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ASEAN TAXONOMY BOARD RELEASES COMPLETE VERSION OF ASEAN TAXONOMY FOR SUSTAINABLE FINANCE

The ASEAN Taxonomy Board (ATB), a collaborative initiative comprising representatives from four ASEAN sectoral bodies – the ASEAN Capital Markets Forum (ACMF), the ASEAN Insurance Regulators' Meeting (AIRM), the ASEAN Senior Level Committee on Financial Integration (SLC), and the ASEAN Working Committee on Capital Market Development (WC-CMD) – today released Version 4 of the ASEAN Taxonomy for Sustainable Finance (ASEAN Taxonomy), completing the development of ASEAN's regional reference framework for classifying sustainable economic activities. This marks a major milestone in ASEAN's sustainable finance journey, providing a comprehensive, science-based, and inclusive taxonomy that supports the region's transition to a low-carbon and climate-resilient future.

Version 4 represents the culmination of a multi-year, multi-stakeholder effort that began with the release in 2021 of the conceptual framework of the ASEAN Taxonomy, including its Environmental Objectives, and Foundation Framework and Plus Standard as its components. The ASEAN Taxonomy was expanded through successive iterations to include the complete Foundation Framework and technical screening criteria (TSC) for all six focus and three enabling sectors of the Plus Standard. With Version 4, the ASEAN Taxonomy now offers complete Plus Standard coverage across the identified focus and enabling sectors, Grandfathering rules for the Amber Tiers, and guidance on entity and portfolio assessment, among others.

Key updates in the ASEAN Taxonomy Version 4 include:

- Inclusion of TSC for the three (3) remaining focus sectors: Agriculture, Forestry and Fishing; Manufacturing; Water Supply, Sewerage Waste Management and Remediation;
- Inclusion of TSC for the two (2) remaining enabling sectors: Information & Communication; and Professional, Scientific & Technical Activities;
- Introduction of a methodology for reporting on entities, portfolios, and financial instruments based on exposure to underlying Activities across the Taxonomy's classification tiers;
- Updates to grandfathering criteria to include grandfathering of Amber Tiers 2 and 3; and
- Enhancement of Essential Criteria 3, Social Aspects, updated to consider informal workers in labour and social protection systems.

Commenting on the release, Mr. Mardini Eddie, Chair of the ASEAN Taxonomy Board, said: *"The launch of Version 4 marks the completion of a regionally developed, inclusive, and credible taxonomy for ASEAN. It reflects our shared commitment to sustainable development and provides a common language for guiding capital flows towards activities that support climate resilience and environmental integrity. We would like to thank the Asian Development Bank (ADB) for its invaluable support throughout the development of the ASEAN Taxonomy, and convey our gratitude to all stakeholders for their valuable input throughout this journey. The ASEAN Taxonomy Board looks forward to supporting* *implementation across the region, reflecting its commitment to capacity building efforts to ensure effective adoption and to empower stakeholders across ASEAN with the knowledge and tools needed to operationalize the Taxonomy."*

The release of Version 4 marks the completion of the development phase of the ASEAN Taxonomy. The ATB will continue to maintain and update the Taxonomy as a living document, ensuring it remains responsive to technological, scientific, and market developments. The ATB will also be shifting its focus to encouraging adoption of the Taxonomy, including conducting targeted capacity building activities.

Following this release of the ASEAN Taxonomy Version 4, the ATB will conduct targeted consultations with key stakeholders and users of the ASEAN Taxonomy, details of which will be firmed up in due course. Should you have any feedback or queries on the ASEAN Taxonomy Version 4, please email them to aseantaxo@sfinstitute.asia

The ASEAN Taxonomy Version 4 is now available for download on the following websites:

- Sustainable Finance Institute Asia – https://www.sfinstitute.asia/wp-content/uploads/2025/11/ASEAN-Taxonomy-Sustainable-Finance-V4_06Nov25.pdf
- Association of Southeast Asian Nations – https://asean.org/asean-taxonomy-board-releases-complete-version-of-asean-taxonomy-for-sustainable-finance/
- ASEAN Capital Markets Forum – https://www.theacmf.org/sustainable-finance/publications

CHAIR
ASEAN Taxonomy Board

Background

The ASEAN Taxonomy serves as a principal reference point in ASEAN to guide capital and funding towards activities that can help promote the systemic transformation needed for the region.

The ASEAN Taxonomy is a collaborative initiative of the four ASEAN sectoral bodies that make up the ATB, namely the ASEAN Capital Markets Forum (ACMF), the ASEAN Insurance Regulators Meeting (AIRM), the ASEAN Senior Level Committee on Financial Integration (SLC), and the ASEAN Working Committee on Capital Market Development (WC-CMD). This follows previous sustainable finance initiatives by the ASEAN sectoral bodies, such as the ASEAN Green, Social and Sustainability Bond Standards and the ASEAN Sustainable Banking Principles. The ASEAN Taxonomy represents the collective commitment of ASEAN Member States (AMS) in transitioning towards a sustainable region. It is designed to be an inclusive and science-based classification system for sustainable activities and will be one of the key building blocks in attracting investments and financial flows into sustainable projects in the region.

The ATB was set up in 2021 under the auspices of the ASEAN Finance Ministers and Central Bank Governors' Meeting (AFMGM) and is jointly driven by the ACMF, AIRM, SLC and the WC-CMD. Its establishment is a response to the call at the 6th AFMGM to work towards:

> *"….furthering a cohesive sustainable finance agenda cutting across banking, capital markets and insurance areas at the ASEAN Finance Ministers' Meeting and AFMGM*

respectively, with greater coordination amongst the relevant ASEAN working committees."

The importance of a common taxonomy for ASEAN was identified in the ACMF's Roadmap for ASEAN Sustainable Capital Markets, the SLC's Report on The Roles of ASEAN Central Banks in Managing Climate and Environment-related Risks and the WC-CMD's Report on Promoting Sustainable Finance in ASEAN.

The current Board comprises representatives from all 10 ASEAN Member States, as follows:

- ***Brunei Darussalam Central Bank (Chair)***
- ***Bangko Sentral ng Pilipinas (Vice-Chair)***
- ***Non-Bank Financial Services Authority (NBFSA) of Cambodia***
- ***Insurance Regulator of Cambodia***
- ***National Bank of Cambodia***
- ***Financial Services Authority of Indonesia***
- ***Bank of the Lao PDR***
- ***Bank Negara Malaysia***
- ***Securities Commission Malaysia***
- ***Ministry of Finance and Revenue of Myanmar***
- ***Securities and Exchange Commission Philippines***
- ***Monetary Authority of Singapore***
- ***Securities and Exchange Commission of Thailand***
- ***State Securities Commission of Viet Nam***

The Sustainable Finance Institute Asia (SFIA) provides support as host of the ATB.

<u>For media queries, please contact:</u>

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