

Stakeholder Feedback Forum

Thailand Transition Finance Guidance -
Comparison of ATFG v2 and IFRS S2

SEC Thailand and GGGI

9 December 2025

Thematic Bonds and Transition Finance in Thailand

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The Sustainable Capital Market



Product : Sustainable Bond in Thailand



Use-of-proceeds-based

Green and/or social project

Green Bond



- Green buildings
- Clean transportation
- Pollution prevention and control

Social Bond



- Access to essential services (e.g., health, education, financing and financial services)
- Affordable basic infrastructure (e.g., clean drinking water)

Sustainability Bond



- Sustainable agriculture

KPI-based

Entity level KPI and SPT

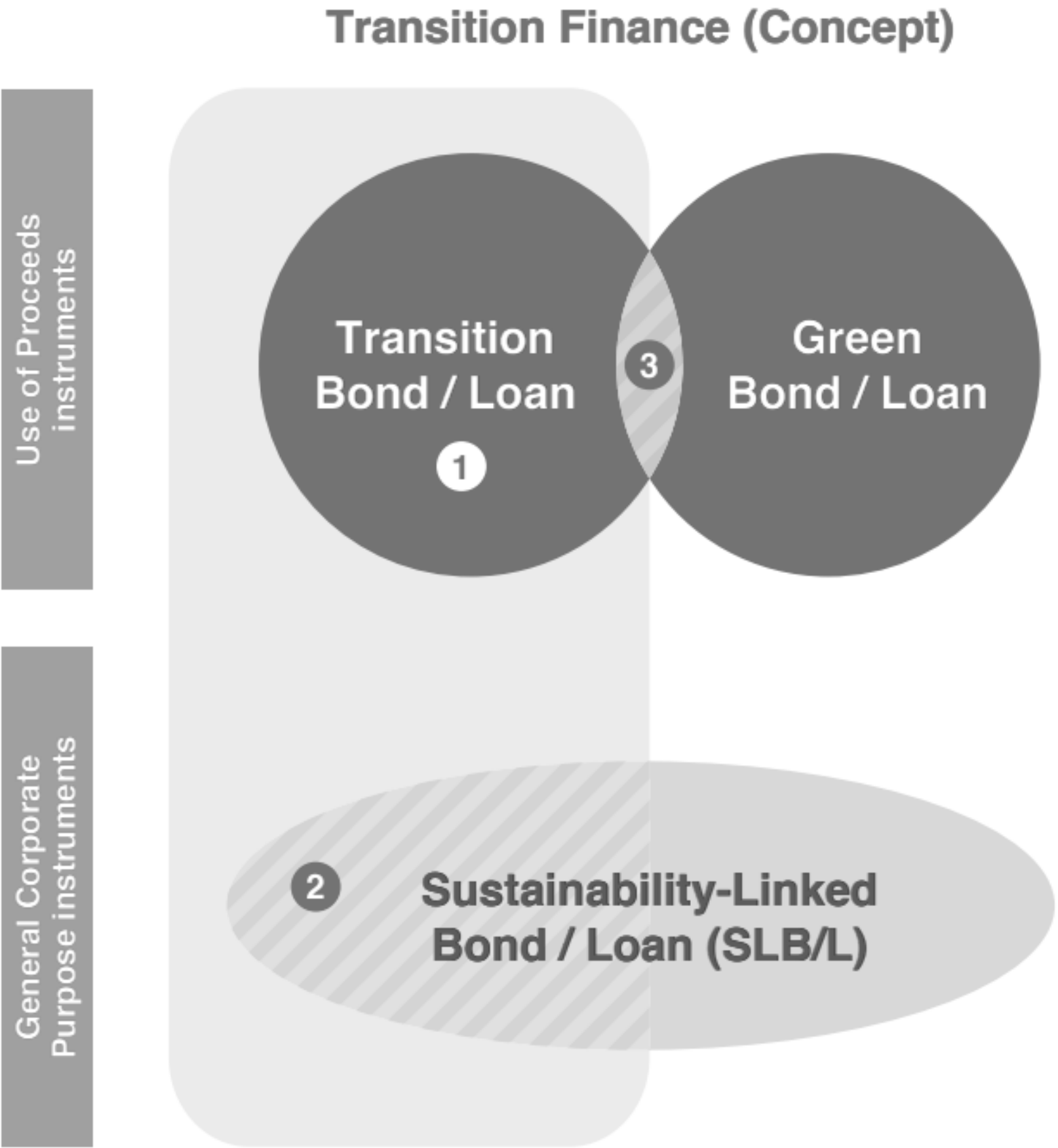
e.g., GHG emissions

Sustainability-linked Bond

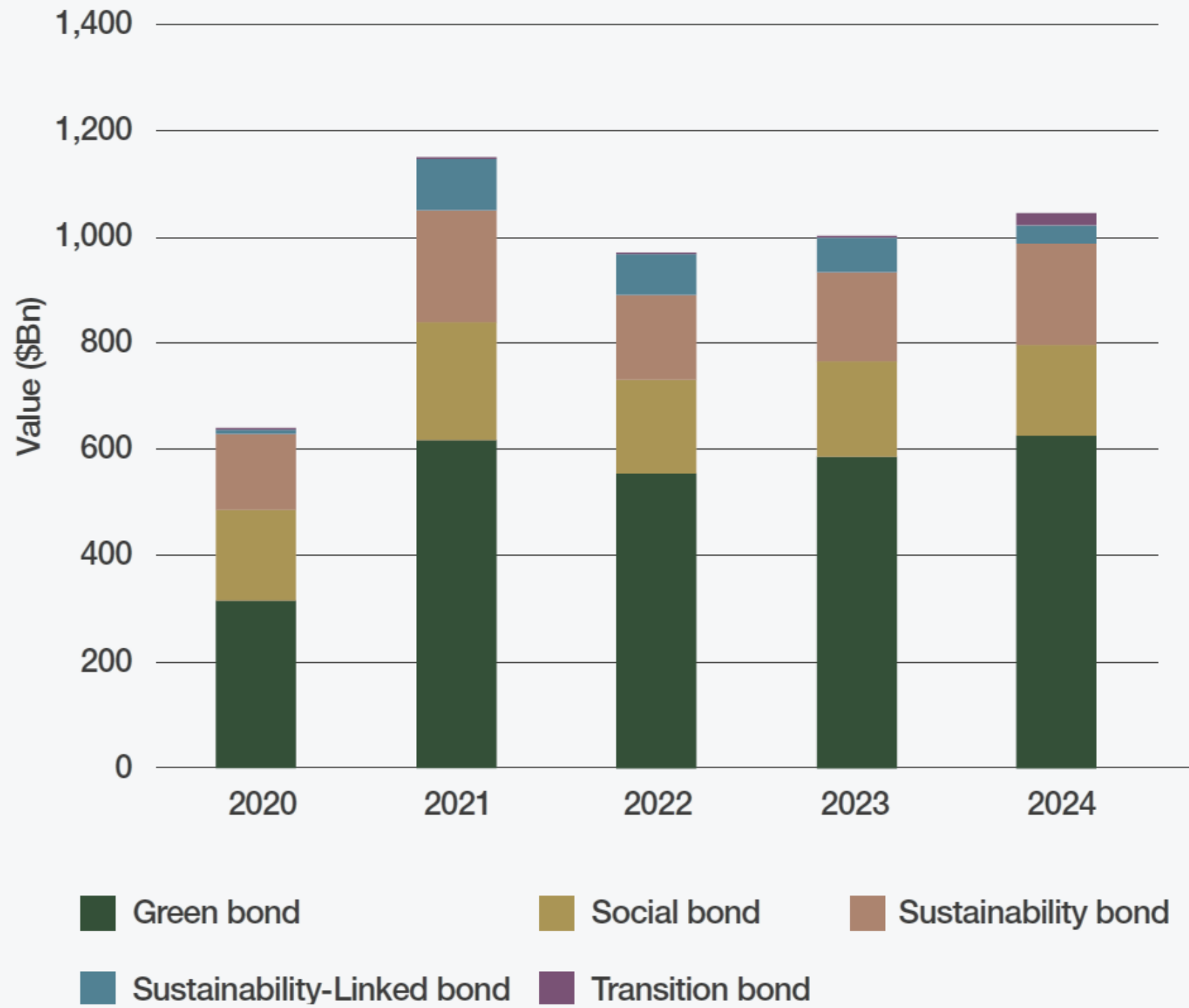


- financing for general corporate purposes
- financial and/or structural characteristics can vary depending on whether the selected KPI(s) reach (or not) the predefined SPT(s):
 - **financial**: coupon, premium payment
 - **non-financial**: purchase of carbon credit

Transition finance instrument



Annual issuance of sustainable bonds by label



Source: Japan Basic Guidelines on Climate Transition Finance

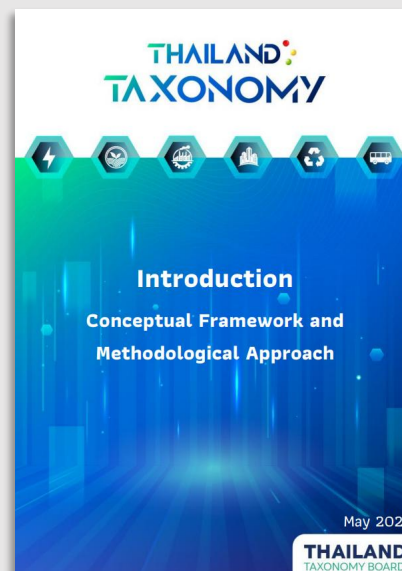
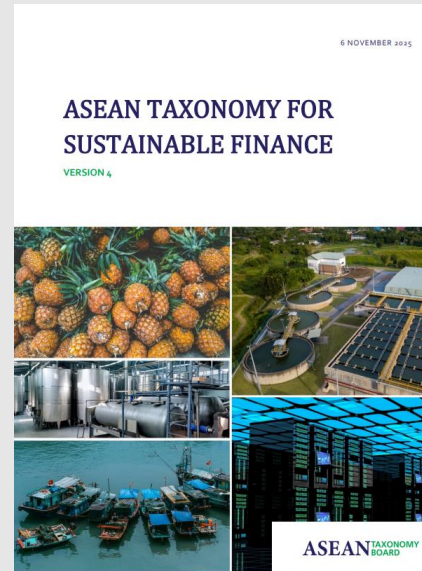
Source: Environmental Finance ‘Sustainable Bond Insight 2025’

Original concept of transition bond for Thailand

Nov 2025

May 2025

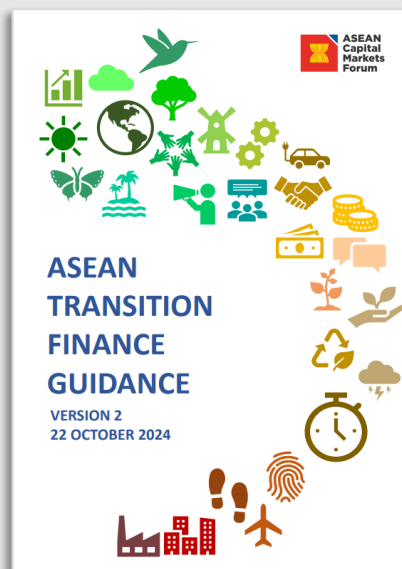
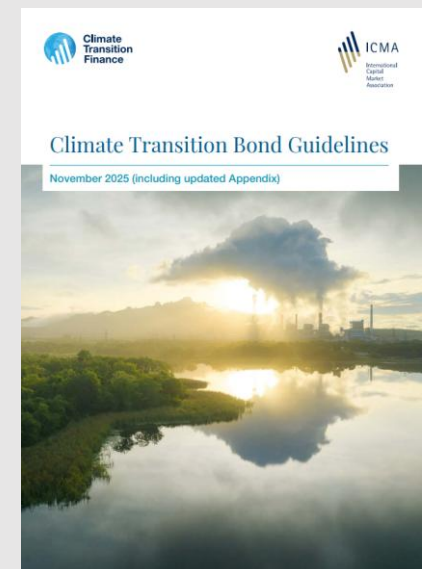
Leverage on Existing Frameworks



In collaboration with WG and sponsor (ADB, IFC, GIZ)

Capacity building

- Series of technical webinars
- E-learning
- E-material



In collaboration with GGGI

- **Manual for disclosure**
 - Mapping with IFRS S2
 - Views from stakeholders
- **Capacity building**
- **Pilot cases**

Nov 2025

EN: Oct 2024

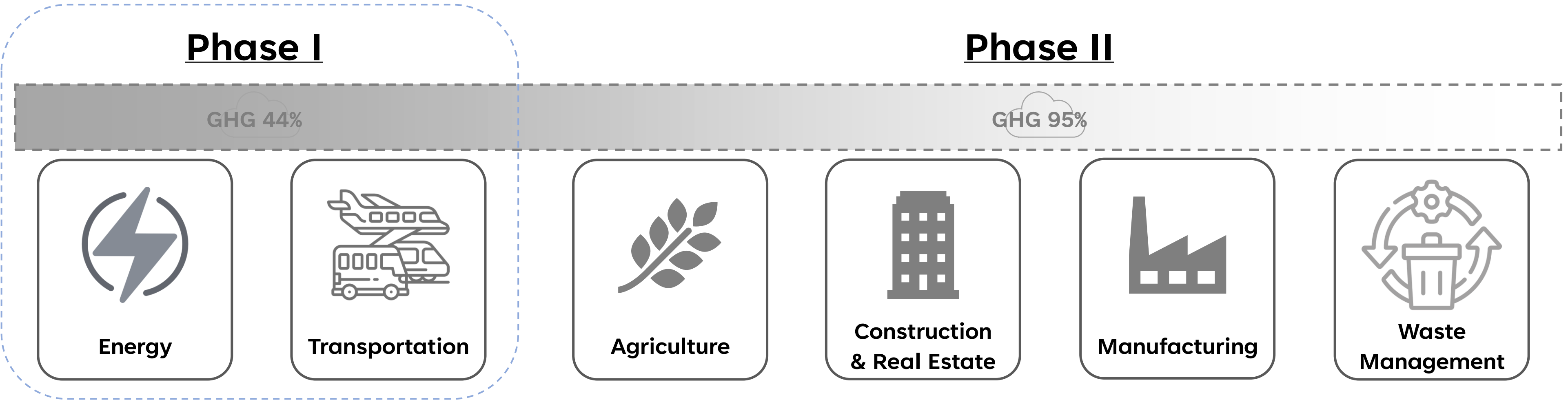
TH: Today!



**Transition Bond
(Use of Proceeds)**

Work in progress

Overview: Thailand Taxonomy



Green

Amber

Red

1. Substantially contribute

To at least one of the six environmental objectives

2. Do No Significant Harm (DNSH)

To any of the other five environmental objectives that are material

3. Minimum Social Safeguards (MSS)

Relevant Thai regulatory frameworks and policies,
Relevant internationally recognised principles and conventions

EO1 - Climate change mitigation

EO2 - Climate change adaptation

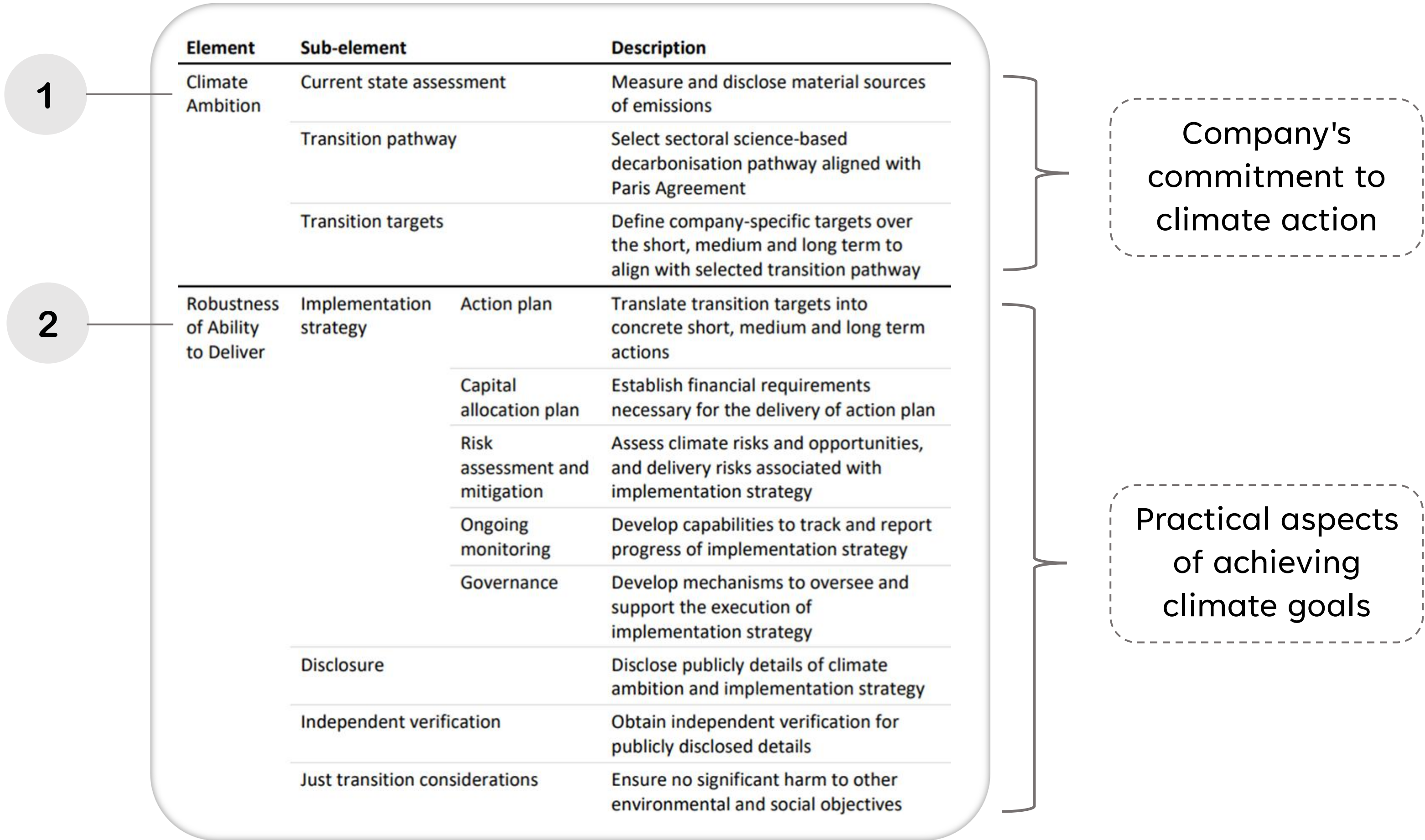
EO3 - Sustainable use and protection of marine and water resources

EO4 - Promotion of resource resilience and transition to a circular economy

EO5 - Pollution prevention and control

EO6 - Protection and restoration of biodiversity and ecosystems

ATFG: Elements of Credible Transition Plan



ATFG: Transition Tiers

A. Assess transition credibility

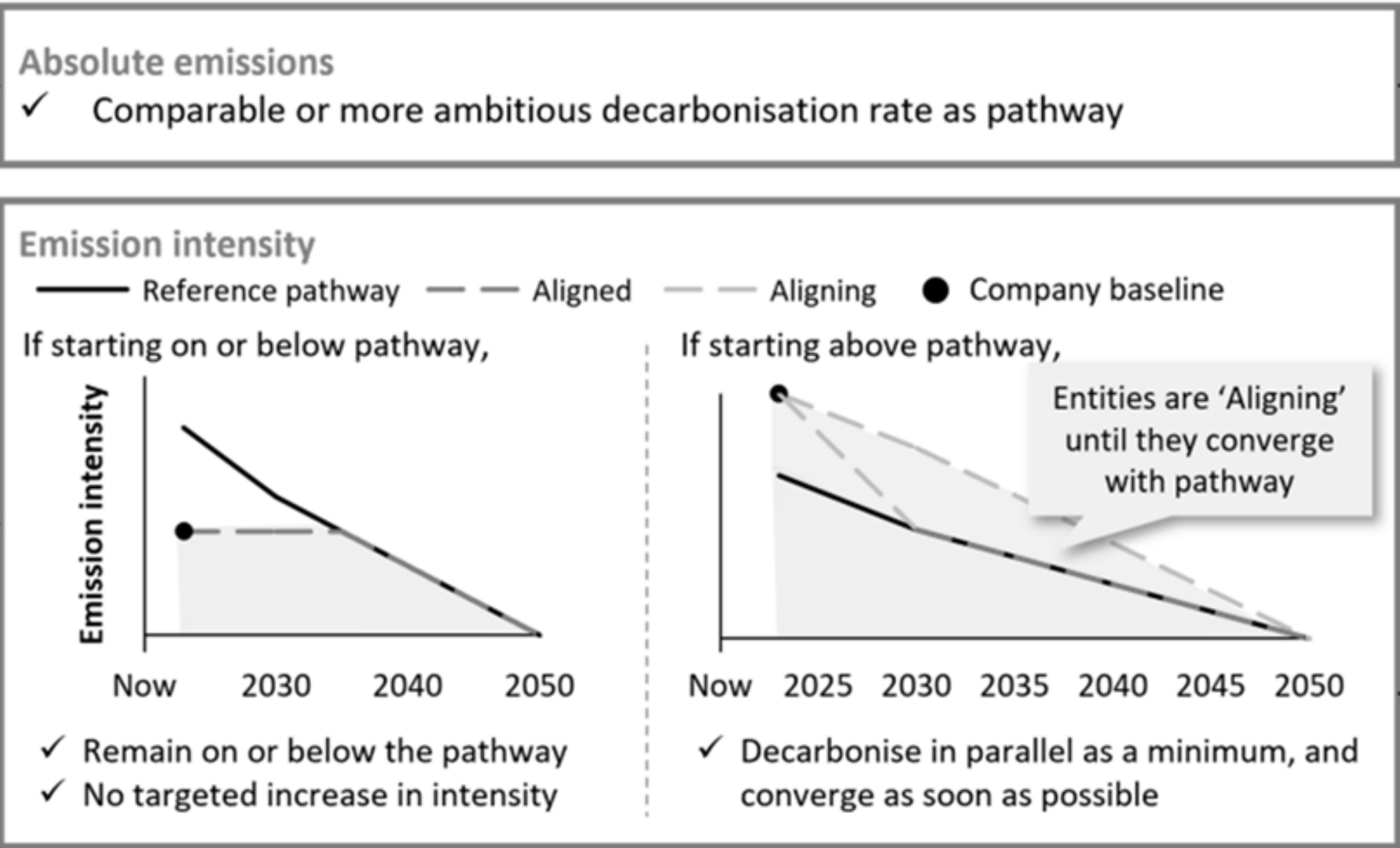
B. Evaluate transition targets against selected transition pathway

C. Identify transition pathway traits

Tier outcome

All criteria met (or otherwise clearly justified for lack of relevance or materiality)

Most but not all criteria met, with plan to remedy omissions in next 2 years *



- ✓ Science-based
 - ✓ 1.5°C at a minimum
- ✓ Science-based
 - ✓ Well below 2°C at a minimum

1.

Aligned and Aligning – 1.5°C

2.

Aligned and Aligning – Well below 2°C

3.

Progressing

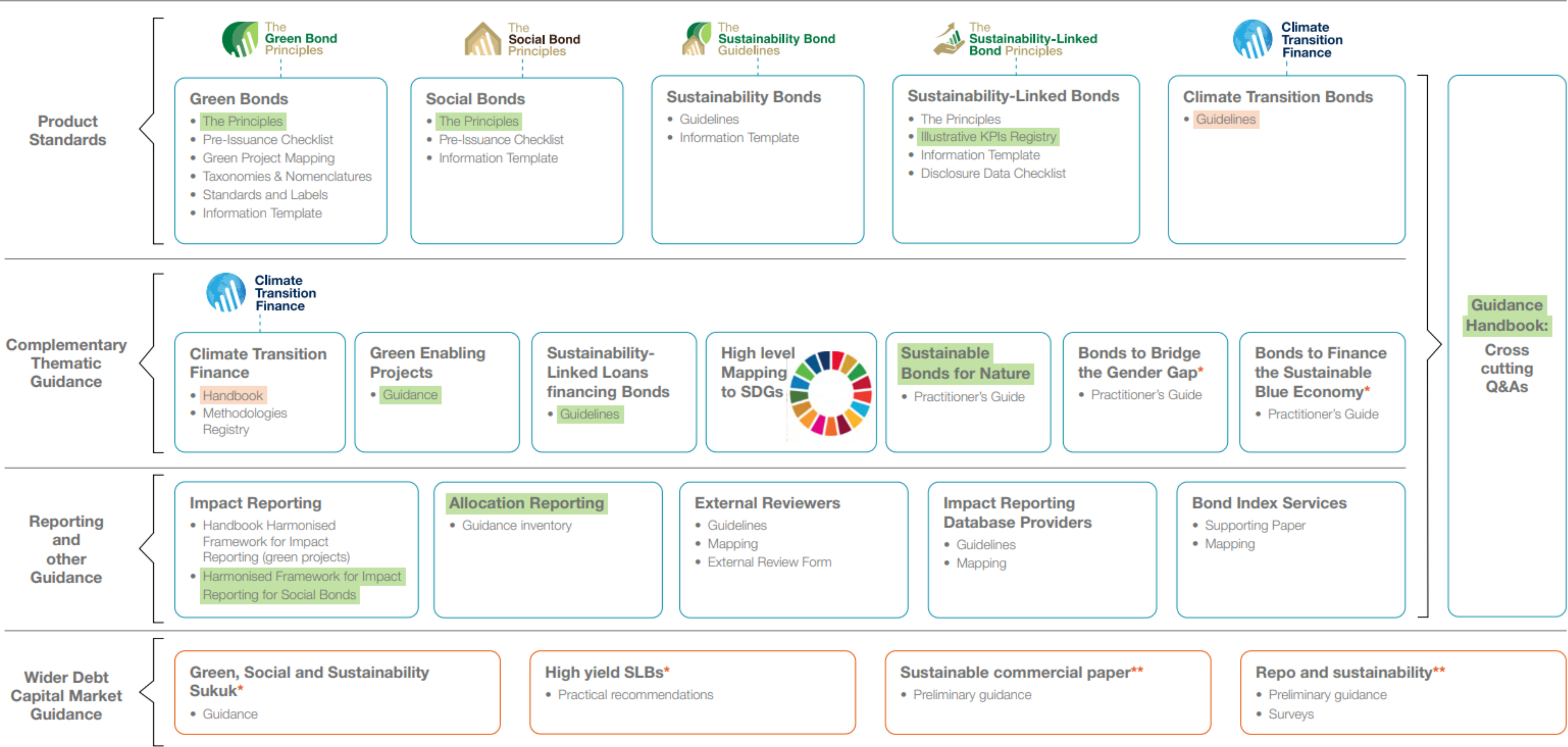
e.g., As entity starting above the pathway, interim targets do not at least decarbonise in parallel with pathway

e.g., Pathway published by government or industry body

Updated June 2025

Updated November 2025

Mapping of the Principles 2025



ICMA's Climate Transition Bond Guidelines



4 Core Components

Use of proceeds

Project evaluation and selection

Management of proceeds

Reporting

The preliminary and non-exhaustive list

- Carbon Capture, Utilisation and Storage (CCU, CCS), and carbon removal technologies
- Early retirement and decommissioning of high-emission assets
- Fossil fuel switch (e.g. coal to gas)
- Lower-carbon fuels
- Methane and flaring abatement in oil & gas infrastructure

Note: The Guidelines also acknowledge the difficulty of drawing a line between a Climate Transition (CT) Project and a Green Project and confirm that the ultimate classification remains with the issuer

Safeguards for CT Project

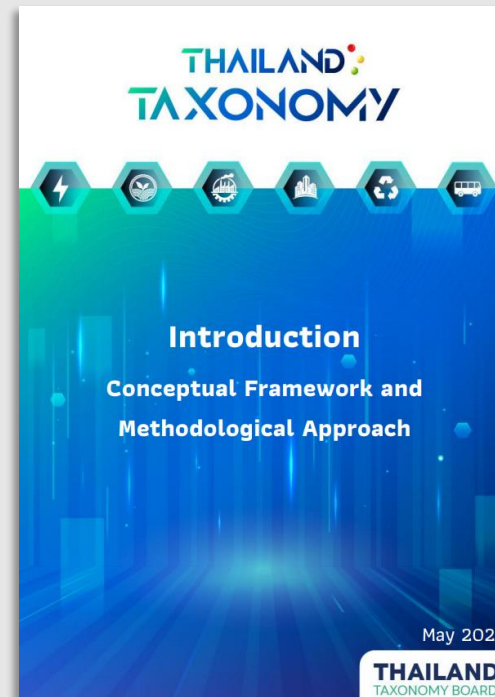
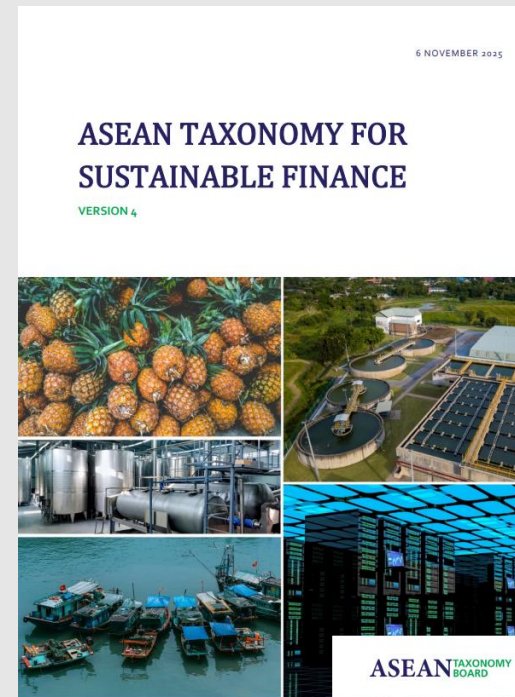
- Existence of an issuer-level sustainability and/or climate transition strategy to which the CT Projects contribute and incorporating disclosures which align on a best-efforts basis with the four key elements of the [Climate Transition Finance Handbook](#)
- Analysis supporting the technological and/or economic unfeasibility of low-carbon alternatives for the issuer
- Alignment or compatibility with official sector and market-based [taxonomies](#)
- Mitigation of substantial and quantifiable GHG emissions beyond business-as-usual (BAU),.
- Identification, analysis, best-efforts mitigation, and disclosure of carbon-lock in risks.

Potential concept of transition bond for Thailand

Leverage on Existing Frameworks

Nov 2025

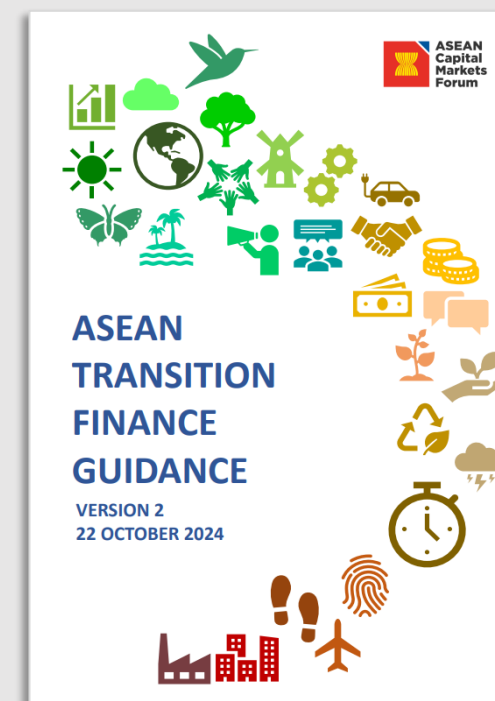
May 2025



In collaboration with WG and sponsor (ADB, IFC, GIZ)

Capacity building

- Series of technical webinars
- E-learning
- E-material



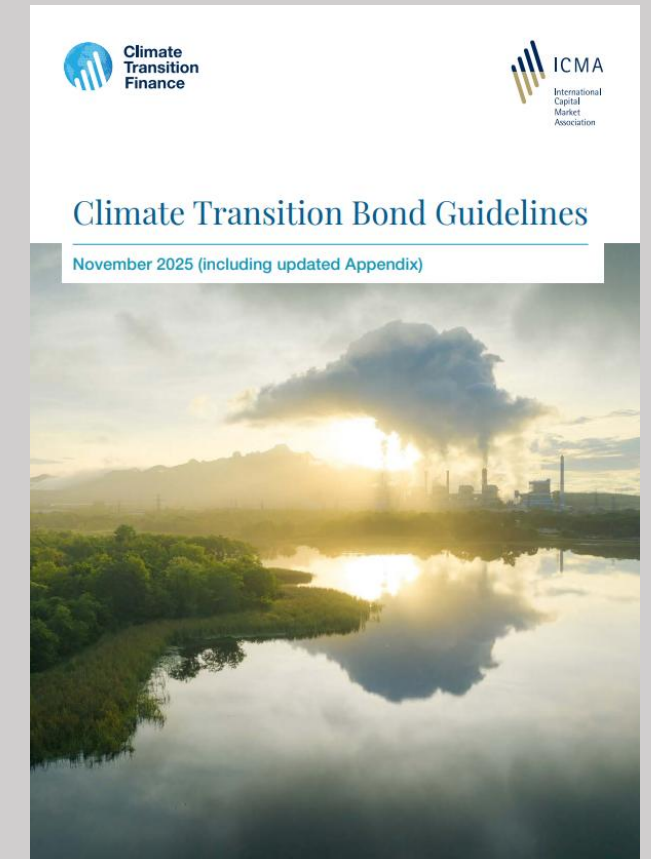
In collaboration with GGGI

- **Manual for disclosure**
 - Mapping with IFRS S2
 - Views from stakeholders
- **Capacity building**
- **Pilot cases**

Nov 2025

EN: Oct 2024

TH: Today!



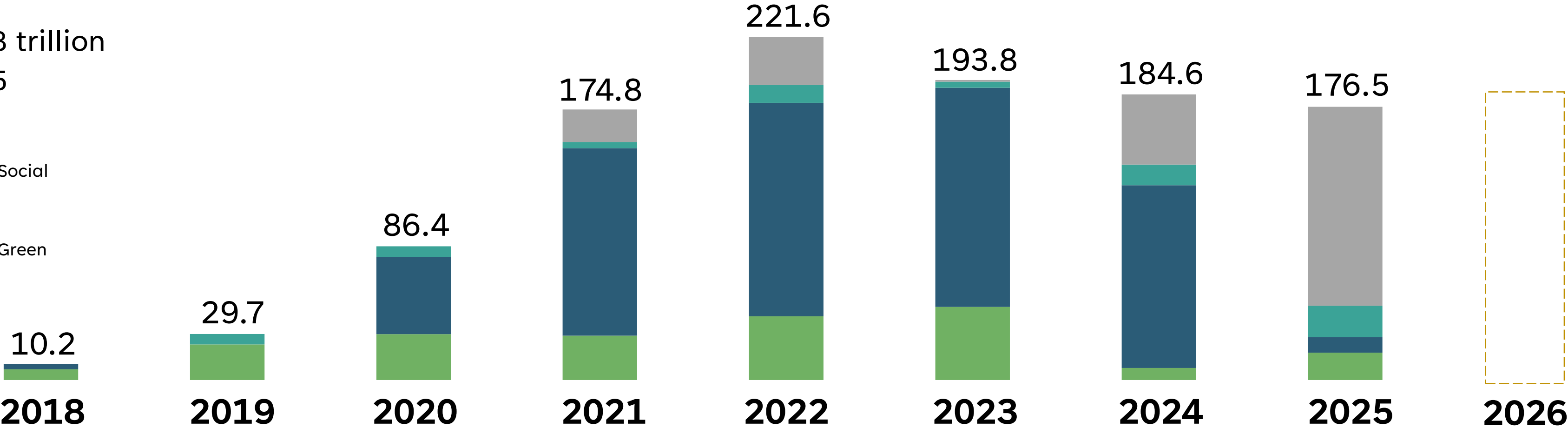
Transition Bond (Use of Proceeds)

Issuance value: ESG bonds



Total THB 1.08 trillion
As of Oct 2025

- Sustainability-linked
- Social
- Sustainability
- Green



ESG bond (supply)

Green Bond

Social & Sustainability Bond

Sustainability-linked Bond (SLB)

Zero coupon SLB

...Transition bond

Fund (demand)

[AUM: THB a.o. 24 Oct 2025]

Sustainable and Responsible Investing (SRI) Fund [106 bn]

ThaiESG [42 bn]

Incentives

SEC: Fee waiver scheme

CMDF & ThaiBMA: ESG Bond Issuance Grant Scheme

Thailand Transition Finance Guidance - *Comparison of ATFG v2 and IFRS S2 Overview*

GGGI Thailand

Background

Background on SEC Thailand's Initiative on Transition Plan Disclosure



Mar '25
Translation of the
ASEAN
Transition
Finance Guide v2

Apr - May '25
Conducted in
depth mapping
of ATFG v2 and
IFRS S2

Jul '25
Round table
session to gather
inputs from
investors and
issuers during the
GFANZ-UNEPFI-
SEC event

Aug - Dec '25
Drafting of
comparison piece
and internal
reviews

Dec '25
Stakeholder
feedback forum
and additional
review of the
Guide

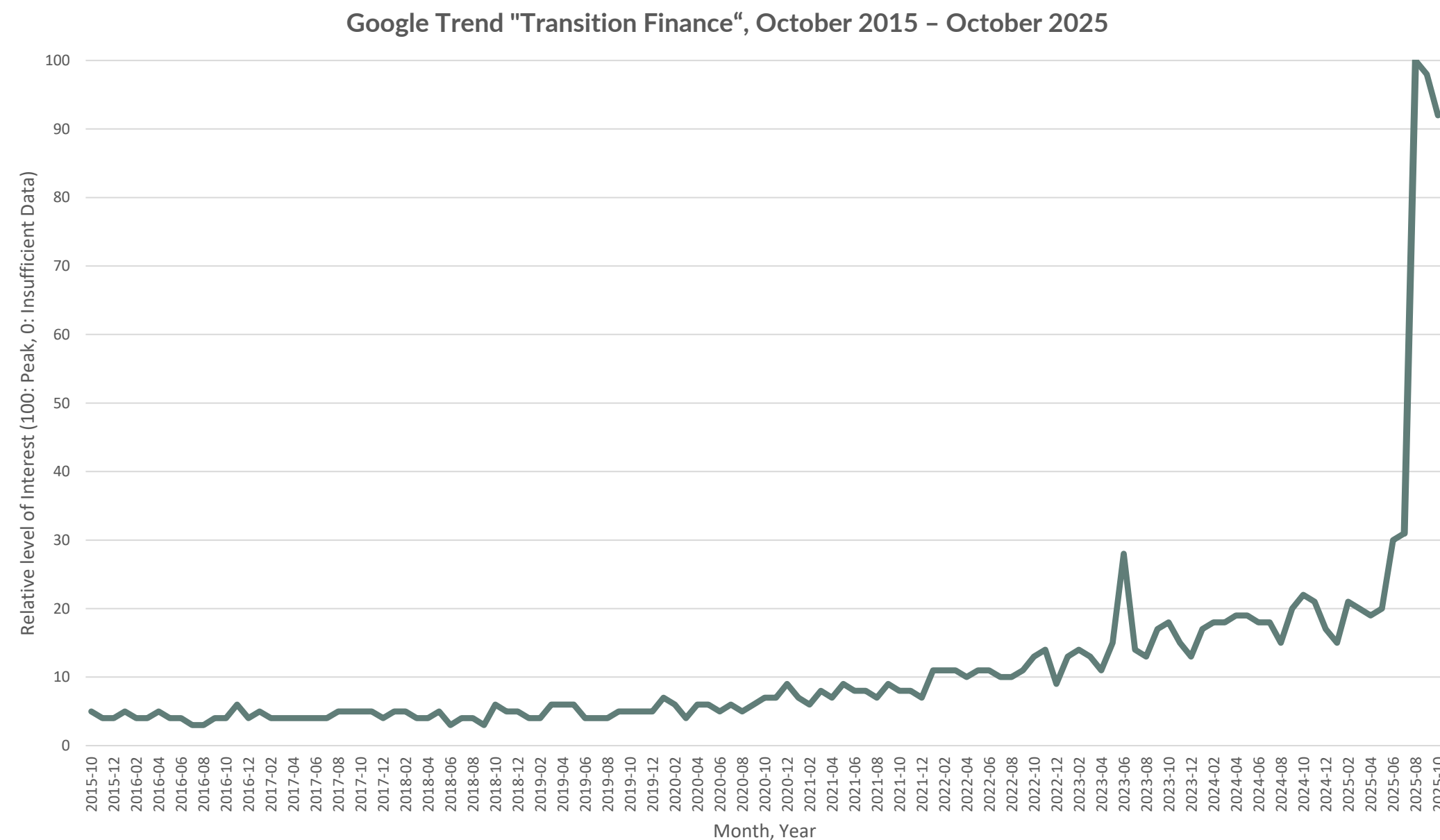
FY '26 -27
*SEC Thailand
plans to amend
the regulation to
allow the
issuance of
Transition Bonds*

Overview

Why Transition Finance Matters for Businesses



Transition Finance is becoming a central requirement for companies as the markets are increasingly expecting companies to demonstrate credible, time-bound pathways towards decarbonization.



Source: [Google Trends](#), Oct 2015 – Oct 2025

Remarks: Search interest is displayed on a relative scale from 0-100, with 100 representing peak interest.

Why This Matters Now

- ASEAN Transition Finance Guidance (ATFG v2) was introduced to help companies develop robust transition plans.
- IFRS S2 is emerging as the *mandatory climate-related disclosure foundation* in Thailand with SEC Thailand indicating soon-to-adopt timeline.
- Companies will need to provide transparent, consistent and comparable climate disclosures.

Search Interest Signals

- Search-interest for the term “transition finance” (Global search from Oct 2015 – Oct 2025) shows clear upwards trajectory.
- Demonstrates market interest towards this topic.
- Increase in interest may also support argument that companies pursuing “transition finance” may face greater scrutiny as interest intensifies.

Overview

Why Transition Finance Matters for Businesses

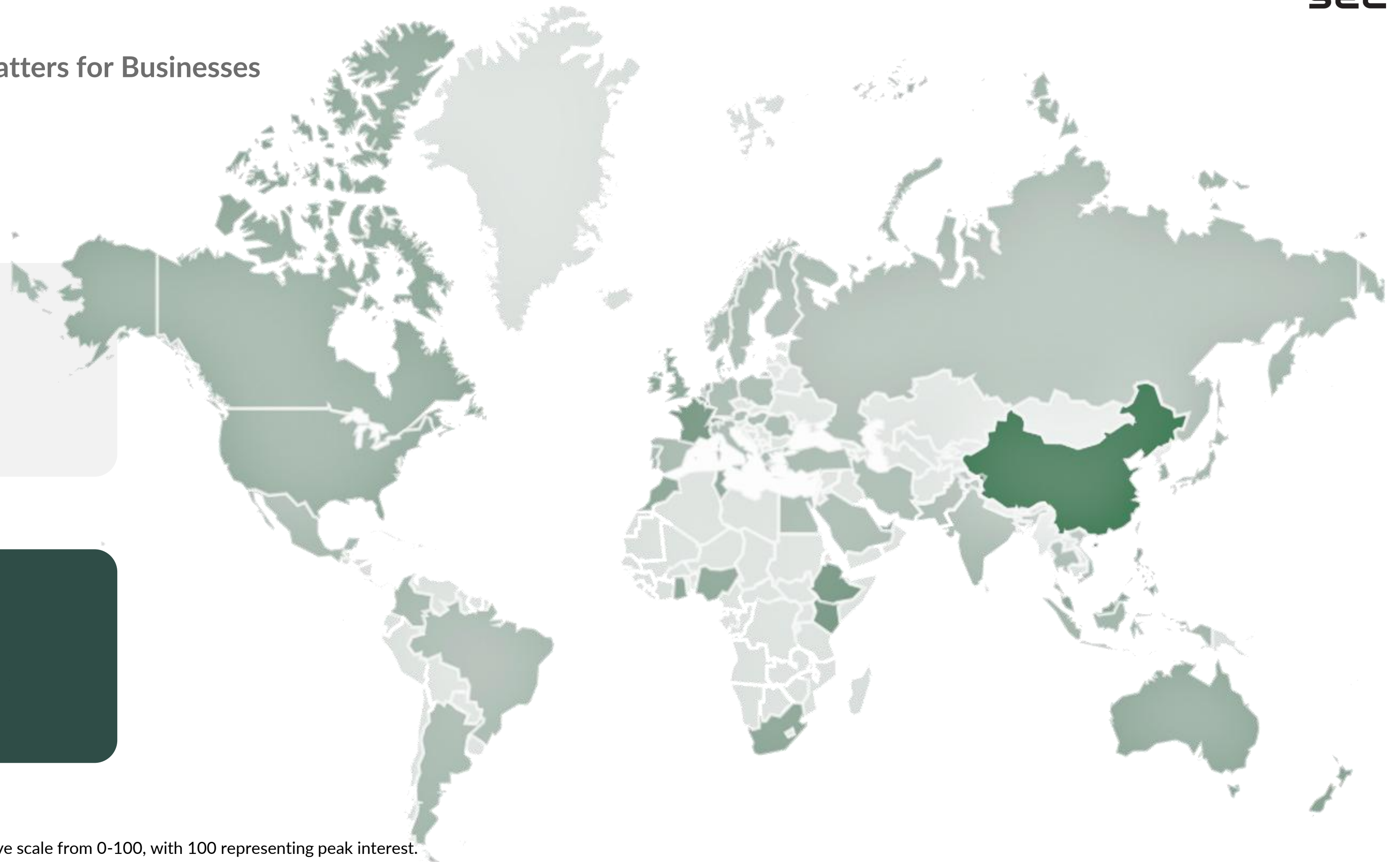


Top Interest by City

1. California
2. Singapore
3. Washington
4. London
5. Paris

Top Interest by Region

1. Luxembourg
2. Singapore
3. St. Helena
4. China
5. Hong Kong



Source: [Google Trends](#), Oct 2015 – Oct 2025

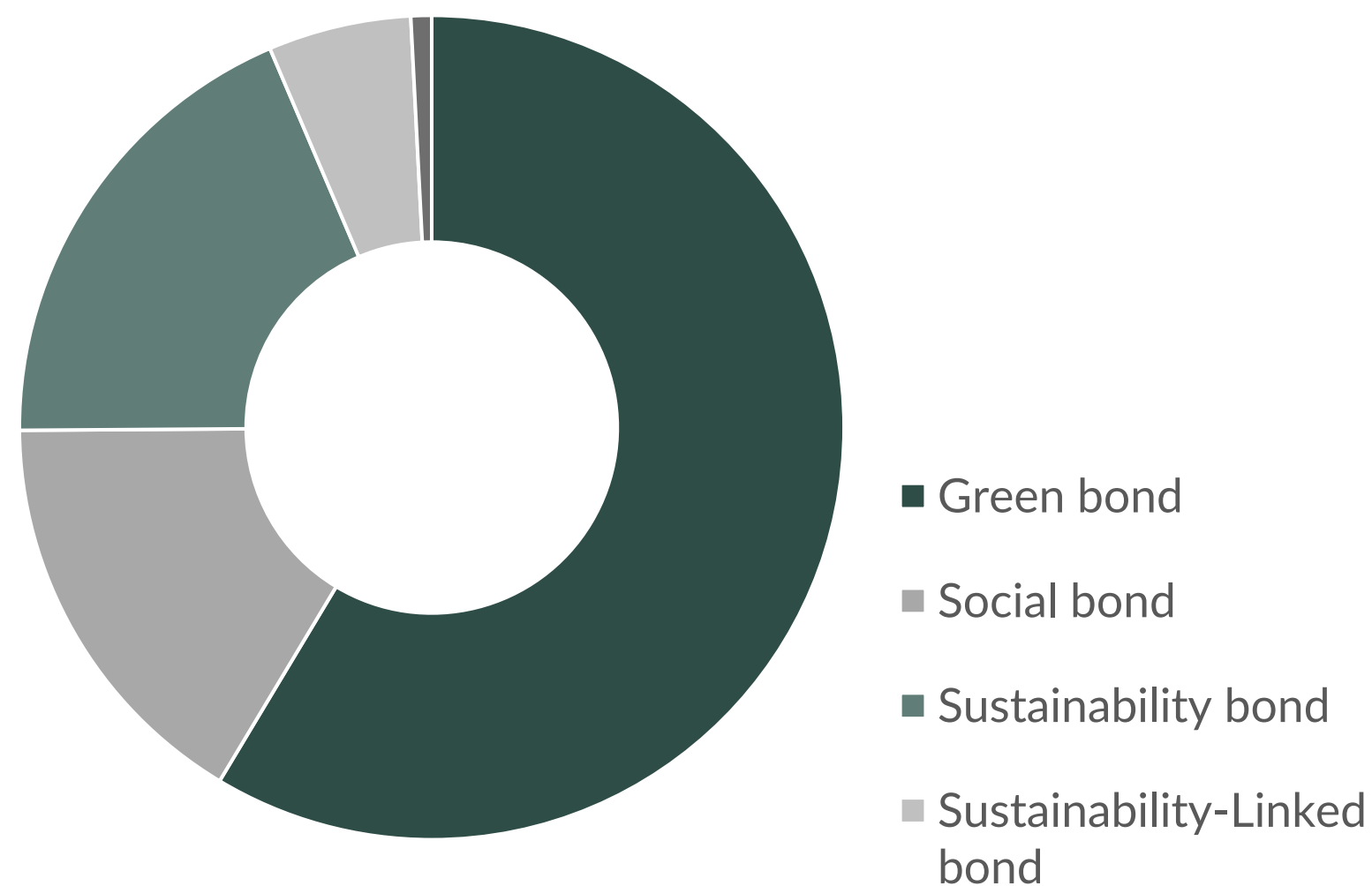
Remarks: Search interest is displayed on a relative scale from 0-100, with 100 representing peak interest.

Overview

Bond Market (“Transition” Labelled Instrument v/s Green and Sustainability)

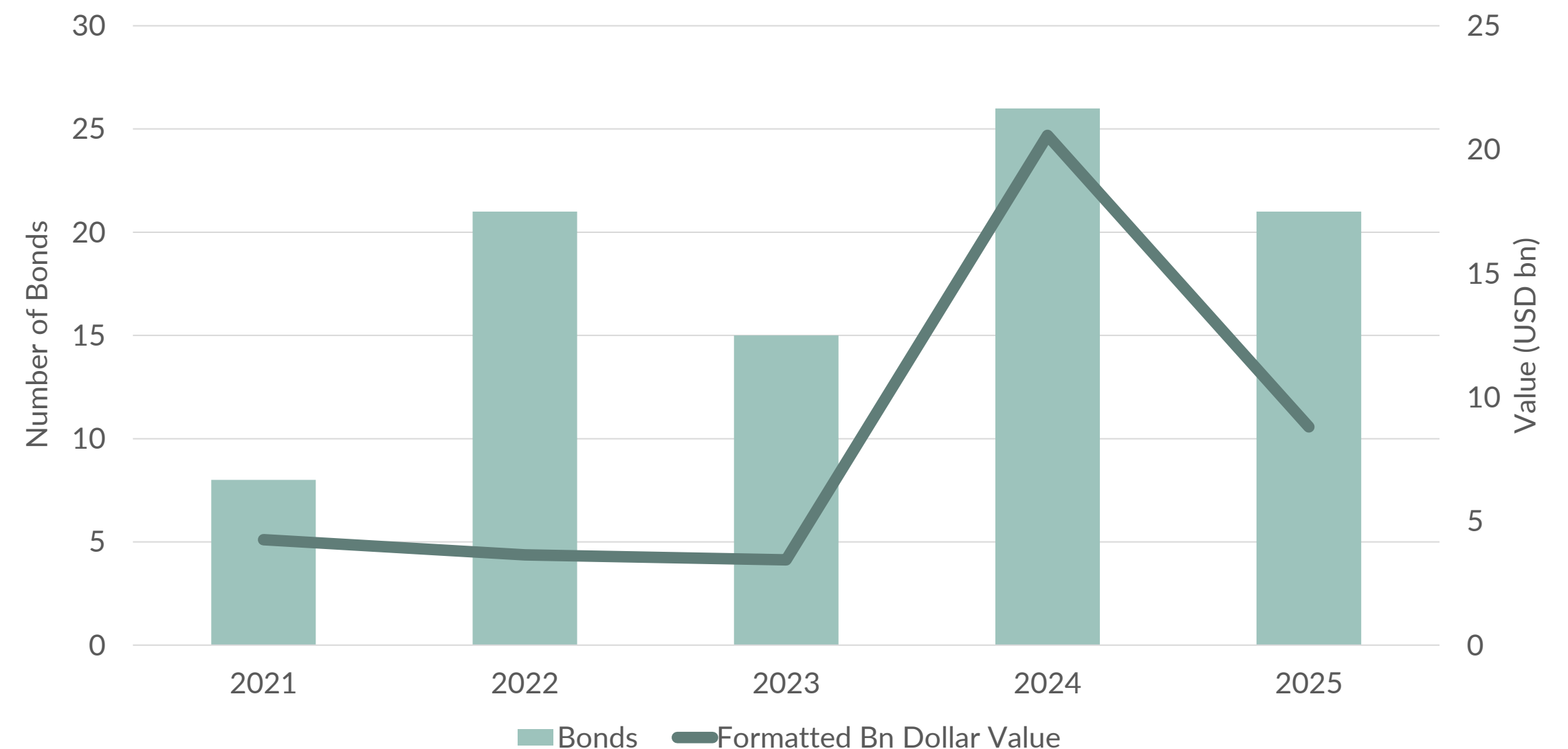
- Global GSS+ market has exceeded USD 5.2 trillion, with green bonds being the dominant instrument.
- According to Environmental Finance Data, Transition Bond accounts for only 1%.
- Japan leading momentum with Government of Japan issuing world’s first sovereign transition bond. February 2024, Ministry of Finance of Japan issued JPY799.5 billion (USD5.3 billion) climate transition bond.

Total Outstanding Business Value (Bn Dollar Value)



Source: [Environmental Finance Data](#)

Transition Bond Market Growth



Overview

Why Transition Finance Matters for Businesses

1) ASEAN's emission profile largely consist of hard-to-abate sectors (including Thailand) and requires transition finance to reduce emissions.

- Instead of penalizing hard-to-abate industries for their current emissions profile, transition finance incentivizes forward-looking strategies.
- Hard-to-abate sectors will need to invest in technologies that are not fully decarbonized yet (e.g., clinker substitution for cement or CCUS etc.)
- ASEAN Taxonomy and Thailand Taxonomy both incorporate “amber/ transition” categories.



2) Transition finance is the mechanism that connects today's economy with future net-zero pathways

- Help ensure adequate channels available to support investments and financial flows.
- Bridge gap for activities that are currently not classified as “green”.
- Emphasize that transition-related financing is credible (e.g., backed by a robust transition plan)

Examples of Standards on Transition Finance to ensure credibility.

- ASEAN Capital Market Forum, ATFG v2
- Climate Bonds Initiative, Transition Finance for Transforming Companies
- G20 Transition Finance Framework
- GFANZ, Scaling Transition Finance and Real-economy Decarbonization
- ICMA, Transition Principles
- METI, Fundamental Review of Transition Finance
- OECD, OECD Transition Finance Guidance

Overview

Disclosure Standards



- Governance
- Strategy
- Risk Management
- Metrics and Target

- Global baseline standard for climate-related disclosures.
- Core objective is to provide consistent, comparable and decision-useful information for stakeholders can assess a company's exposure to climate risks.
- Demonstrate linkages of climate-related risks and opportunities with entity's cash flow, access to finance or cost of capital



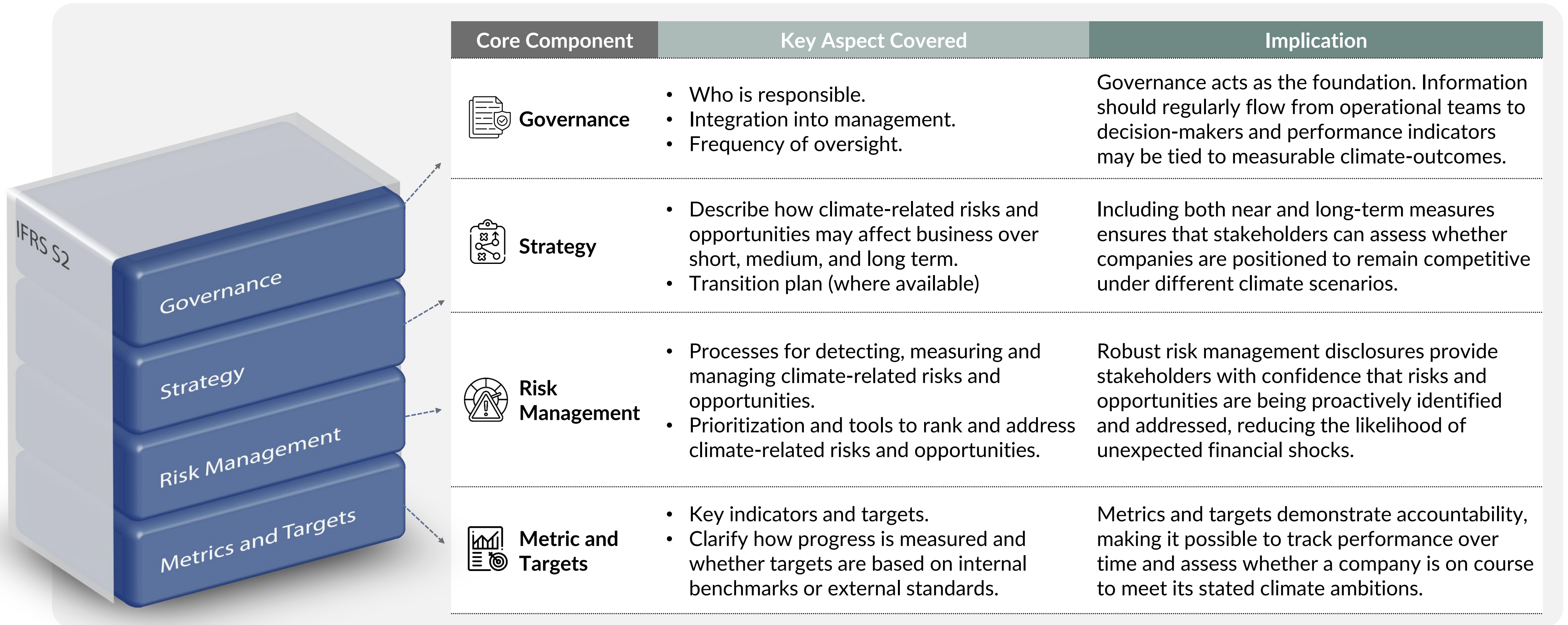
Element 1: Climate Ambition

Element 2: Robustness of Ability to Deliver

- ACMF Action 2026-2030 (published in November) explicitly mention about implementation of transition in Initiative 2.1.1 (page 29)
- ASEAN's regional guidance for companies to develop a credible, time-bound transition pathways.
- Details components of a robust transition plan.
- References disclosure frameworks such as IFRS S2, to strengthen transition plan while reducing disclosure efforts.

Guide Overview

IFRS S2



Guide Overview

ATFG v2



ATFG v2 designed to be principled and pragmatic. The four characteristics set the tones for ATFG v2's flexible application as follows:

01

Voluntary

The guidance is not binding but intended to be applied in conjunction with local, national or company-level frameworks.

02

Interoperable

It builds on existing transition finance guidance and climate disclosure frameworks, enabling compatibility with global initiatives without reinventing established norms.

03

Practical

Recognizing the diversity in market readiness, the ATFG v2 offers hands-on direction on how to identify and use existing tools, such as taxonomies, sectoral pathways or science-based targets.

04

Flexible

It allows discretion in application, especially for companies in developing ASEAN markets that may face data gaps or lack climate disclosure maturity.

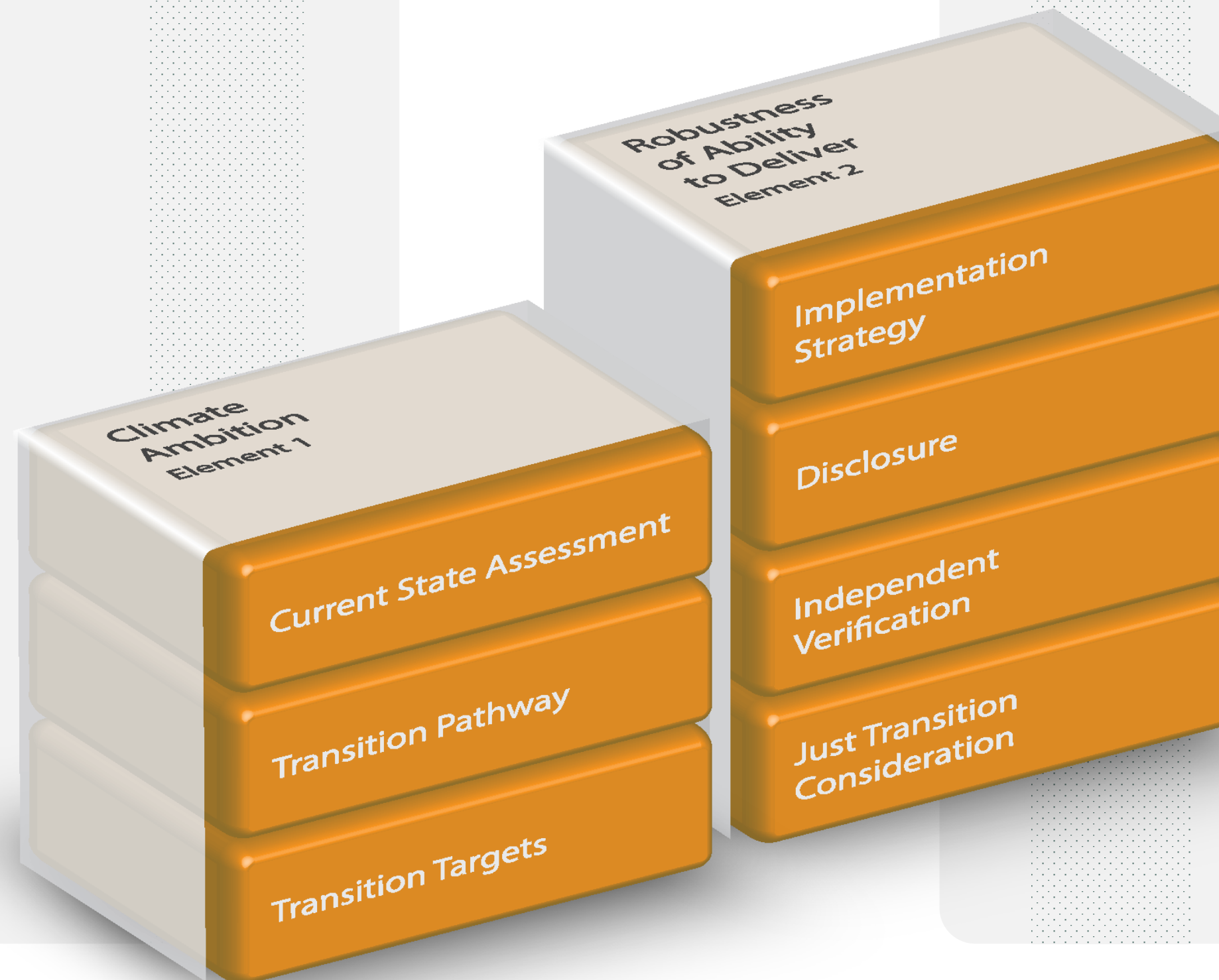
Guide Overview

ATFG v2: Two Step Structure



Element 1

- Conducting a current state assessment. Understanding the company's existing emission profile and baseline.
- Selecting appropriate transition pathway(s).^w Referencing sector-specific science-based pathways which could be sector- or region-specific, if relevant and available.
- Setting transition targets that are specific and time bound.



Element 2

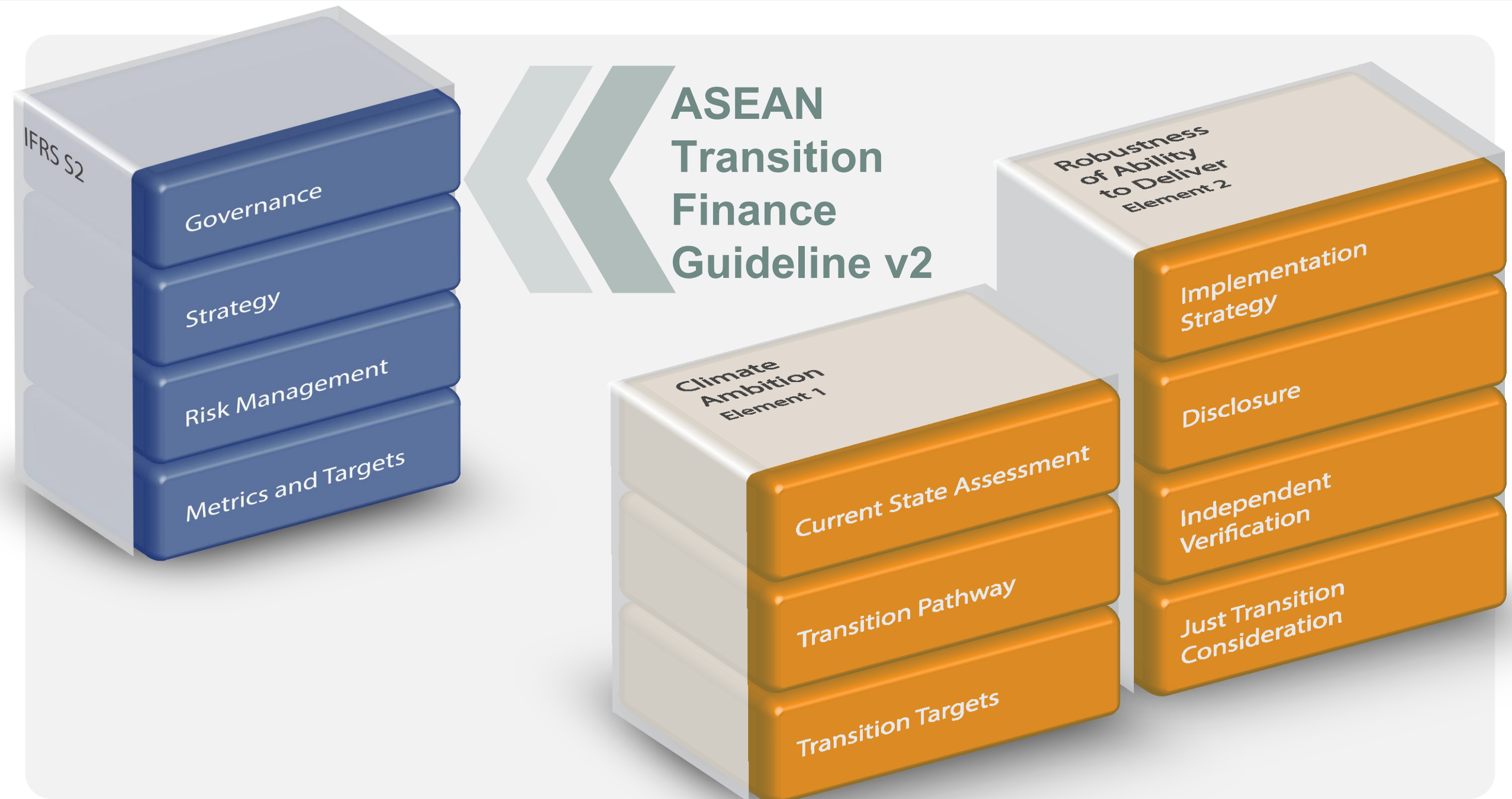
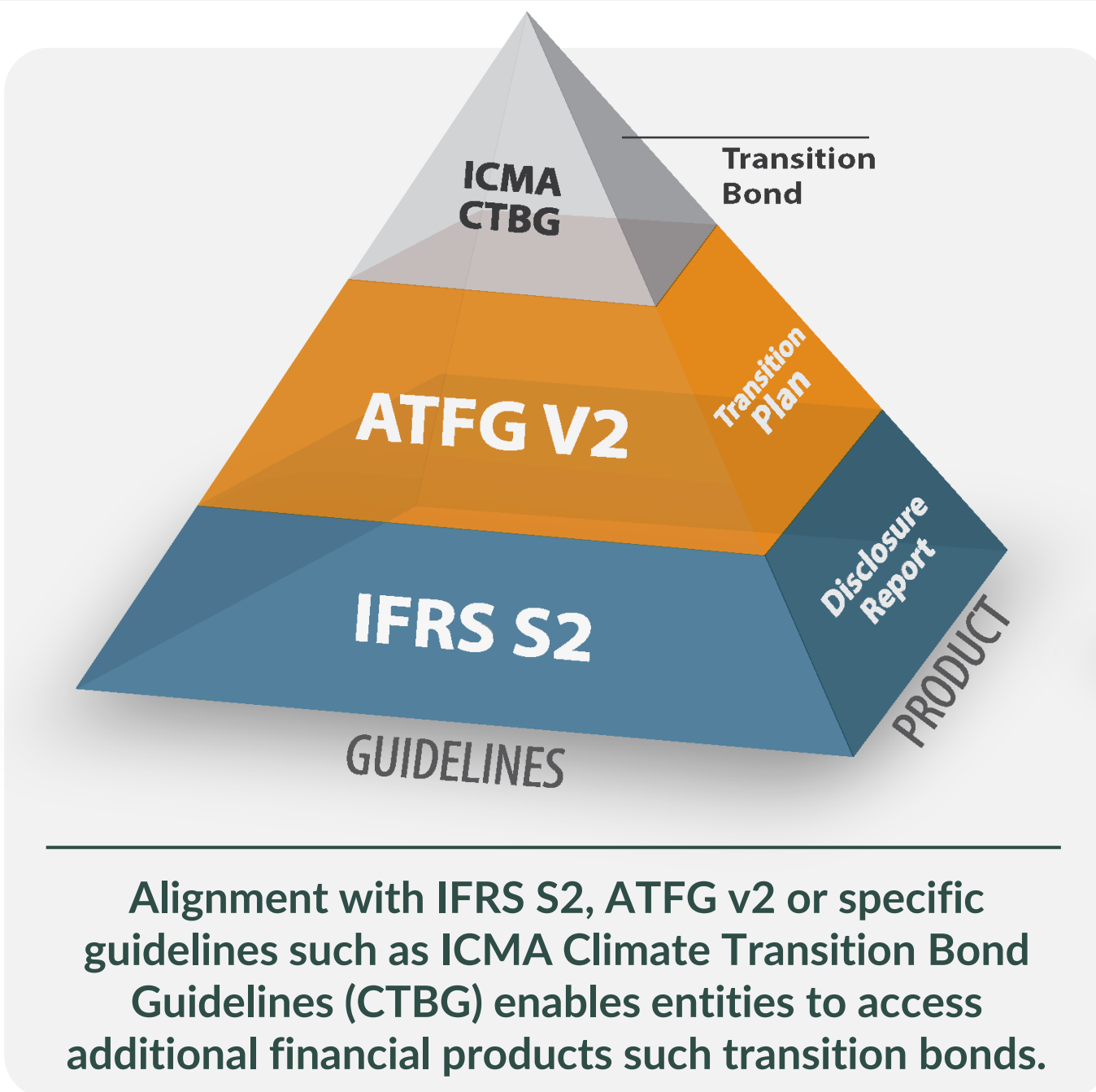
- Developing a detailed implementation strategy - outlining how targets will be achieved.
- Providing transparent disclosures. Reporting clearly on transition plans, milestones, and progress achieved.
- Obtaining independent assurance or verification of transition plan.
- Incorporating *just transition* considerations.

Guide Overview

Linking IFRS S2 and ATFG v2



ATFG v2 complements the IFRS S2 foundation by going a step further by providing regionally tailored guidance on how such disclosures can be translated into credible transition activities. Emphasizing the need to connect climate ambition to financing, demonstrate robustness of delivery, and classify transition plans through its tiered system.



Guide Overview

Structure and Core-Contents



1. Introduction

2. OBJECTIVE AND SCOPE

3. Overview of Reporting Guidelines

3.1 ATFG v2

3.2 IFRS S2

3.3 Consideration when applying ATFG v2

4. Mapping of ATFG v2 vs IFRS S2

4.1 Mapping Methodology

4.2 Summary of Mapping

4.3 Where ATFG v2 introduces additional requirements compared to IFRS S2

Annex

Objective of the Guide

- **Understand** the key elements of IFRS S2 and ATFG v2.
- **Compare** the requirement of IFRS S2 and ATFG v2
- **Decide** how best to use ATFG v2 to develop/enhance their IFRS S2 disclosures on transition plans.



Stakeholder Feedback and Discussion

GGGI Thailand

Guide Overview

Combining the Building Blocks



“I already need to report according to IFRS S2, what more do I need to prepare to do to prepare a Transition Plan according to ATFG v2?”



Mapping Methodology

Mapping Methodology



Note: Annex of the detailed mapping will be shared once the Paper is published

IFRS S2	ATFG v2	Alignment	Notes
1. Objective The objective of IFRS S2 Climate-related Disclosures is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	N/A <i>since this is an overview paragraph.</i>		
2. This Standard requires an entity to disclose information about 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 the short, medium or long term. For the purposes of this Standard, these risks and opportunities are collectively referred to as 'climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects'. ¹	N/A <i>since this is an overview paragraph.</i>		
3. Scope This Standard applies to:			
(a) climate-related risks to which the entity is exposed, which are: (i) climate-related physical risks; and (ii) climate-related transition risks; and (b) climate-related opportunities available to the entity.	4.3.1.3 Risk Assessment and Mitigation	Aligned	<ul style="list-style-type: none"> ATFG v2 requires "climate-related opportunities and risk assessment" be conducted for companies to demonstrate their "robustness of ability to deliver (i.e., Element 2)." In conducting the assessment, ATFG v2 asks companies to refer to IFRS S2 for detailed guidance, as the methodology for assessing and managing climate-related risks and opportunities.
4. Climate-related risks and opportunities that could not reasonably be expected to affect an entity's prospects are outside the scope of this Standard.	2 Scope	Aligned	<ul style="list-style-type: none"> Similar to IFRS S2, ATFG v2 does not require companies to disclose risks and opportunities unrelated to climate, instead focuses on climate-related risks and opportunities that are relevant and material to the companies.
5. Governance The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.	4.3.1.5 Governance	Additional	<ul style="list-style-type: none"> IFRS S2 simply requires an entity to disclose whatever governance mechanism it has operating to oversee climate-related risks and opportunities - it focuses on processes, controls and procedures. ATFG v2, however, considers governance as part of the implementation strategy which is part of the robustness of ability to deliver and therefore requires companies to actively establish <u>robust</u> climate-specific governance structures (pg. 46). Moreover, ATFG v2 expects the company to do more with respect to climate-related governance structures if its transition plan involves a "fundamental pivot in their business model" (pg. 46).

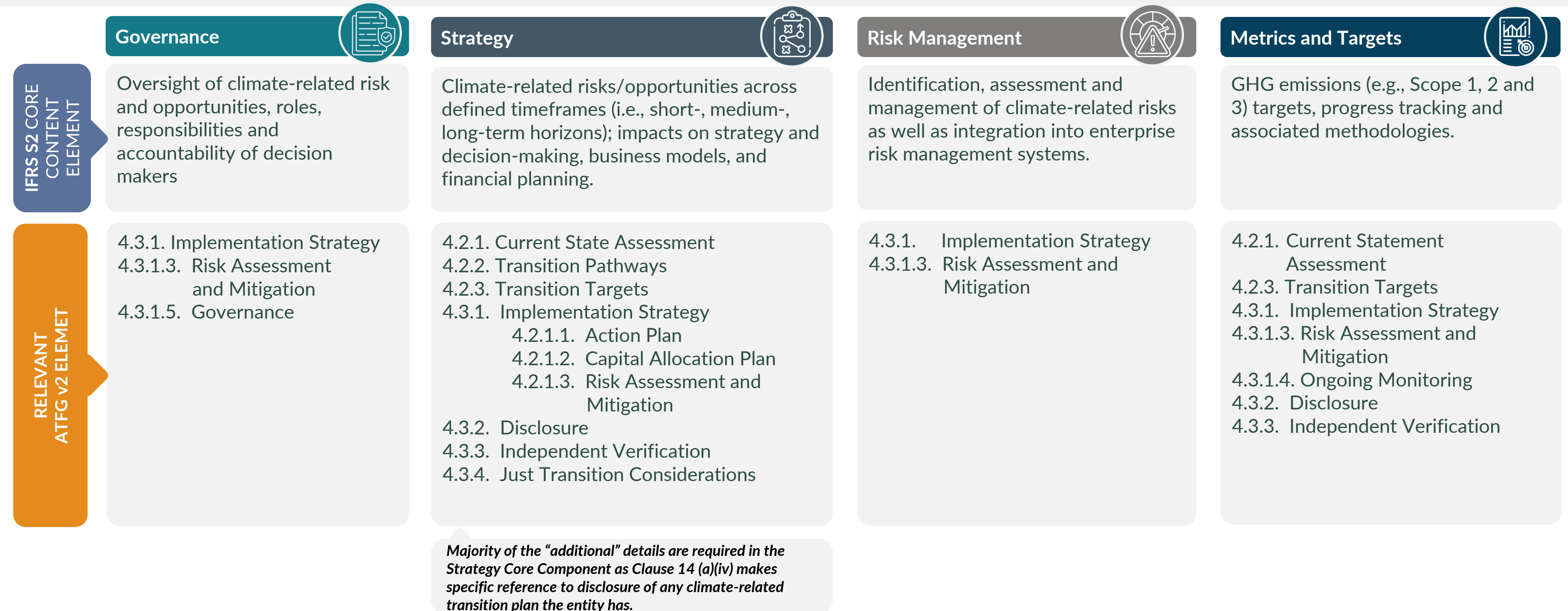
Alignment Definition:

Additional	ATFG v2 has additional requirements to the IFRS S2 paragraph.
Aligned	ATFG v2 is aligned with the IFRS S2 paragraph.
Silent	ATFG v2 does not have any corresponding requirements related to IFRS S2 paragraph.

Mapping Methodology

Summary of Mapping

Overview of how each section in the ATFG v2 supports disclosure required in the IFRS S2.



Governance

ATFG v2 Additional Requirements to IFRS S2

EXPLANATORY NOTE

- **“Core content elements”.** IFRS S2 has four areas of disclosure. These are called “*core content elements*” and are listed below:
 1. Governance (paras. 5-7)
 2. Strategy (paras. 8-23)
 3. Risk Management (paras. 24-26)
 4. Metrics and Targets (paras. 27-37)
- **What the diagram shows.** It shows that ATFG v2 has additional requirements on governance compared to IFRS S2.
- **What the additional requirements are.** In brief,
 - **IFRS S2** requires disclosure of how climate-related risks and opportunities are overseen by an entity’s governance bodies and management, and how such matters are incorporated into decision-making
 - **ATFG v2** is more prescriptive in term of implementing transition plan. It requires companies to establish robust governance mechanisms that can effectively execute the implementation strategy.



Strategy

ATFG v2 Additional Requirements to IFRS S2

EXPLANATORY NOTE

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 2. Strategy (paras. 8-23)
 3. Risk Management (paras. 24-26)
 4. Metrics and Targets (paras. 27-37)
- **What the diagram shows.** It shows that ATFG v2 has additional requirements on strategy compared to IFRS S2.
- **What the additional requirements are.** In brief,
 - **IFRS S2** establishes a baseline for companies to disclose strategy on managing climate-related risks and opportunities, and if available, their transition plan.
 - **ATFG v2** amplifies this by being prescriptive on the details expected to be incorporated in a company’s transition plan (e.g., company’s current state, transition targets, and strategy to deliver, disclosure, independent verification and *just transition*).



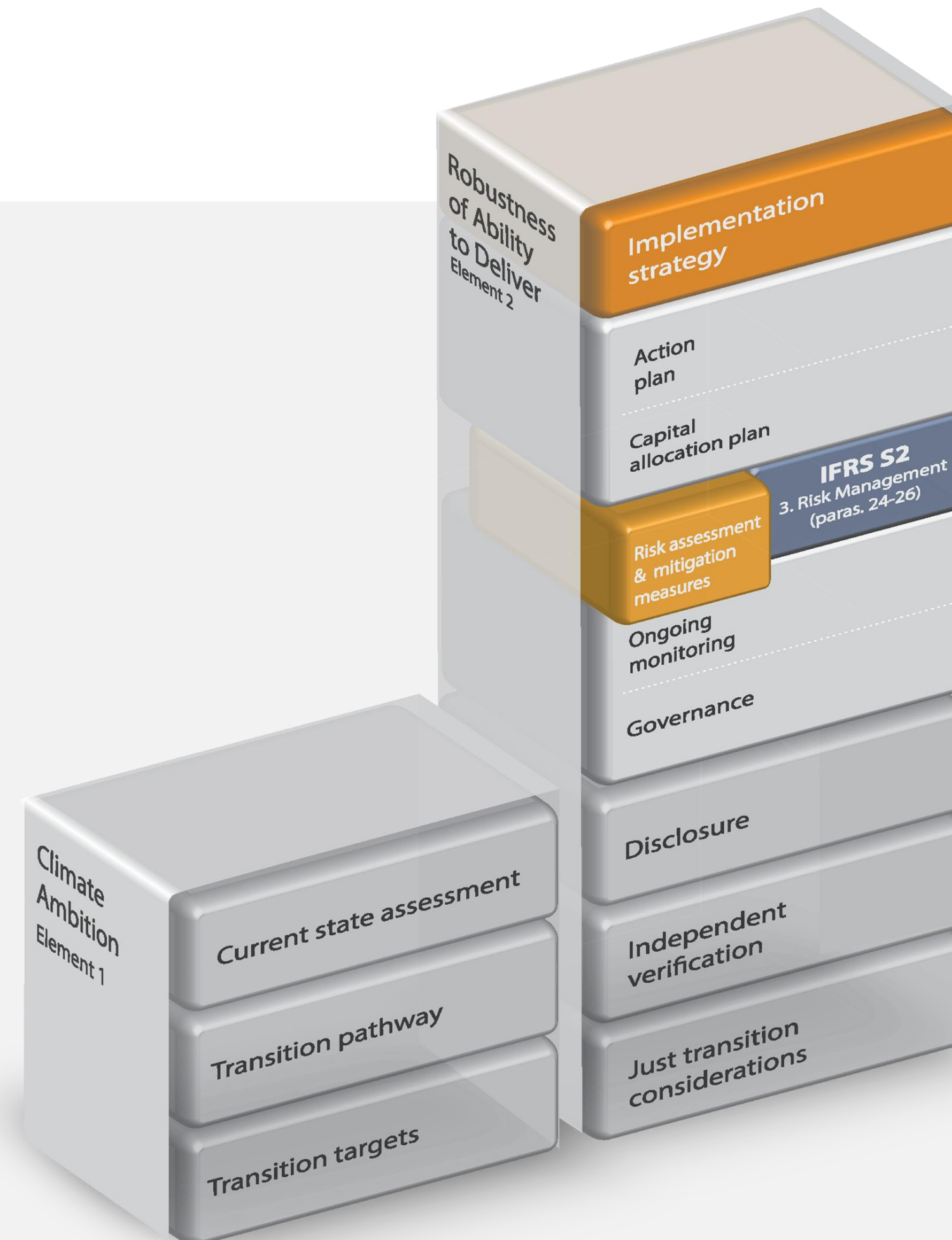
Additional Requirements to IFRS S2

Risk Management

ATFG v2 Additional Requirements to IFRS S2

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 4. Metrics and Targets (paras. 27-37)
- **What the diagram shows.** It shows that ATFG v2 has additional requirements on risk management compared to IFRS S2.
- **What the additional requirements are.** In brief,
 - **IFRS S2** asks that companies disclose what processes are used to identify, assess, prioritize and monitor climate-related risks and opportunities. In addition to how it is integrated into the company’s overall risk management process.
 - **ATFG v2** expects companies to disclose risks specific to the delivery of the transition plan.



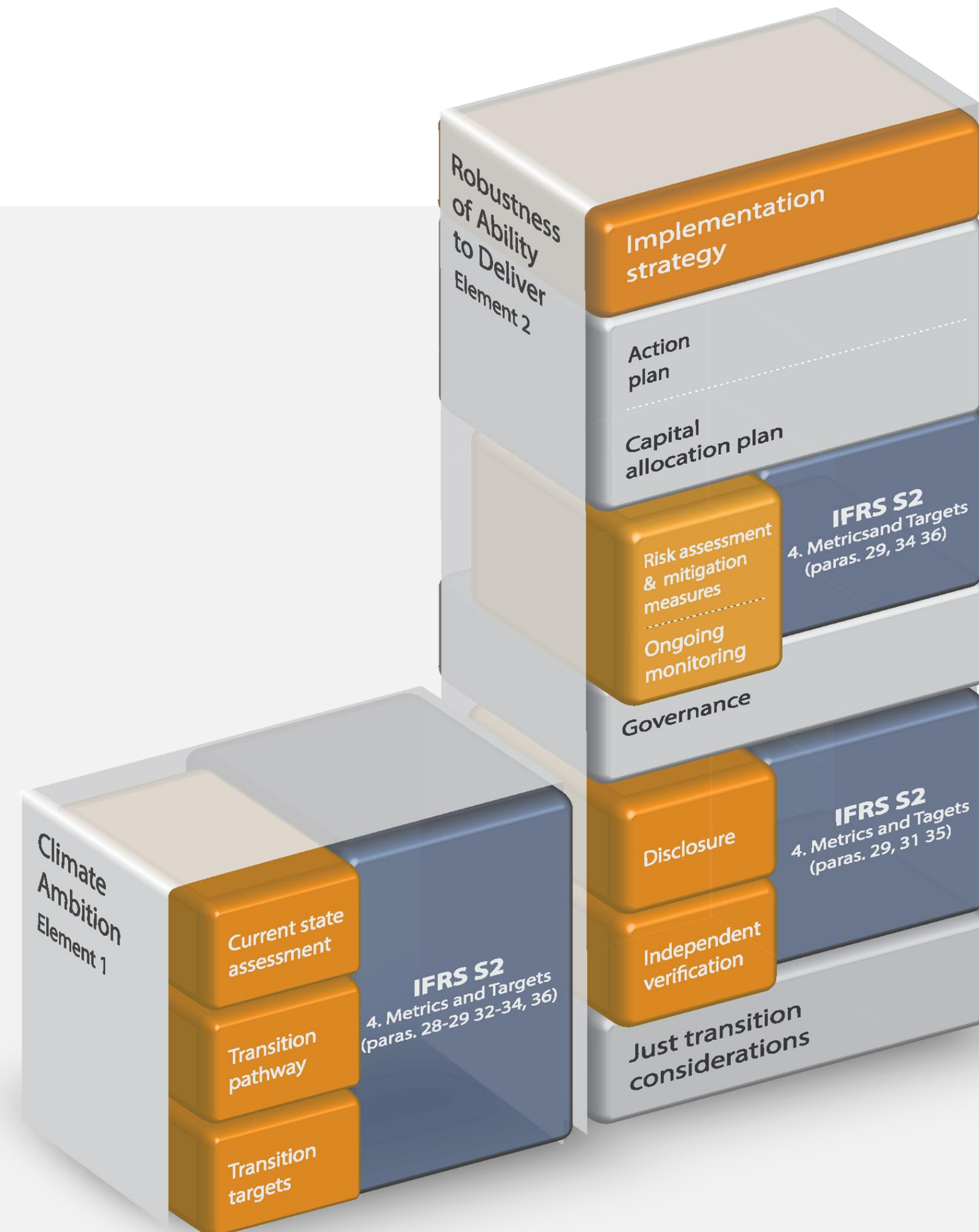
Additional Requirements to IFRS S2

Metrics and Targets

ATFG v2 Additional Requirements to IFRS S2

EXPLANATORY NOTE

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 3. Risk Management (paras. 24-26)
 1. Metrics and Targets (paras. 27-37)
- **What the diagram shows.** It shows that ATFG v2 has additional requirements on metrics and targets compared to IFRS S2.
- **What the additional requirements are.** In brief,
 - **IFRS S2** expects companies to disclose information on GHG emissions, climate-related targets, and progresses against the targets (if set).
 - **ATFG v2** requires companies to have quantitative targets and explain how they intend to achieve the established targets. Whereby progress should be verified by a third-party assessor.



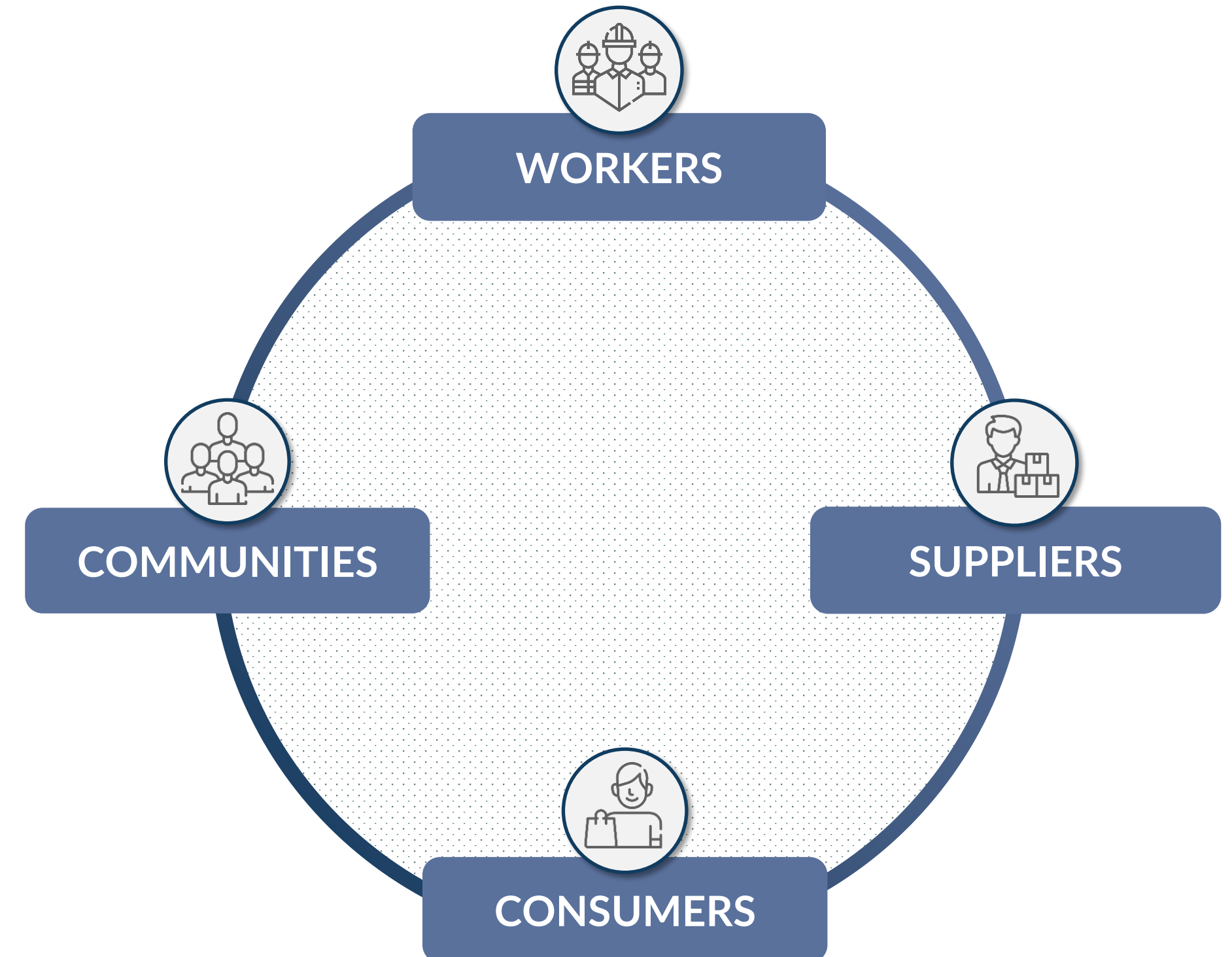
Additional Requirements

Verification Just Transition

Verification

Just Transition

- **ATFG v2 introduces a new requirement on Just Transition**, going beyond IFRS S2 by asking companies to incorporate social and environmental impacts, workforce considerations, and stakeholder engagement into transition planning.
- **For Thai companies, transition plans must address social implications**—including workforce impacts, reskilling needs, community engagement, and integration of these issues into governance and policies—especially in labor-intensive sectors facing decarbonization pressures.
- **Companies should adopt a structured approach to managing social risks**, including mapping impacts, formal engagement mechanisms, and measurable commitments to workforce and community support, to ensure transition pathways are socially sustainable and credible.



Examples of groups potentially affected by transition and how they can be involved through actions to secure a just transition



ASEAN Transition Finance Guideline v2
- Thai Version

Thank You