

# Usability Guide

## Thailand Taxonomy

Thailand Taxonomy is a reference tool that can be applied to both entity and project level. The following steps will guide how to evaluate your entity/project if it is compliant with the Thailand Taxonomy.

### 5 Steps to Use Thailand Taxonomy

**Example:** A power plant that generates electricity using different sources.

#### 1. List your activities

Break the entity/project into activities.

Solar  
generation

Coal  
generation

Bioenergy  
generation

Consulting  
services

#### 2. Check the coverage

Define activities from the breakdown, use the Section 4 of the Thailand Taxonomy.

Covered  
under section  
4.1.1

Covered  
in Red List  
(section 4.3)

Covered  
under section  
4.1.5

Not  
Covered

#### 3. Color your activities

Categorize the activities, see if they are in line with green / amber criteria defined in the Taxonomy.



  
Fossil fuel-based  
activities



#### 4. 'Do no harm' to others?

Define whether activities that meet green or amber criteria also meet DNSH and MSS requirements.

Meet both  
DNSH and MSS  
requirements

Does not meet  
DNSH/MSS  
requirements.  
\*Adopt a plan to  
remediate in 3 years\*

#### 5. Conclude the evaluation

Prepare a final conclusion and Supplementary reports.



Eligible as  
Green



Eligible as Red



Eligible as Amber  
Harm should be remediated within  
the timeframe in the plan. If not,  
the status will be revoked.



Out of scope  
Thailand  
Taxonomy

#### Example of adopting in the financial tool

can apply for Green loan or bond according to the criteria set by financial regulators

cannot apply for sustainable finance instrument

can apply for transition loan or bond according to the criteria set by financial regulators

# What is the traffic lights system and how to use with Thailand Taxonomy ?

Thailand Taxonomy employs the Traffic Lights System that categorizes activities included into the taxonomy into three categories: green, amber, and red.



**Green**

**The activities that are environmentally friendly economic activity and in line with the Paris Agreement goals such as solar or wind power generation.**



**Amber**

**The activities that have not yet reached net zero emission but significantly contributing to the goals of the taxonomy and may become green in the future.** The amber category is usually relevant for the existing infrastructure and activities that can be retrofitted and sunset after 2040. (sunset date)



**Red**

**The activities that does not support goal of decarbonization and not going to become compatible with Thailand Taxonomy.** Therefore, they should be phased out.

Note: the activities that can not classied as Green, Amber, and Red in current taxonomy, so-called 'out of scope' but could be updated in the future if there is sufficient data, and these activities are not classified as red activity.

## How to read and use traffic lights criteria and thresholds

- 1 Find the activity you need in Thailand Taxonomy. If there is no such activity, that activity is out of scope of the Thailand Taxonomy.
- 2 Check the requirements of the activity to be aligned with green or amber thresholds and criteria.
- 3 If the activity criteria mention compliance with "sectoral criteria and thresholds", find the mentioned table to reference for the activities in energy sector (Table 11) and transportation sector (Table 15).

### Example: Energy production from natural gas

This activity is important to climate change mitigation

<b>Sector and activity</b>	Energy production from natural gas	
<b>ISIC CODE</b>	3510	
<b>Description</b>	Retrofitting of facilities that produce energy from natural gas	
<b>Scope</b>	Conversion and retrofitting projects only	
<b>Metrics and thresholds</b>	<b>Green</b>	Conversion of existing natural gas power plants to use green hydrogen leading to an emission intensity of the plant of less than indicated in the Table 11.
	<b>Amber</b>	Retrofit of existing natural gas plants that leads to life cycle emission intensity meets declining amber thresholds for the Energy Sector with a prescribed sunset date (Table 11). (All metrics and thresholds can be found in the full report)
	<b>Red</b>	New natural gas-based power plants (where the project got construction permit after 31 December 2023) are excluded.
<b>Criteria reference</b>	European Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.	

1 Find the activity you need in Thailand Taxonomy.

2 Check the requirements of the Green and Amber criteria

3 If the activity criteria mention compliance with "Green activities thresholds / declining Amber thresholds", find the mentioned table in the document (Table 11)

Example: Table 11. Thresholds for certain energy sector activities, gCO2e/kWh

	2022-2025	2026-2030	2031-2035	2036-2040	2041-2045*	2046-2050*
<b>Green Activities</b>	100	100	100	100	50	
<b>Amber Activities</b>	381	225	191	148	N/A	N/A
<b>Red Activities</b>	>381g	>225g	>191g	>148g	>50g	>50g

Note: All thresholds are subject to review every 3 - 5 years in accordance with new data and technological development.

\* Post-sunset dates, amber certification is no longer available.

\*\* Energy efficiency measures are covered under these energy sector criteria by the very means of establishing thresholds using emission intensity (gCO2 per unit of production). In order to achieve a certain threshold, the activity must reduce its emission intensity, including by implementing measures to improve efficiency as an option.

The timeline in the first row indicates a specific date when the activity should demonstrate compliance with a certain emission target to qualify as green or amber. If the activity fails to demonstrate transition to a new target moving through the timeline, the status must be revoked.

Note: Specific rules of the eligibility of a particular activity for a specific purpose such as issuance of bonds, loans, insurance products must be defined by a separate document (e.g. the green bond standard). The provisions of the chosen document always take precedence over the provisions of this guide.

# What is DNSH and MSS?

## How can I comply with it?

The eligible activities are required to comply with both environmental criteria and thresholds as well as DNSH and MSS principles.

### DNSH

#### "Do No Significant Harm" (Section 5.1)

DNSH implies that an activity that is considered green or amber from the point of view of climate change mitigation must not harm other environmental objectives e.g. pollution prevention or biodiversity conservation. The full text of DNSH rules may be found in the Section 5.1 of the Taxonomy.

### MSS

#### "Minimum Social Safeguards" (Section 5.2)

MSS implies that the activity must also do no harm with social aspects. Social aspects include, but not limited to, complying with labor laws and providing good conditions to the employees.

### DNSH and MSS three-year "grace period"

If the operator of the activity does not comply with the DNSH and MSS when the assessment is conducted, they may submit a remediation plan indicating how they will achieve compliance with DNSH and MSS no later than 3 years after the assessment. The plan is encouraged to be published in the public domain where it can be tracked by general public. For example, posting a remediation plan on the company website would help to acknowledge the public and track the progress. Despite the fact that the activity does not currently adhere to DNSH and MSS principles, it is considered eligible if it complies with the criteria and thresholds.

**Example:** Year 1 - the activity meets criteria and threshold of climate change mitigation objective, but harms the biodiversity and the cultural heritage. The project owner must provide a remediation plan (0-3 years). The plan is encouraged to publish in a public domain. If harm is remediated within 3 years, the activity is reconfirmed as green or amber.