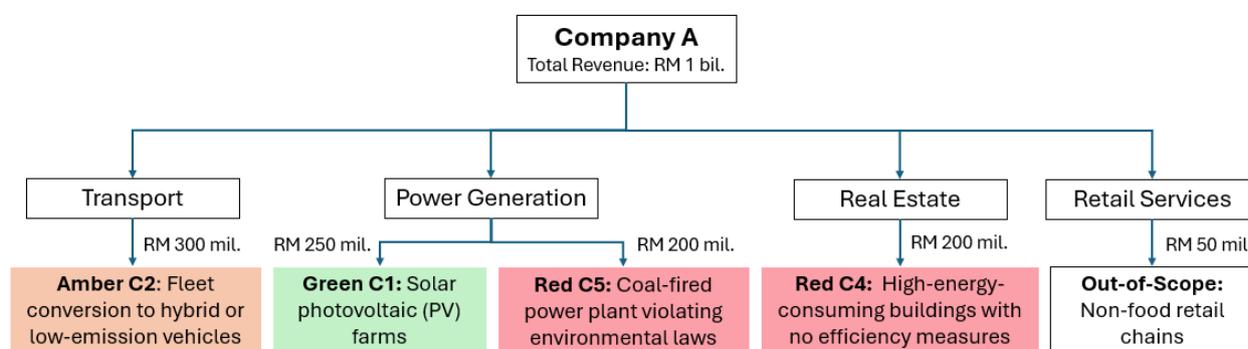


Table 6 Entity-level reporting by other sustainable finance taxonomies

Taxonomy	Disclosure requirement	Alignment assessment
Singapore-Asia Taxonomy	Disclosure at portfolio/ entity level is done by reporting the proportion of taxonomy-aligned eligible revenue or expenditure	Company alignment <ul style="list-style-type: none"> <li>Depending on aligned revenue/turnover/ expenditure</li> </ul> Portfolio alignment <ul style="list-style-type: none"> <li>Using a weighted score: % of portfolio aligned x % of company's revenue aligned</li> </ul>
Thailand Taxonomy		
European Taxonomy	Portfolio alignment disclosure is mandatory for companies under Corporate Sustainability Reporting Directive (CSRD)	<ul style="list-style-type: none"> <li>Using a weighted score: % of portfolio aligned x % of company's revenue aligned</li> </ul>
South African Taxonomy	Disclosure at portfolio/ entity level is done by reporting the proportion of taxonomy-aligned eligible revenue or expenditure	Note: South African Taxonomy adapts methodology from EU Technical Expert Group on Sustainable Finance
Australian Taxonomy	Disclosure at entity level is done by reporting the proportion of taxonomy-aligned eligible revenue or expenditure	Using a percentage of taxonomy-aligned revenue, CAPEX, or OPEX

- *Reporting of portfolios and financial instruments*

The Taskforce is considering for entities to assess their entire investment portfolio across all asset classes, including both debt and equity, and determine the extent to which these assets fall within the economic activities classified using the taxonomy. This entails:

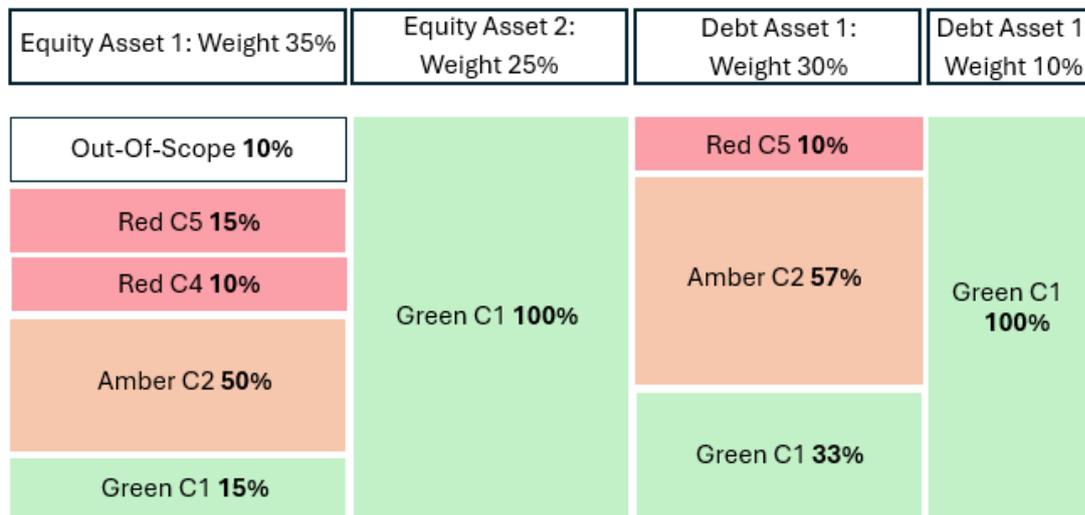
- (a) Calculating the weightage of each investment in the portfolio using the most representative metric e.g. revenue, CapEx or OpEx).
- (b) Multiplying that weightage by the proportion of the investment that is classified under the taxonomy categories:
  - Green C1
  - Amber C2
  - Red C4
  - Red C5
  - Out-of-Scope

Both equity (e.g. listed shares, private equity) and debt (e.g. loans, bonds) may be included as potential investment classes. The distribution of classifications for each individual investment or financing can be estimated in terms of revenue.

After calculating individual exposures, portfolio owners and managers should aggregate the data to determine the overall distribution of their portfolio across the

Malaysia categories. Figure 6 demonstrates a use case for a FI reporting its investment portfolio. The portfolio, comprising weighted averages of equity and debt assets, is assessed by value and aligned with the proposed Malaysia Taxonomy classification categories. For example, with weightage of 35% (Equity Asset 1), 25% (Equity Asset 2), 30% (Debt Asset 1), and 10% (Debt Asset 2), the aggregated exposure would be: 3.5% Out-of-Scope (e.g. assets in sectors not covered by the Taxonomy, such as retail trade); 11.75% Red C5 and C4 (e.g., investments in conventional oil extraction); 34.6% Amber C2 (e.g., cement production with transitional emission levels); and 50.15% Green C1 (e.g., fully aligned Activities such as certified eco-friendly agriculture or zero-emission public transport).

Figure 6 Example of portfolio-level assessment using weighted-average methodology



**Methodology:**

$$P_x = \sum_{i=1}^n (p_{x,i} \times w_i)$$

where  $P_x$  is the weighted proportion of classification  $x$  in the portfolio,  $p_{x,i}$  is the proportion of classification  $x$  within asset class  $i$ ,  $w_i$  is the weight of asset class  $i$  in the total portfolio, and  $n$  is the number of asset classes in the portfolio.

Figure 7 Weighted-average portfolio calculation for example shown in Figure 6

Out-of-Scope 3.5%	Equity Asset 1: 10% x 35%	
Red C5 8.25%	Equity Asset 1: 15% x 35%	+ Debt Asset 1: 10% x 30%
Red C4 3.5%	Equity Asset 1: 10% x 35%	
Amber C2 34.6%	Equity Asset 1: 50% x 35%	+ Debt Asset 1: 57% x 30%
Green C1 50.15%	Equity Asset 1: 15% x 35%	+ Equity Asset 2: 25%
	+ Debt Asset 1: 33% x 30%	+ Debt Asset 2: 10%

### **PART B Section 3: Questions**

1. On a scale of 1 (not available) to 5 (readily available), please rate the availability of the following data item for weighted-average assessment:
  - a. Breakdown of turnover/revenue by business activity.
  - b. Capital expenditure (CapEX) plans and allocation.
  - c. Operational expenditure (OpEX) related to specific projects.
2. Does your institution find it feasible to aggregate weighted-average assessments across diverse asset classes (equity, debt) for portfolio-level reporting? Please elaborate and provide justification.
3. Does your institution's data architecture and systems currently collect, validate, and report investment alignment data at transaction level (i.e. linking each investment to its underlying economic activities)?
4. What additional guidance or tools needed to implement the proposed methodology? Please elaborate and provide justification.

## PART C: APPLICABILITY OF TAXONOMY TO ITOs

The Taskforce is exploring applicability of the Malaysia Taxonomy to ITOs particularly in underwriting and investment activities to understand the unique challenges faced by industry players in this sector.

### Section 1: The case for scoping in underwriting in Malaysia Taxonomy

The CCPT and SRI Taxonomy were developed to standardise classification, improve transparency and visibility of climate-related exposures and to steer financial flows and solutions toward climate goals. While this design is effective for lending and investment transactions where financial flows are clearly tied to specific economic activities, these frameworks do not accurately reflect climate impacts when applied to underwriting practices.

To address this issue, the fundamental role of underwriting to facilitate risk-bearing and resilience enablement must be taken into account. ITOs can encourage clients to strengthen their climate resilience by embedding relevant considerations in underwriting, pricing or policy conditions. This can be complemented with appropriate data collection and tracking measures to provide data backed evidence of effective risk reduction measures. The intention is to make sustainability risks transparent, priced and improvable.

The Taskforce is considering extending the applicability of the Malaysia Taxonomy to include underwriting activities, and is exploring possible framework for doing:

- (a) EO assessment: EOs are mapped to the insured activity<sup>6</sup> for each transaction.
- (b) Measurement: Baseline Expected Annual Loss<sup>7</sup> (EAL), Probable Maximum Loss<sup>8</sup> (PML) and actual claims outcomes can be tracked to provide for quantitative evidence of reduced risk.
- (c) Monitoring and assessment: Monitoring can be conducted at the portfolio level to inform relevant steering. For example, ITOs could consider raising minimum adaptation standards for catastrophe-exposed territories while applying lighter requirements in low-hazard areas.
- (d) Informed decision making: Evidence can be used to support development of more risk sensitive/reflective products via existing tools e.g. preconditions, warranties, risk-based pricing.

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<sup>6</sup> The specific asset, project, operation or economic function that the insurance/takaful policy/certificate is intended to cover.

<sup>7</sup> Refers to the average expected value of losses over a year.

<sup>8</sup> Refers to the largest plausible loss under a severe scenario.

### **PART C Section 1: Questions for ITOs**

1. Does your institution use or refer to any taxonomy (e.g. ASEAN, CCPT, SRI) for underwriting activities?
2. In your institution's view, is it meaningful to apply the Malaysia Taxonomy to insurance underwriting? Are there other more suitable alternatives or parameters required (e.g. by resilience enabling features, specific product lines, subsets of underwriting, or certain environmental objectives only)? Please explain your rationale.
3. Is it feasible and meaningful to link remediation actions to measurable impacts on EAL, PML, and claims outcomes? What information would be required to conduct such an assessment?
4. Would monitoring and steering at the portfolio level rather than the transaction level provide better insight into systemic climate risk? Please explain your rationale.
5. What safeguards are needed to ensure that the taxonomy can be applied without unfair outcomes?
6. What challenges do you expect in applying the taxonomy to underwriting activities as set out above?

### **Section 2: Foreign fund managers**

Foreign fund managers, who oversee a significant portion of ITOs' portfolios, particularly those of foreign reinsurers/retakaful branches via discretionary mandates, feeder structures, or global ESG-labelled funds, are not bound by BNM's CCPT framework. Instead, they operate under other standards or taxonomy frameworks such as the EU taxonomy, specific guidelines by host regulators, or their own internal ESG frameworks.

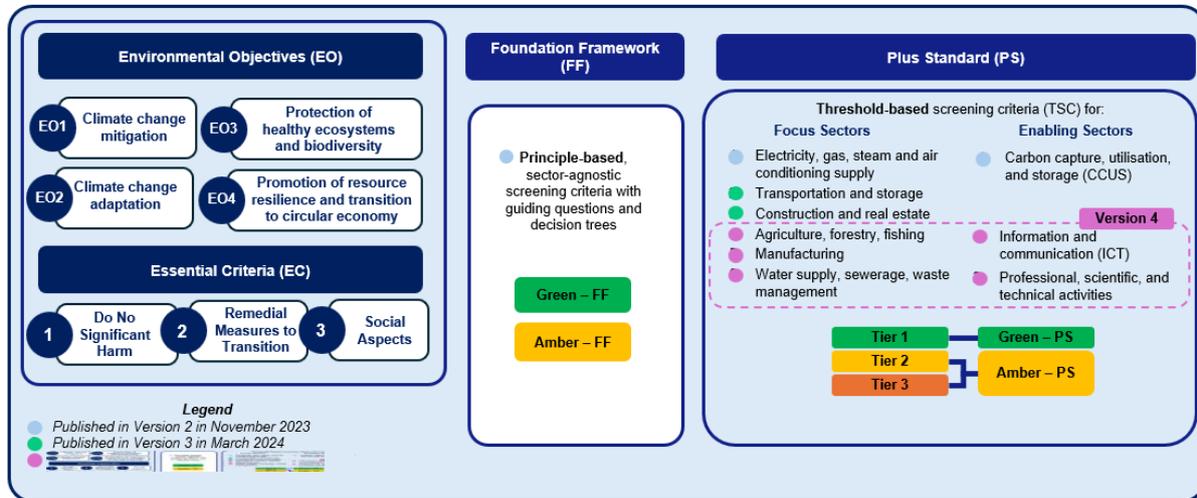
This misalignment creates several critical gaps. Firstly, local ITOs often receive generic ESG scores or thematic labels that do not map to CCPT's classification. Secondly, foreign managers rarely complete CCPT due diligence questionnaires (DDQs), which are essential for assessing transition and remedial actions. Thirdly, ITOs frequently lack authority over portfolio decisions, making it challenging to direct exclusions, transitions, or reclassifications in line with CCPT requirements. Lastly, fund-level sustainability claims are often unverifiable or based on broader group strategies, undermining classification precision and increasing the risk of greenwashing.

## **PART C Section 2: Questions for ITOs**

1. What are the main challenges in engaging foreign fund managers on CCPT-aligned classification or data transparency?
2. Should foreign fund managers managing ITO mandates be encouraged or required to complete a CCPT-aligned DDQ or provide equivalent sustainability declarations?
3. Where foreign manager classification or ESG scoring is used, should regulators or ITOs require independent assurance to support these claims?

# APPENDIX 1: ASEAN TAXONOMY FOR SUSTAINABLE FINANCE

Figure 8 illustrates the overall structure of the ASEAN Taxonomy



## - Environmental objectives, essential criteria and assessment frames

Any economic activity classified under the ASEAN Taxonomy must demonstrate that it contributes to at least one of the Environmental Objectives (EOs) below:

- **EO1: Climate Change Mitigation** which focuses on decarbonisation pathways to avoid, reduce or enable other activities to avoid or reduce greenhouse gas (GHG) emissions.
- **EO2: Climate Change Adaptation** to manage the anticipated negative impacts of climate change and increase resilience to withstand these effects.
- **EO3: Protection of Healthy Ecosystems and Biodiversity** by incorporating conservation, restoration and protection mechanisms of natural ecosystems and biodiversity.
- **EO4: Resource Resilience and the Transition to a Circular Economy** by adopting the principles of circularity including minimising resource use, optimising resource yield and closing resource loops through effective waste management.

Additionally, economic activities must also fulfil the minimum requirements of three Essential Criteria (EC) to be classified under the ASEAN taxonomy:

- **EC1: Do No Significant Harm (DNSH)** either directly or indirectly, where an economic activity that contributes substantially to an EO shall also not significantly harm any of other EOs.

- **EC2: Remedial Measures to Transition (RMT)** ensuring that any actual or potential significant harm is either mitigated or rendered insignificant.
- **EC3: Social Aspects (SA)** relating to promotion and protection of human rights, labour rights and worker protection, and impact on people living close to investments.

The ASEAN Taxonomy offers two assessment frames, which are the Foundation Framework (FF) and Plus Standard (PS). FF is a principles-based, qualitative assessment of activities that is applicable to all AMS, stakeholders in the financial sector and business enterprises. To assist with classification of EOs and ECs under FF, guiding questions, decision trees and use cases have been introduced in the ASEAN Taxonomy (refer Chapter 4 of ASEAN Taxonomy Version 4). PS uses metrics and thresholds (technical screening criteria (TSC)) that provide additional guidance and scope for AMS to further qualify and benchmark eligible green or transitional activities and investments. The PS covers six focus sectors and three enabling sectors with TSCs.

- *Classification system*

The FF and PS both use colour-coded classification systems that represent different levels of contribution to an EO by an Activity. Classifications are divided into Green, Amber, and Red. Under the PS, there are ‘Tiers’ which relates to the different levels of TSC: Activities which meet Tier 1 TSC may be classified Green and those which meet Tier 2 or Tier 3 TSC may be classified Amber under the PS. Figure 9 outlines the definitions for each classification.

*Figure 9 Definition for each classification in the ASEAN Taxonomy*

<b>Green</b>	<ul style="list-style-type: none"> <li>• Activity is making a substantial contribution to the EO and cause no harm to the other EOs.</li> </ul>
<b>Amber</b>	<ul style="list-style-type: none"> <li>• FF: Activity contributes to the EO but causes some harm to the other EOs which it plans to remediate.</li> <li>• PS: Activity is a ‘transitional’ activity, while not meeting “Green” TSC, represents a progressive movement on the path to a more sustainable ASEAN with due consideration to the practicalities of implementing sustainable activities.</li> </ul>
<b>Red</b>	<ul style="list-style-type: none"> <li>• Activity is not aligned to any of the EOs or causing significant harm to any of the EOs.</li> </ul>

The DNSH and RMT status can both affect the classification of activities. An Activity will be classified as Amber in the FF or Amber Tier 3 in the PS, if the Activity is causing or may cause significant harm. If the Activity does not have plans showing how the harm will be effectively remediated within 5 years, it will be classified as Red. Social Aspects which are assessed at company-level, if not met, will lead to Red classification.

For further guidance on the key concepts and elements of the ASEAN Taxonomy, please refer to Chapter 3 of the ASEAN Taxonomy Version 4. For more information on assessments and classifications under the FF and PS, please refer Chapter 4 of the ASEAN Taxonomy Version 4.

The ASEAN Taxonomy undergoes periodic review and revision to remain relevant and aligned with developments in science, technology and economic circumstances. Each new version of the ASEAN Taxonomy thus far has expanded the scope of the taxonomy by introducing criteria for additional focus and enabling sectors, while incorporating enhancements following stakeholder consultation exercises.

The ASEAN Taxonomy Version 4 can be accessed via the following websites:

- Sustainable Finance Institute Asia – <https://www.sfinstitute.asia/asean-taxonomy/>
- Association of Southeast Asian Nations – <https://asean.org/>
- ASEAN Capital Markets Forum – <https://www.theacmf.org/sustainable-finance/publications>