



# Stakeholder Feedback Forum

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

**SEC Thailand and GGGI**

9 December 2025

# AGENDA

09:30 - 09:35

01

**Welcoming  
Remarks**

09:35 - 10:00

02

**Transition  
Finance in Thailand**

- SEC's Role in Fostering Growth of Transition Finance in Thailand
- ICMA Climate Transition Bond Guidelines Updates
- ASEAN Taxonomy Version 4 Updates

10:00 - 10:30

03

**Presentation 1:  
Guide Overview**

- Present on the overview of guide structure, and core content of the ATFG v2 and IFRS S2 comparison
- Why should companies consider preparing a transition plan?

10:45 - 12:00

04

**Presentation 2:  
Stakeholder Feedback  
and Discussion**

- Review and discuss GGGI's classification "additional", "aligned" and "silent"
- Clarify on ATFG v2 "additional" expectations
- Question and Answer

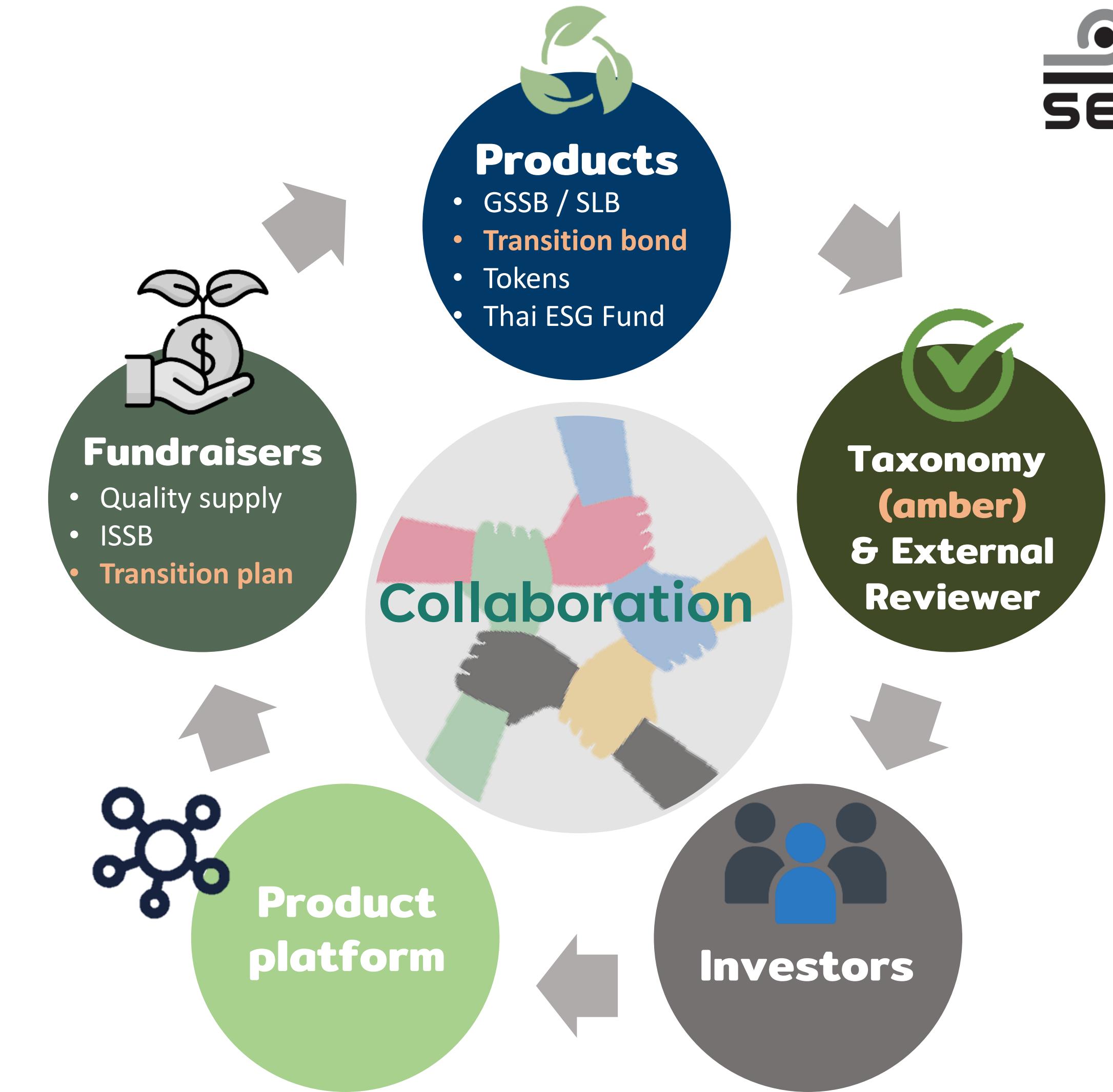
# Thematic Bonds and Transition Finance in Thailand

*Hatairat Vangphumyai  
Bond Department, SEC Thailand*

# The Sustainable Capital Market



Bond Department  
Securities and Exchange Commission, Thailand  
December 9, 2025



# Product : Sustainable Bond in Thailand

## Use-of-proceeds-based

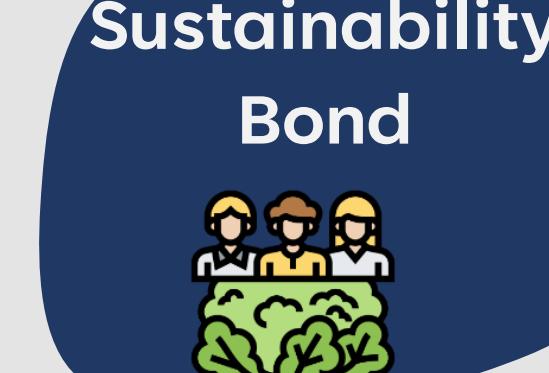
### Green and/or social project



**Green Bond**



**Social Bond**



**Sustainability Bond**

- Green buildings
- Clean transportation
- Pollution prevention and control

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

- Sustainable agriculture

## KPI-based

### Entity level KPI and SPT

e.g., GHG emissions



**Sustainability-linked Bond**

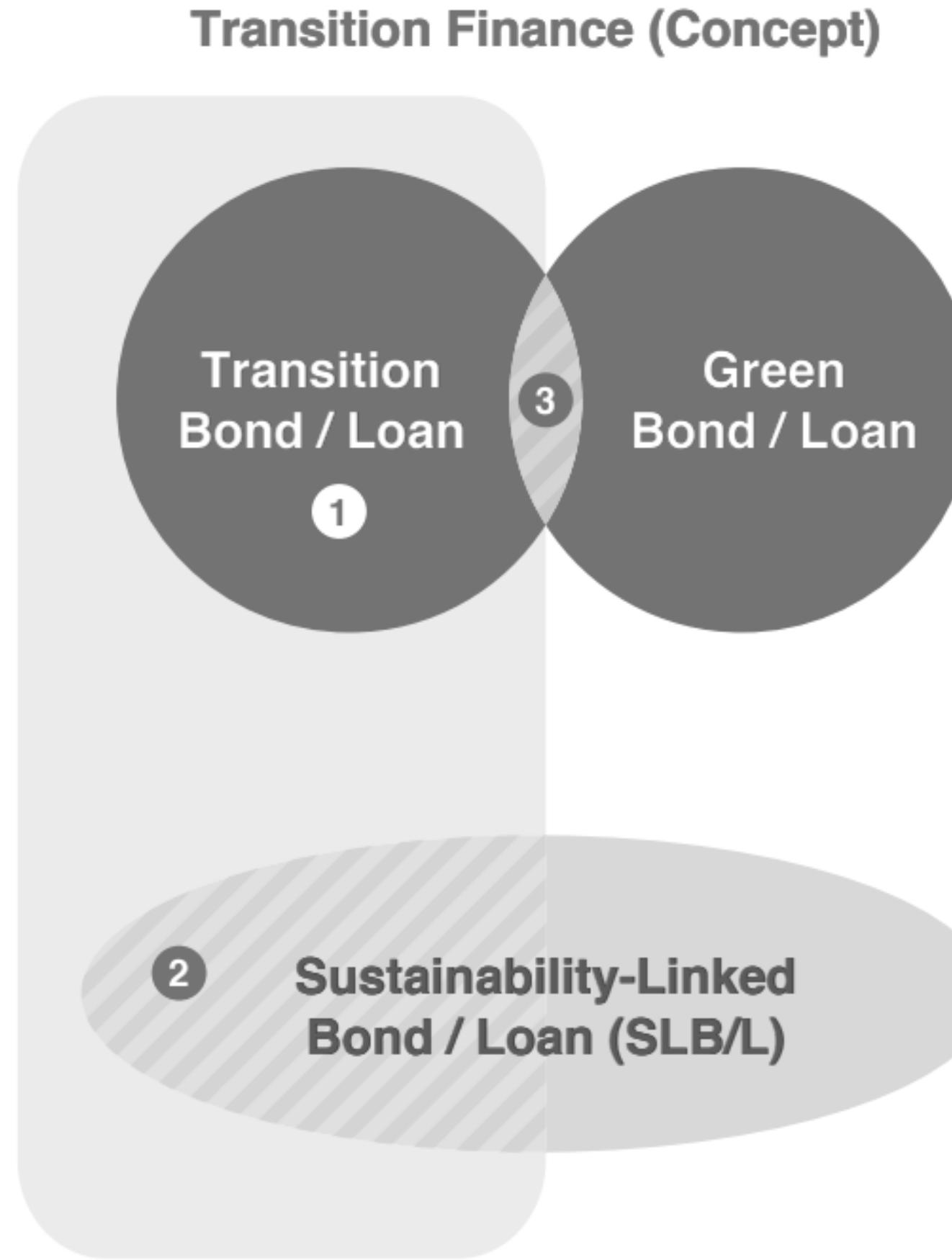


- financing for general corporate purposes
- financial and/or structural characteristics can vary depending on whether the selected KPI(s) reach (or not) the predefined SPT(s):
  - **financial:** coupon, premium payment
  - **non-financial:** purchase of carbon credit

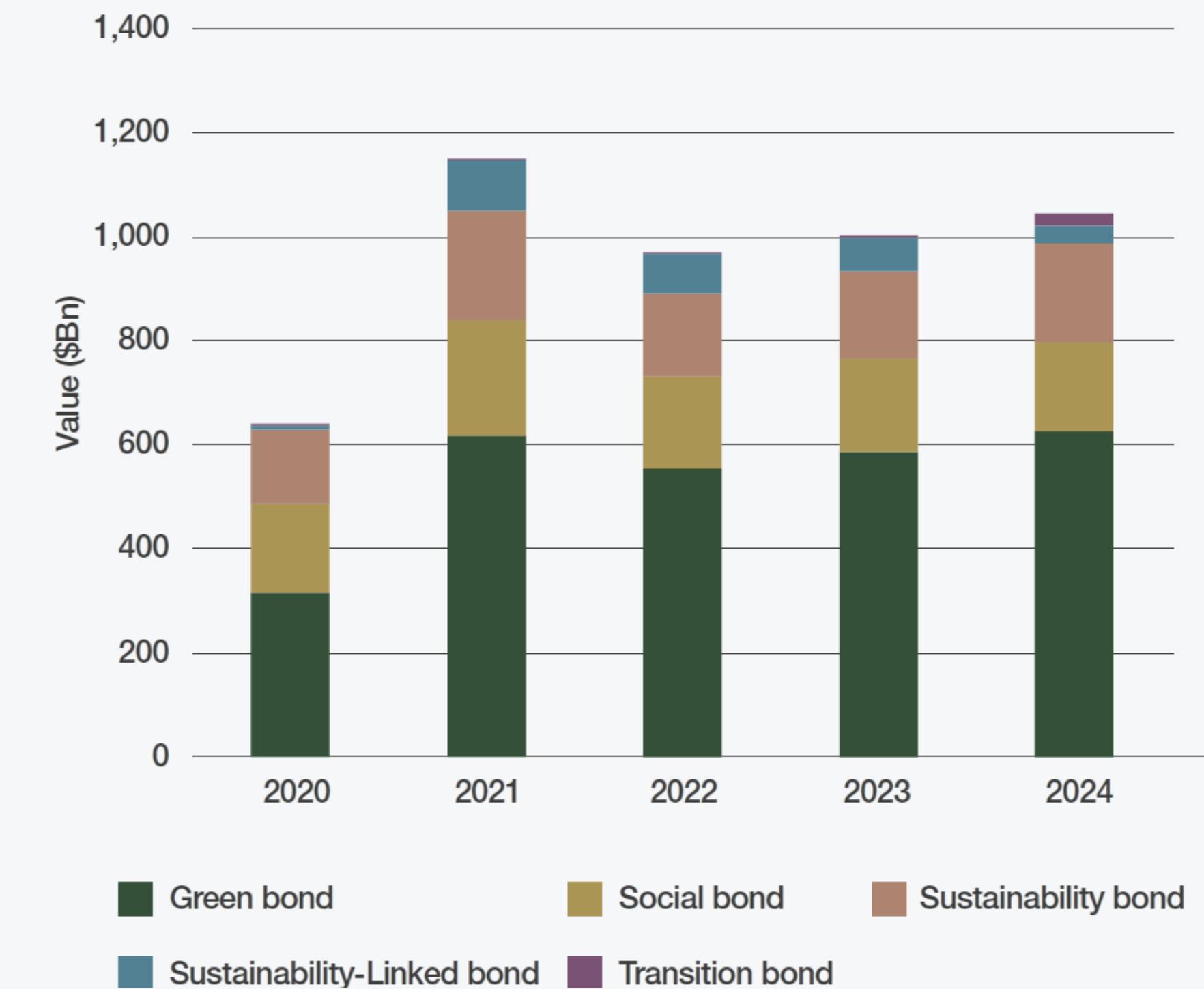
# Transition finance instrument

Use of Proceeds instruments

General Corporate Purpose instruments



Annual issuance of sustainable bonds by label

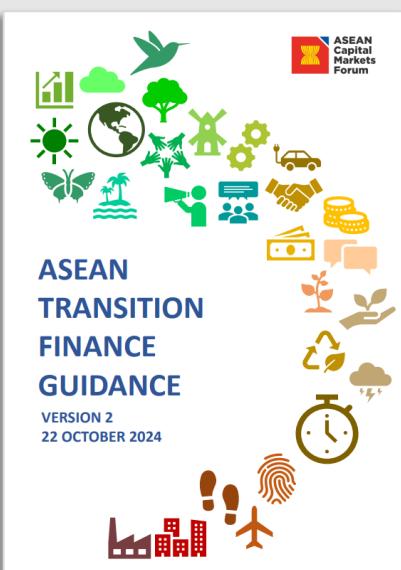
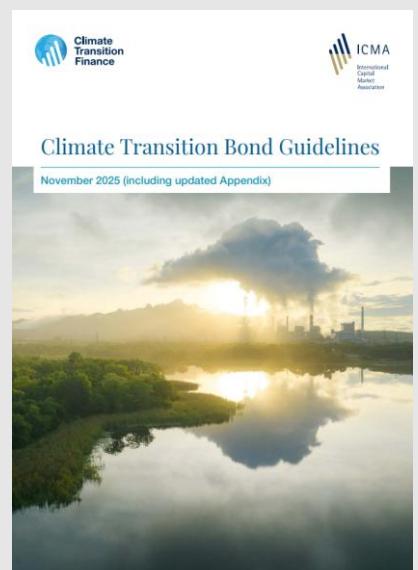
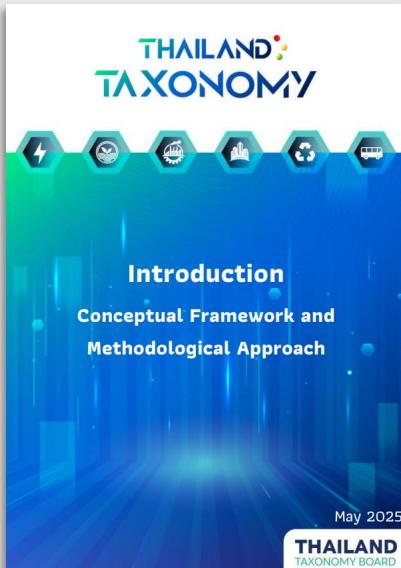
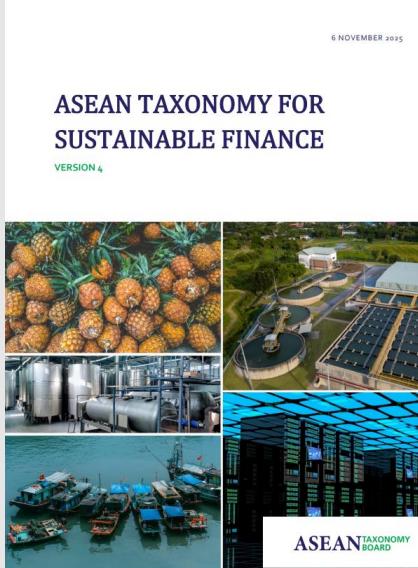


# Original concept of transition bond for Thailand

Nov 2025

May 2025

Leverage on Existing Frameworks



Nov 2025

EN: Oct 2024  
TH: Today!

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

## Capacity building

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

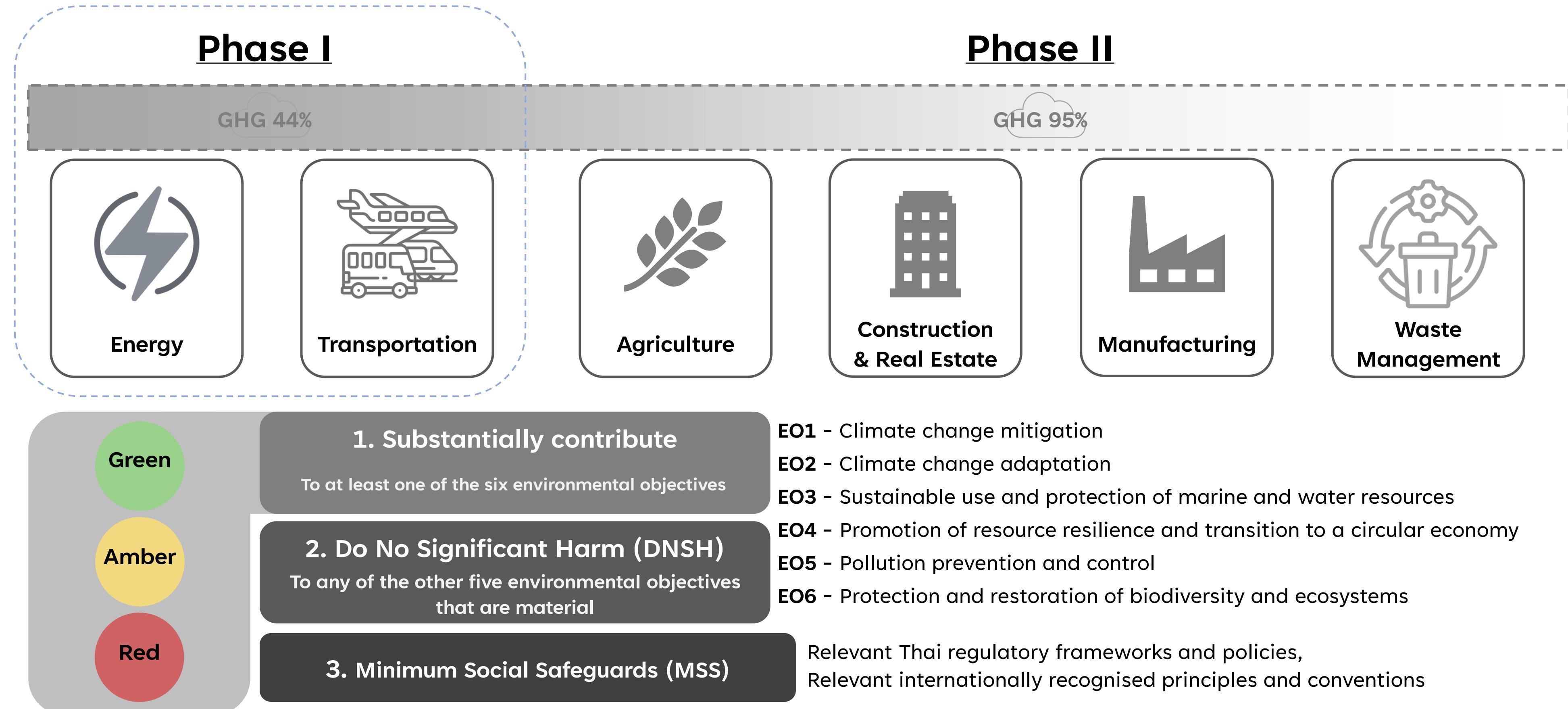
In collaboration with GGGI

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



**Transition Bond**  
**(Use of Proceeds)**  
**Work in progress**

# Overview: Thailand Taxonomy



# ATFG: Elements of Credible Transition Plan

Element	Sub-element	Description	
Climate Ambition	Current state assessment	Measure and disclose material sources of emissions	
	Transition pathway	Select sectoral science-based decarbonisation pathway aligned with Paris Agreement	
	Transition targets	Define company-specific targets over the short, medium and long term to align with selected transition pathway	
Robustness of Ability to Deliver	Implementation strategy	Action plan	Translate transition targets into concrete short, medium and long term actions
		Capital allocation plan	Establish financial requirements necessary for the delivery of action plan
		Risk assessment and mitigation	Assess climate risks and opportunities, and delivery risks associated with implementation strategy
		Ongoing monitoring	Develop capabilities to track and report progress of implementation strategy
		Governance	Develop mechanisms to oversee and support the execution of implementation strategy
	Disclosure	Disclose publicly details of climate ambition and implementation strategy	
	Independent verification	Obtain independent verification for publicly disclosed details	
	Just transition considerations	Ensure no significant harm to other environmental and social objectives	

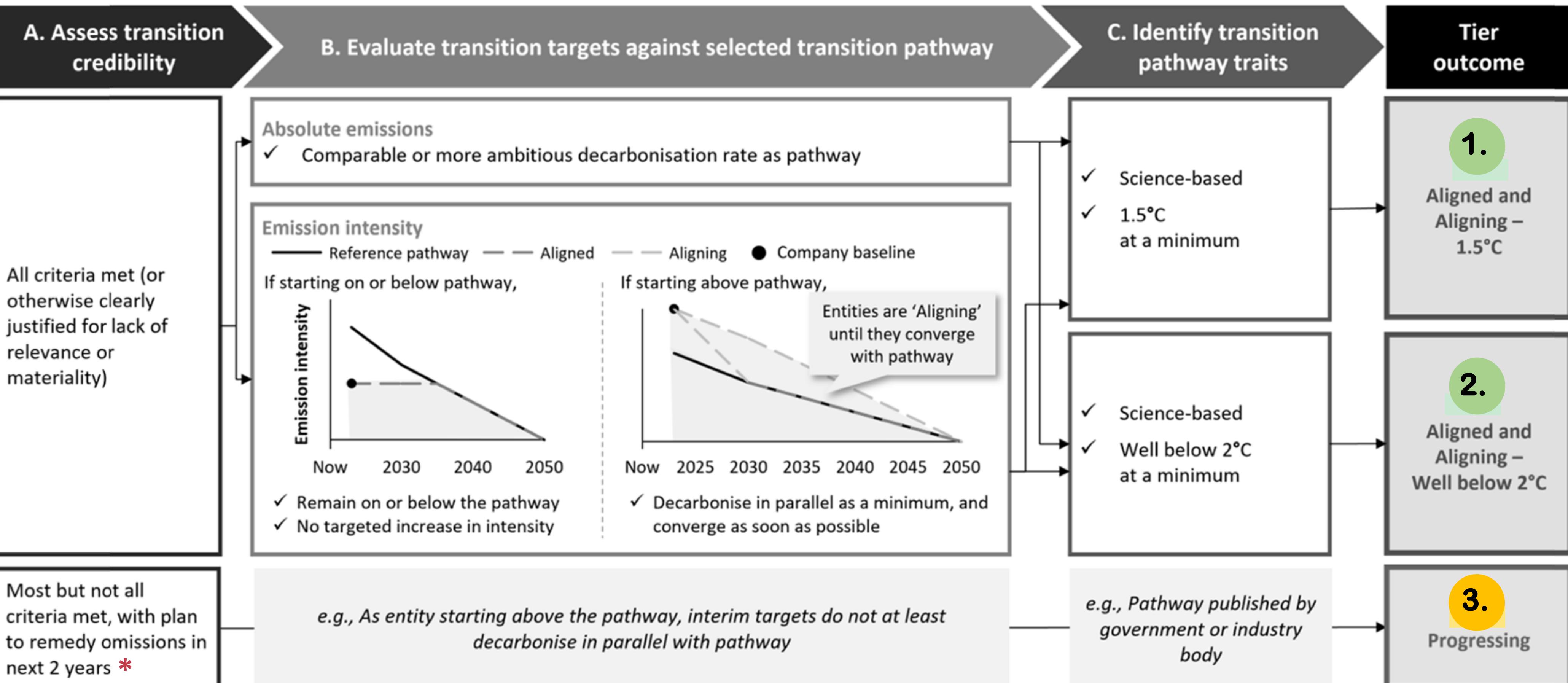
1

2

Company's commitment to climate action

Practical aspects of achieving climate goals

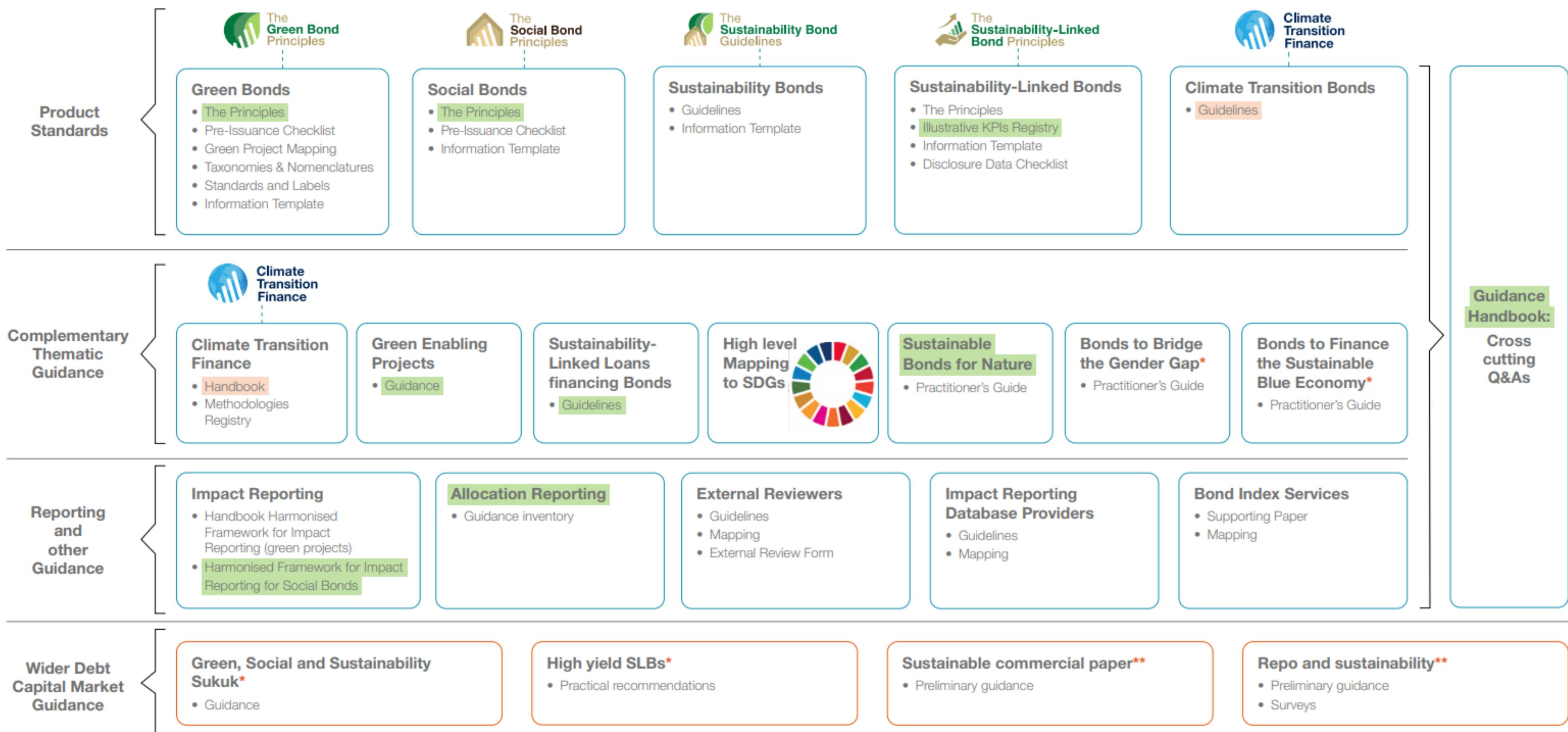
# ATFG: Transition Tiers



Updated June 2025

Updated November 2025

## Mapping of the Principles 2025



## 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

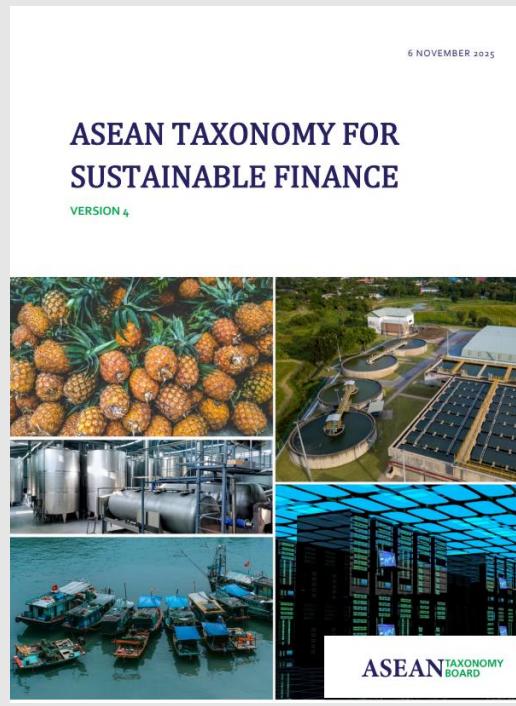
- **Existence of an issuer-level sustainability and/or climate transition strategy** to which the CT Projects contribute and incorporating disclosures which align on a best-efforts basis with the four key elements of the [Climate Transition Finance Handbook](#)
- **Analysis supporting the technological 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

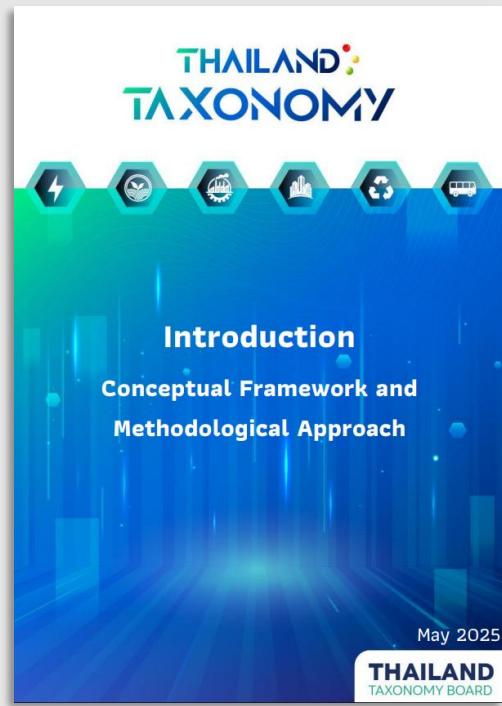


Leverage on Existing Frameworks

Nov 2025



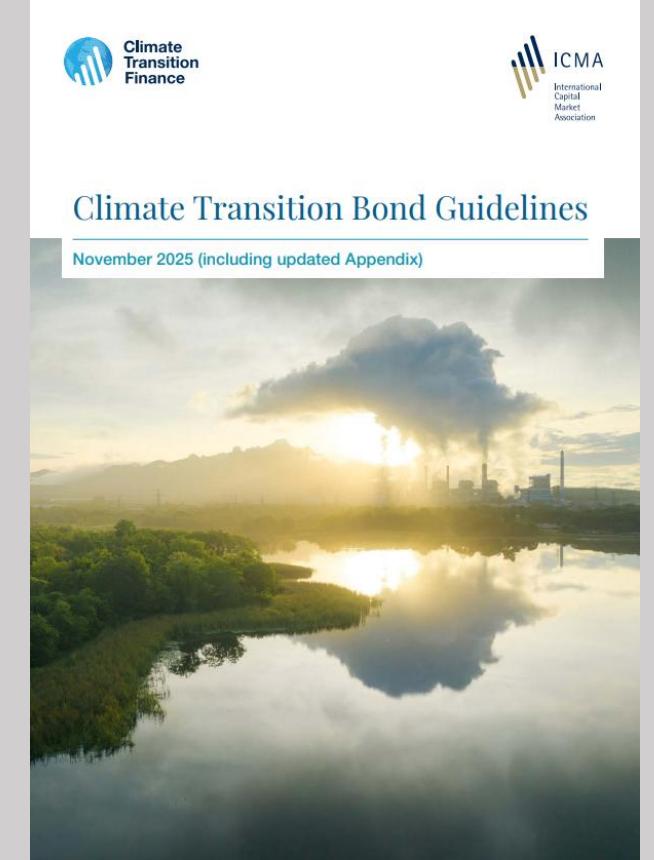
May 2025



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

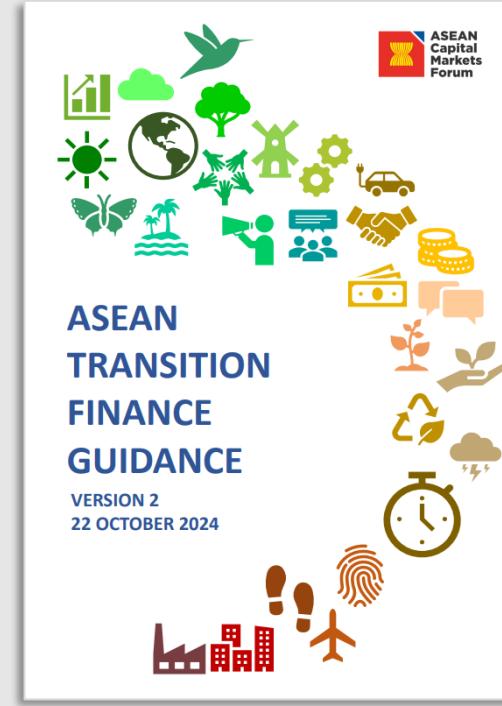
## Capacity building

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



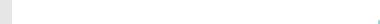
## Transition Bond (Use of Proceeds)

Nov 2025



In collaboration with GGGI

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



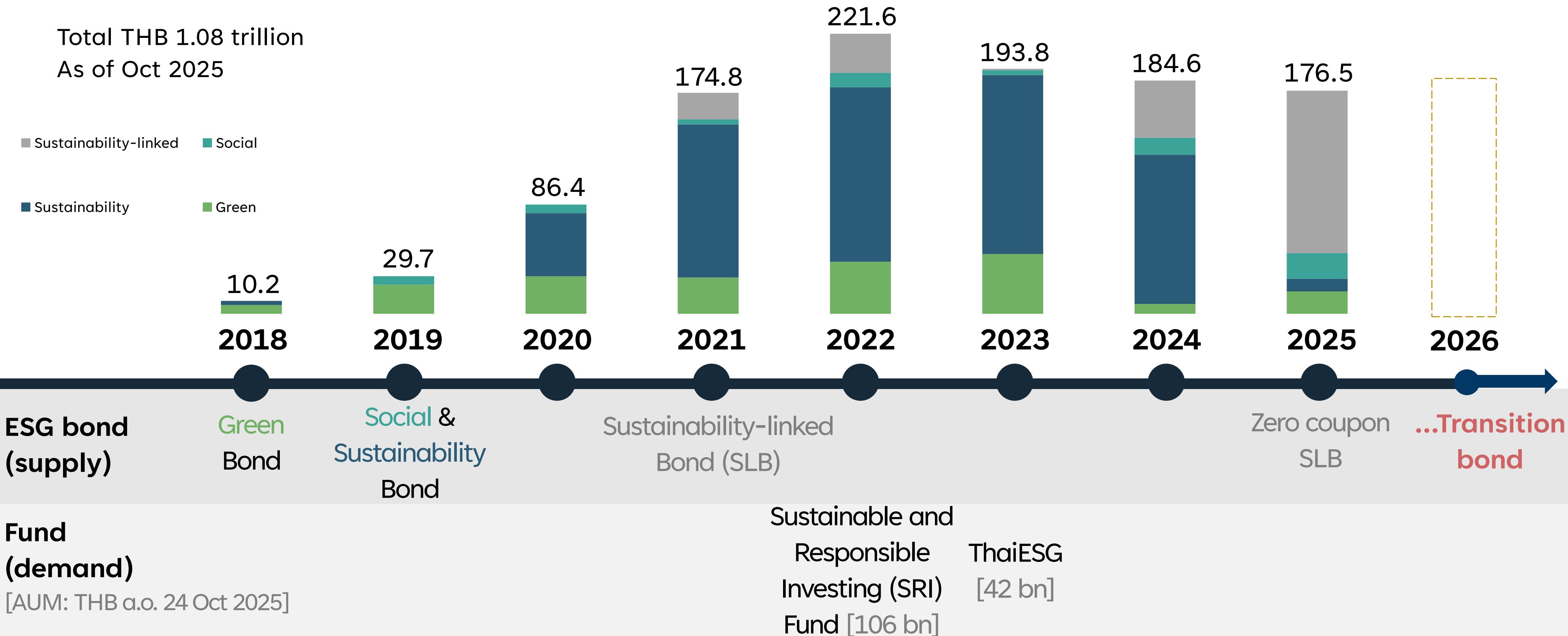
EN: Oct 2024

TH: Today!

# Issuance value: ESG bonds



Total THB 1.08 trillion  
As of Oct 2025



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

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

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

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

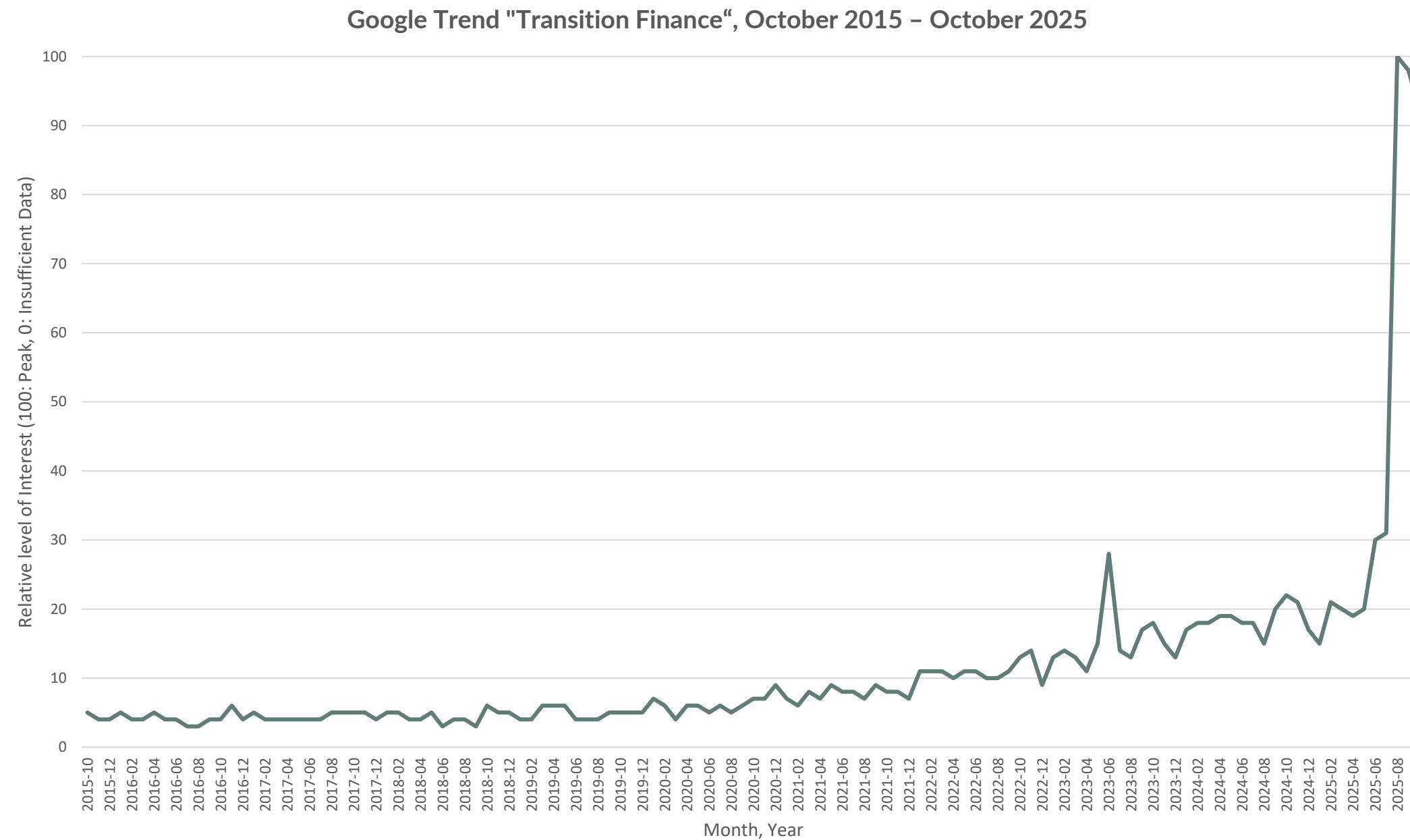
**Aug - Dec '25**  
Drafting of  
comparison piece  
and internal reviews

**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

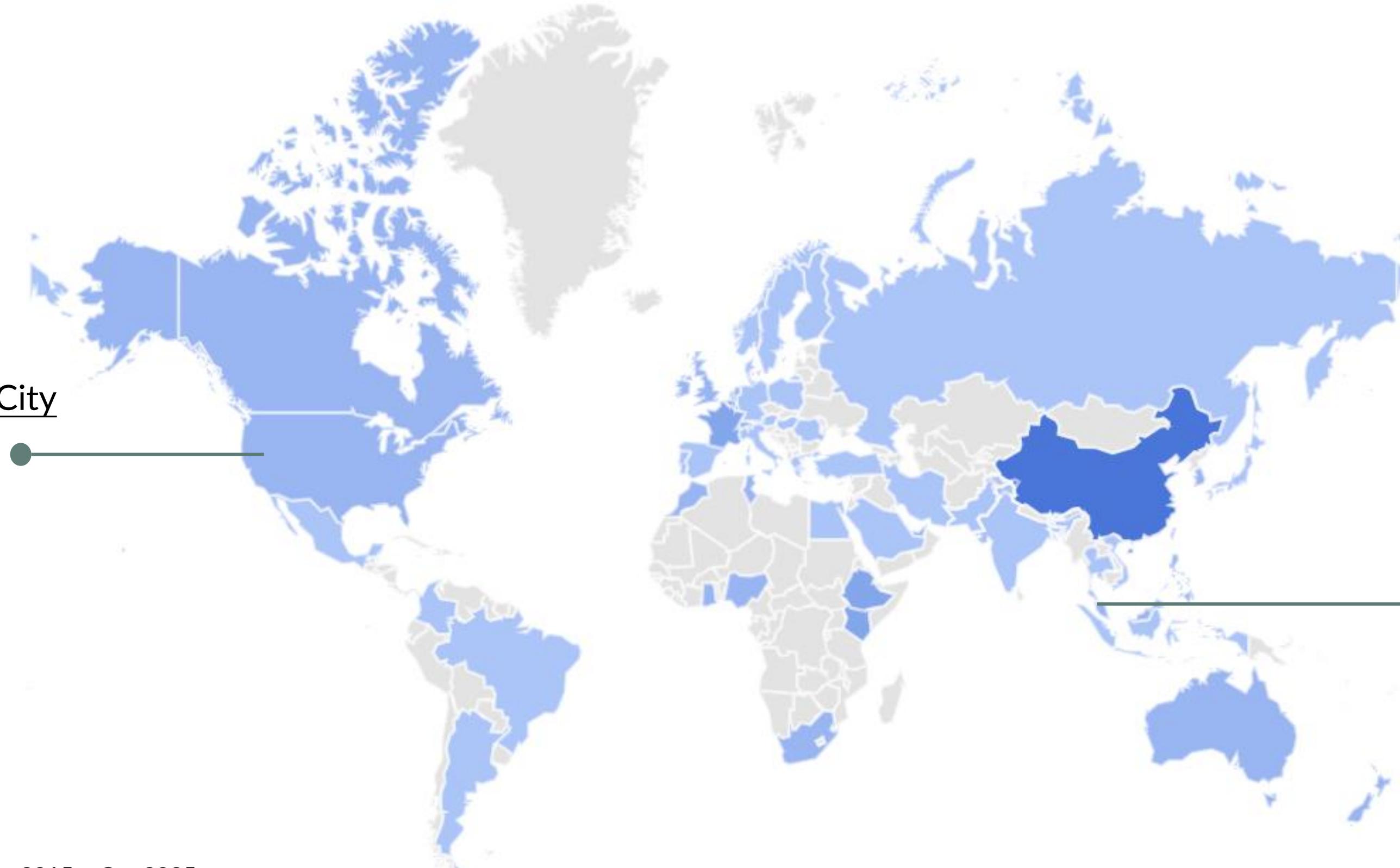
- Search-interest for the term “transition finance” (Global search from Oct 2015 – Oct 2025) shows clear upwards trajectory.
- Demonstrates market interest towards this topic.
- Increase in interest may also support argument that companies pursuing “transition finance” may face greater scrutiny as interest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

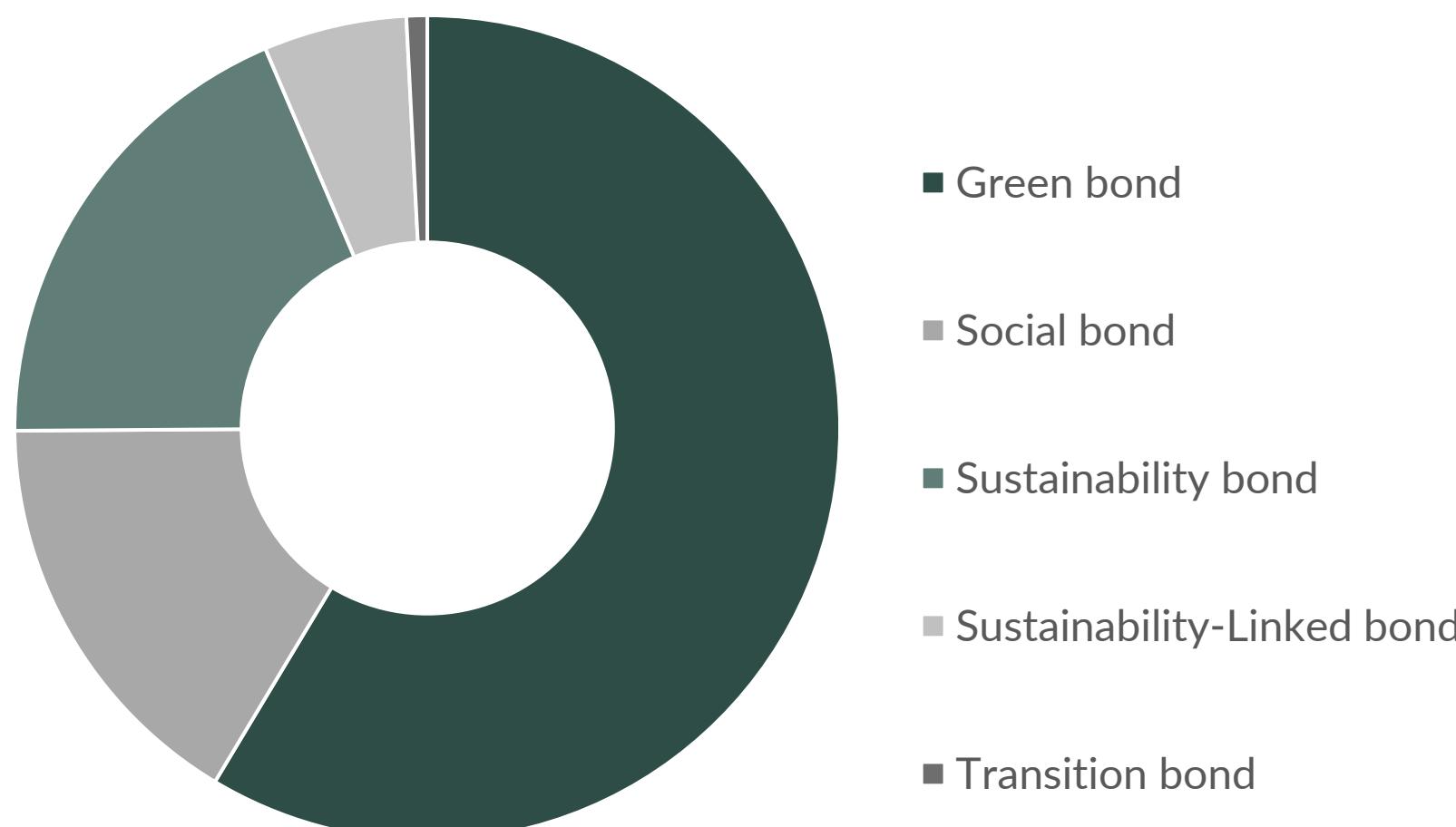
Remarks: Search interest is displayed on a relative scale from 0-100, with 100 representing peak interest.

# Overview

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

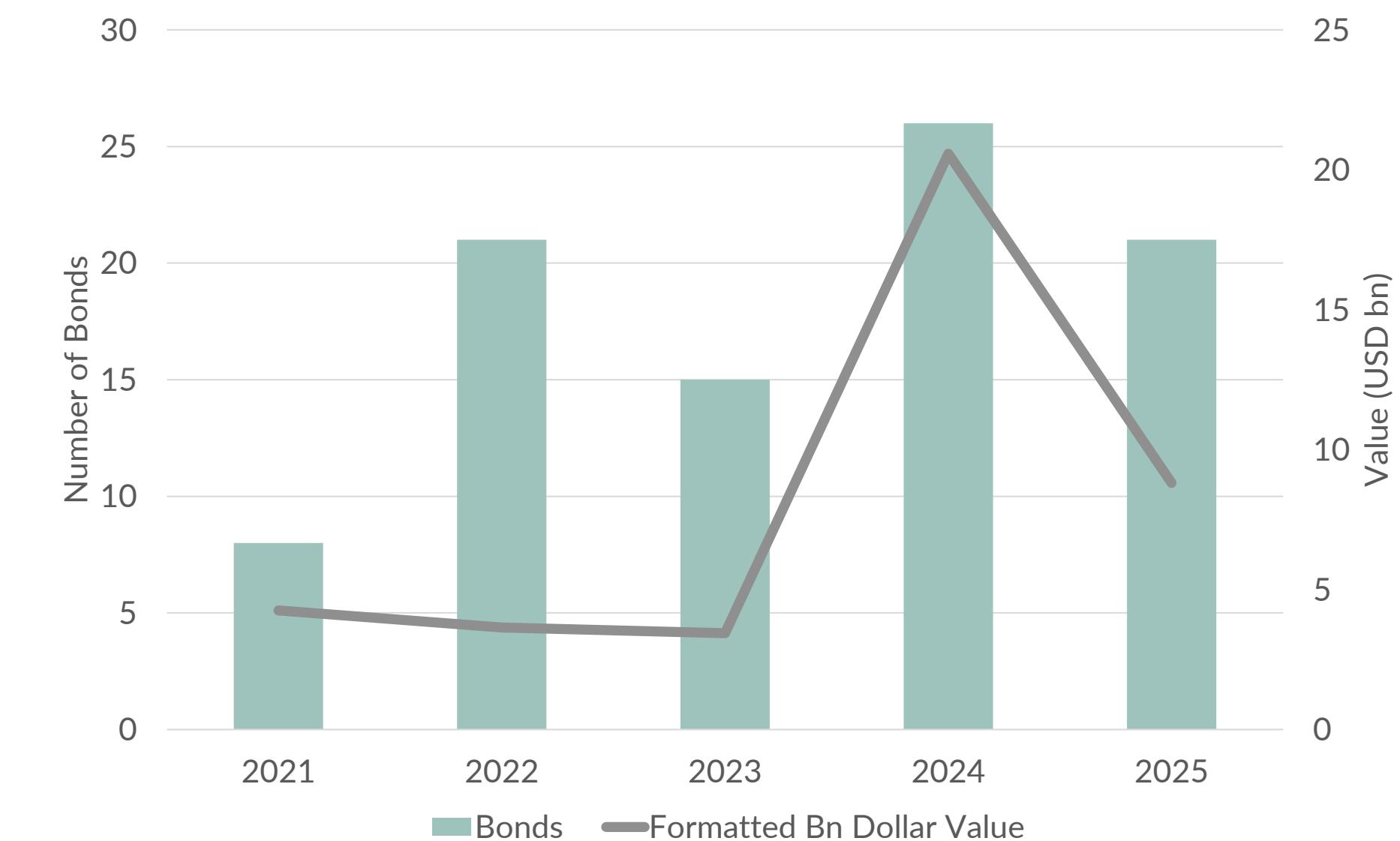
- Global GSS+ market has exceeded USD 5.2 trillion, with green bonds being the dominant instrument.
- According to Environmental Finance Data, Transition Bond accounts for only 1%.
- Japan leading momentum with Government of Japan issuing world's first sovereign transition bond. February 2024, Ministry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



Source: Thailand Taxonomy

### 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)

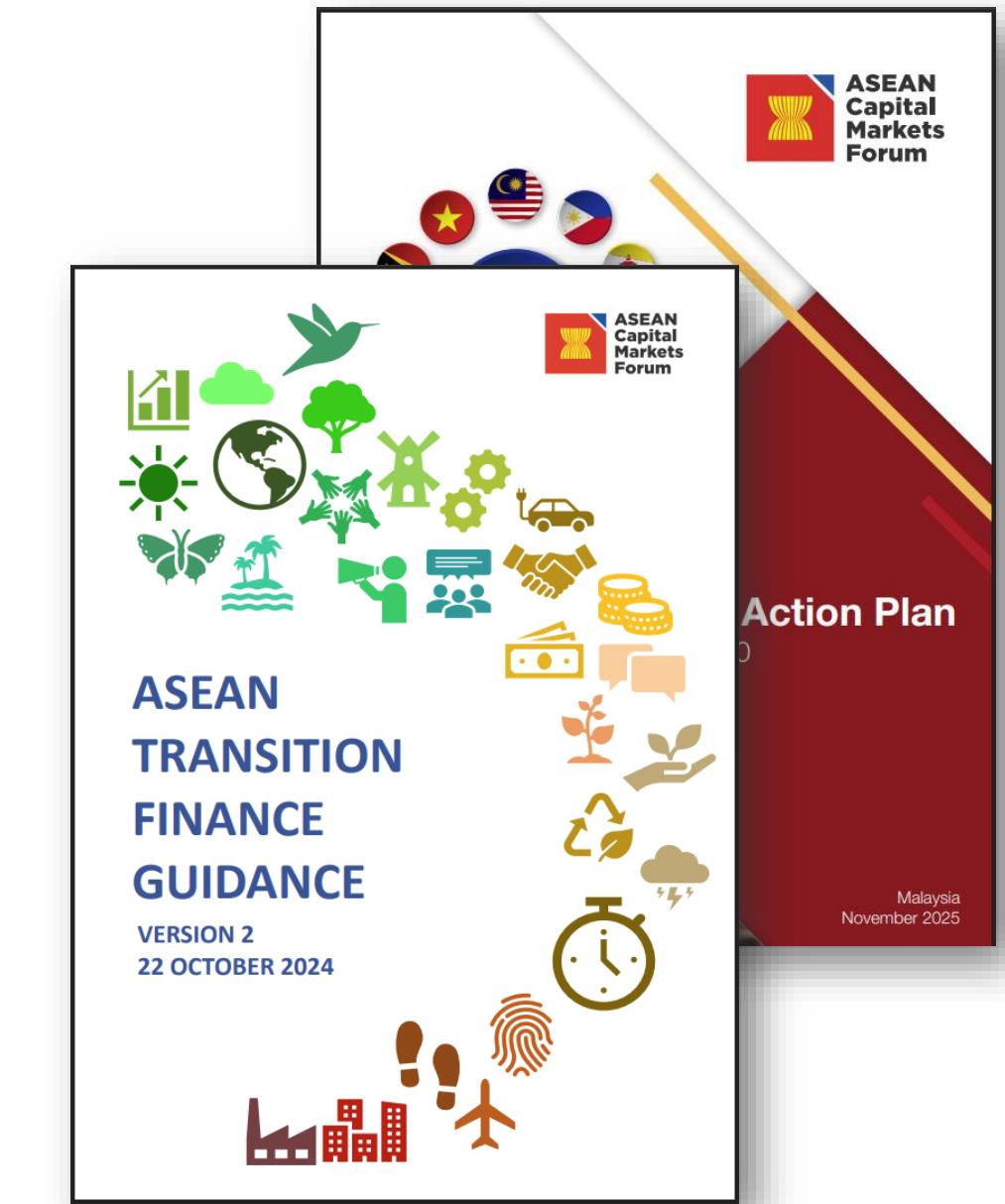


# Overview

## Disclosure Standards



- Governance
- Strategy
- Risk Management
- Metrics and Target



- Element 1: Climate Ambition
- Element 2: Robustness of Ability to Deliver

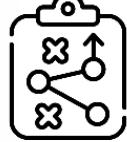
- Global baseline standard for climate-related disclosures.
- Core objective is to provide consistent, comparable and decision-useful information for stakeholders to assess a company's exposure to climate risks.
- Demonstrate linkages of climate-related risks and opportunities with entity's cash flow,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

- ACMF Action 2026-2030 (published in November) explicitly mentions 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



Core Component	Key Aspect Covered	Implication
 <b>Governance</b>	<ul style="list-style-type: none"> <li>Who is responsible.</li> <li>Integration into management.</li> <li>Frequency of oversight.</li> </ul>	<p>Governance acts as the foundation. Information should regularly flow from operational teams to decision-makers and performance indicators may be tied to measurable climate-outcomes.</p>
 <b>Strategy</b>	<ul style="list-style-type: none"> <li>Describe how climate-related risks and opportunities may affect business over short, medium, and long term.</li> <li>Transition plan (where available)</li> </ul>	<p>Including both near and long-term measures ensures that stakeholders can assess whether companies are positioned to remain competitive under different climate scenarios.</p>
 <b>Risk Management</b>	<ul style="list-style-type: none"> <li>Processes for detecting, measuring and managing climate-related risks and opportunities.</li> <li>Prioritization and tools to rank and address climate-related risks and opportunities.</li> </ul>	<p>Robust risk management disclosures provide stakeholders with confidence that risks and opportunities are being proactively identified and addressed, reducing the likelihood of unexpected financial shocks.</p>
 <b>Metric and Targets</b>	<ul style="list-style-type: none"> <li>Key indicators and targets.</li> <li>Clarify how progress is measured and whether targets are based on internal benchmarks or external standards.</li> </ul>	<p>Metrics and targets demonstrate accountability, making it possible to track performance over time and assess whether a company is on course to meet its stated climate ambitions.</p>

# 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 scienced-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). 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.

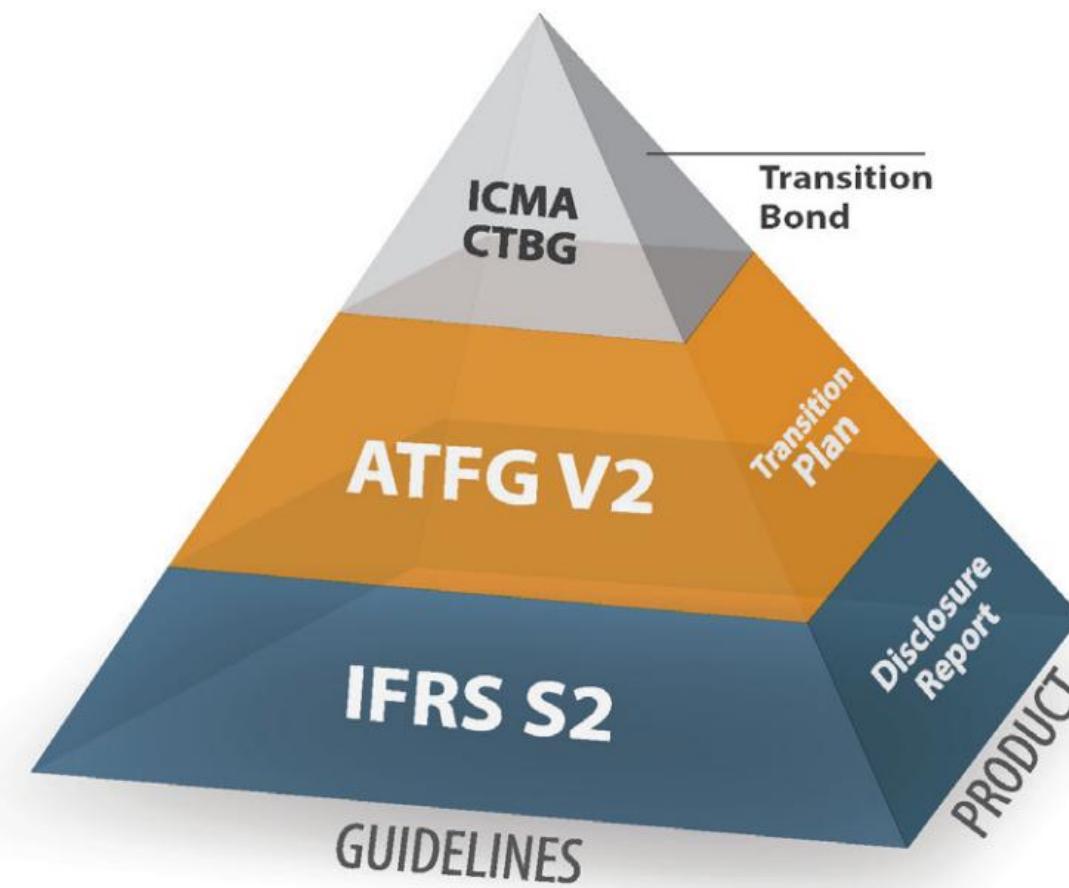
## Element 2:

- 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.

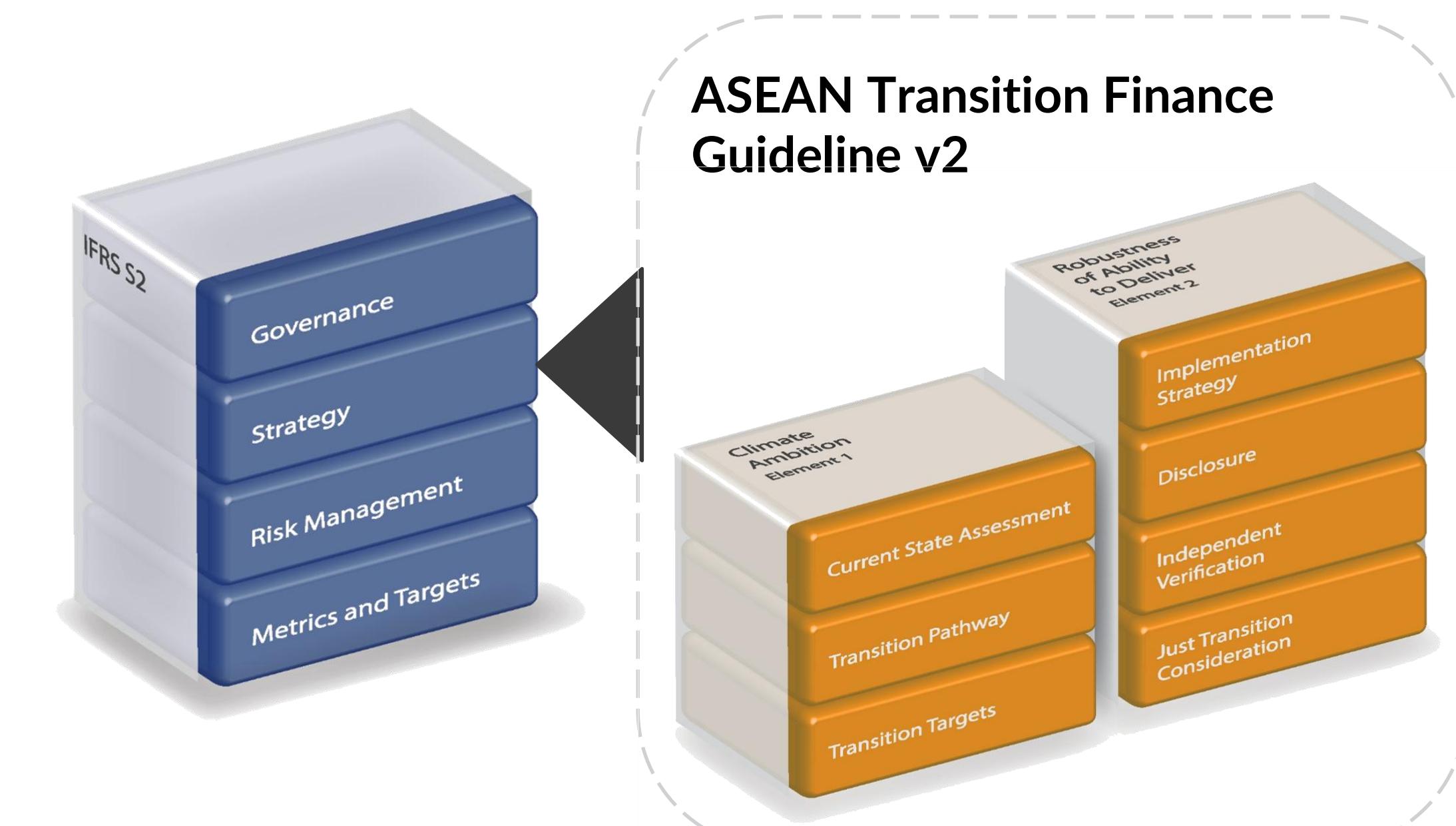
# Guide Overview

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.



Alignment with IFRS S2, ATFG v2 or specific guidelines such as ICMA Climate Transition Bond Guidelines (CTBG) enables entities to access additional financial products such transition bonds.



**ASEAN Transition Finance  
Guideline v2**

# 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.*

### 1. Introduction

#### 1.1 Background of SEC Thailand's initiative on Transition Plan Disclosure

The Securities and Exchange Commission of Thailand (hereinafter referred to as

#### 1.2 Why Transition Finance Matters for Businesses

Transition finance is emerging as a critical tool to support the decarbonization of sectors that are inclusive, reflective of national priorities, refer Figure 1. It is important in regions like Thailand where there is an important role in employment. While capital towards sectors that are already classified as "green" (e.g. renewable energy, transport, or circular economy) may become "green" financial, or regulatory, companies in the market.

It is to bridge this gap. It facilitates capital flows that are aligned with net-zero, enabling the transition to a green economy. Instead of focusing on industries for their own sake, transition finance looks at the broader economy. It is a strategic tool for long-term planning, securing access to capital, and enhancing market relevance in the economy. The ability to access capital, in turn, depends on the credibility of the transition plan. Investors,



### Thailand Transition Finance Guidance

Comparison of ATFG v2 and IFRS S2

Comparison of ATFG v2 and IFRS S2 | 3



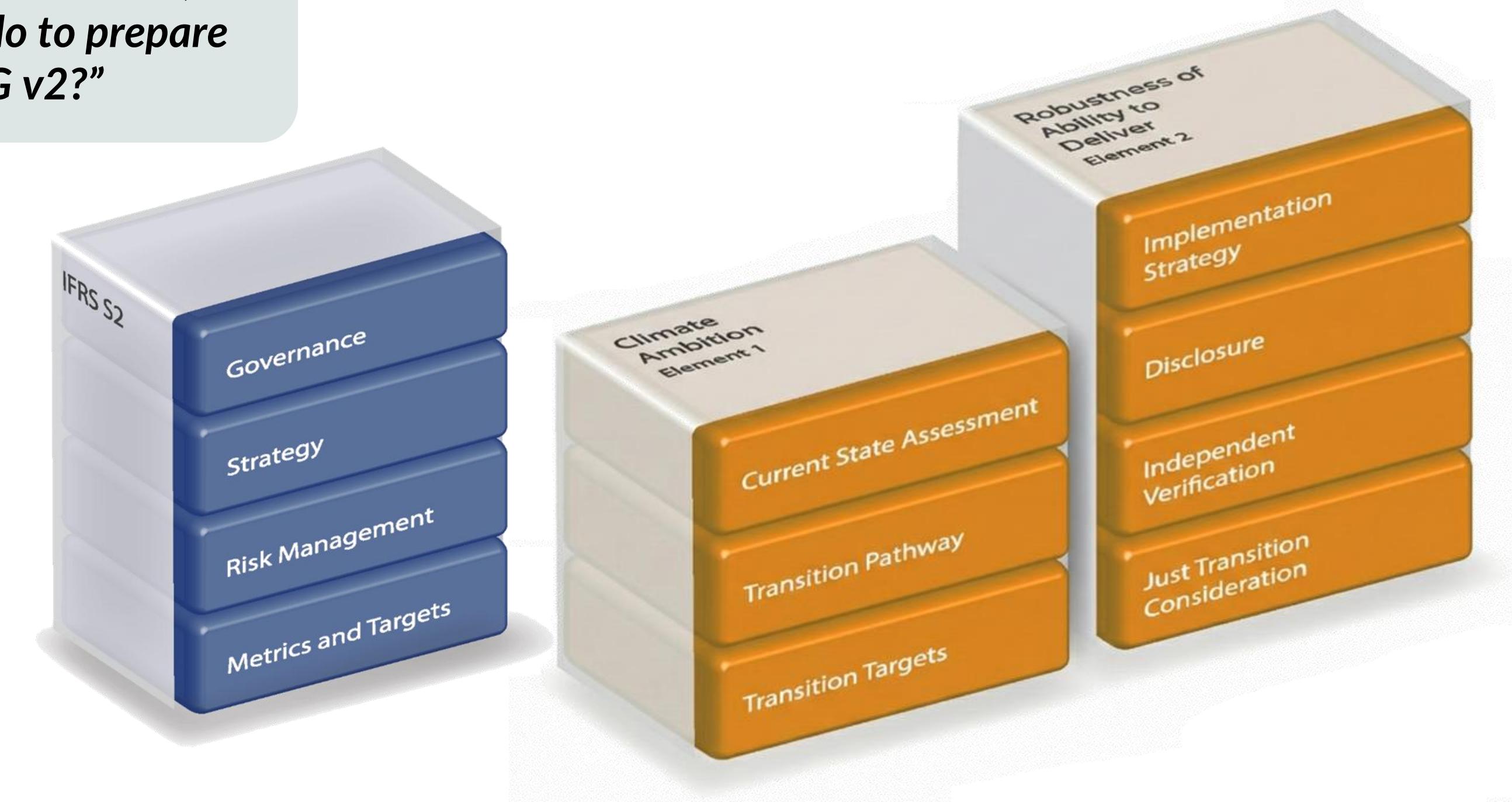
# Stakeholder Feedback and Discussion

*GGGI Thailand*

# Building Block Concept

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?”*



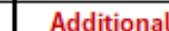
# Mapping Methodology

## Mapping Methodology

### 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.

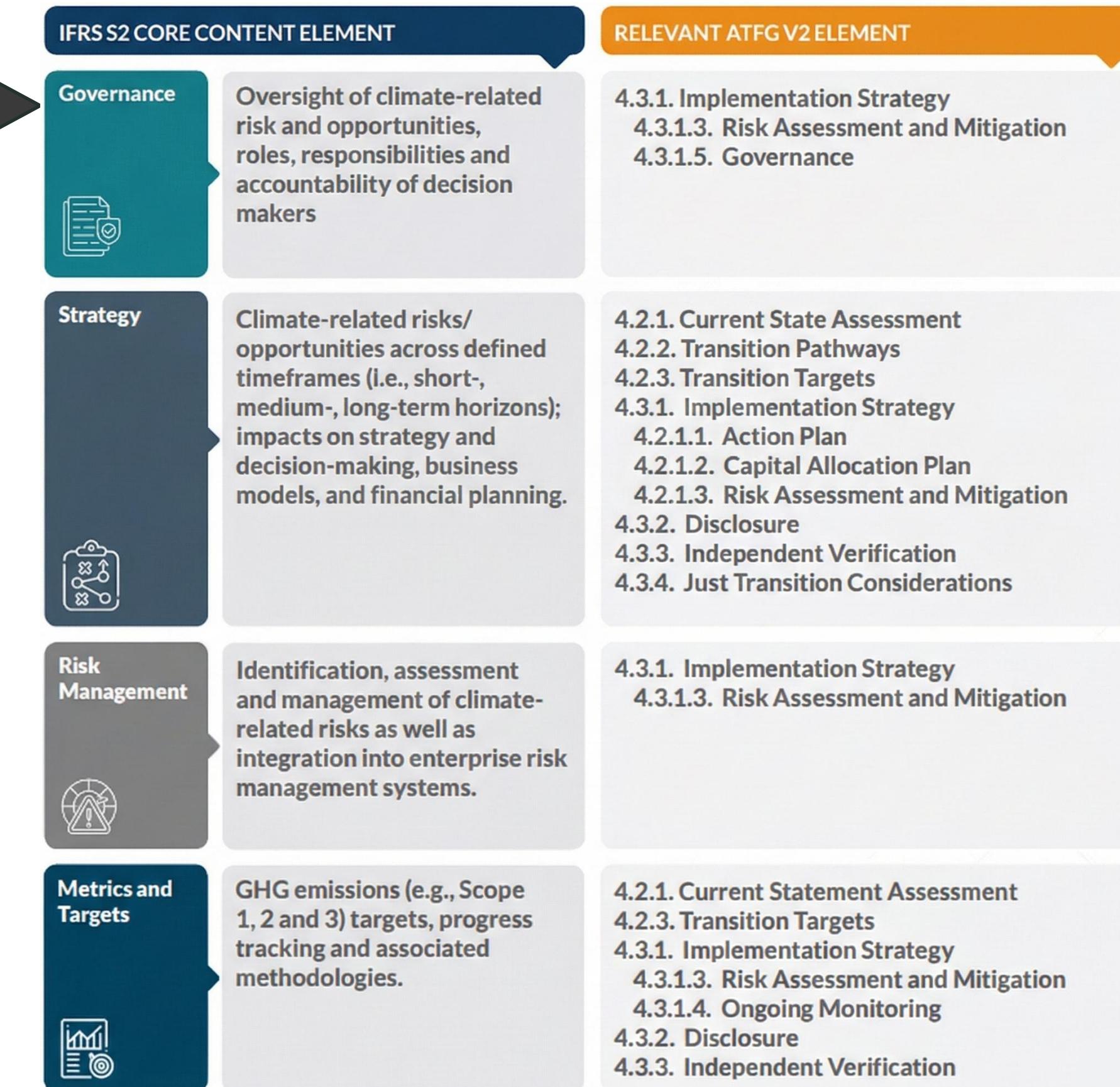
Note: Annex of the detailed mapping will be shared once the Paper is published

Extracted clauses and section from IFRS S2		Relevant Chapters from ATFG v2		Guidance on how to meet both requirements with a single disclosure where possible	
IFRS S2		ATFG v2		Alignment	Notes
1 <b>Objective</b> 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.		<i>N/A 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'.		<i>N/A since this is an overview paragraph.</i>			-
3 <b>Scope</b> 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 <b>Risk Assessment and Mitigation</b>			- 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 <b>Scope</b>			- Similar to IFRS S2, ATFG v2 does not require companies to disclose risks and opportunities <i>unrelated</i> to climate, instead focuses on climate-related risks and opportunities that are relevant and material to the companies.
5 <b>Governance</b> 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 <b>Governance</b>			- IFRS S2 simply requires an entity to disclose whatever governance mechanism it has pertaining to oversee climate-related risks and opportunities - it focuses on processes, controls and procedures. - ATFG v2, however, considers governance as part of the <b>implementation strategy</b> which is part of the <b>robustness of ability to deliver</b> 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-specific governance structures if its transition plan involves a "fundamental pivot in their business model" (pg. 46).

# Mapping Methodology

## Summary of Mapping

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



Majority of the “additional” details are required in the Strategy Core Component as Clause 14 (a)(iv) makes specific reference to disclosure of *any climate-related transition plan the entity has*.

# 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

- **“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 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).

# Risk Management

ATFG v2 Additional Requirements to IFRS S2

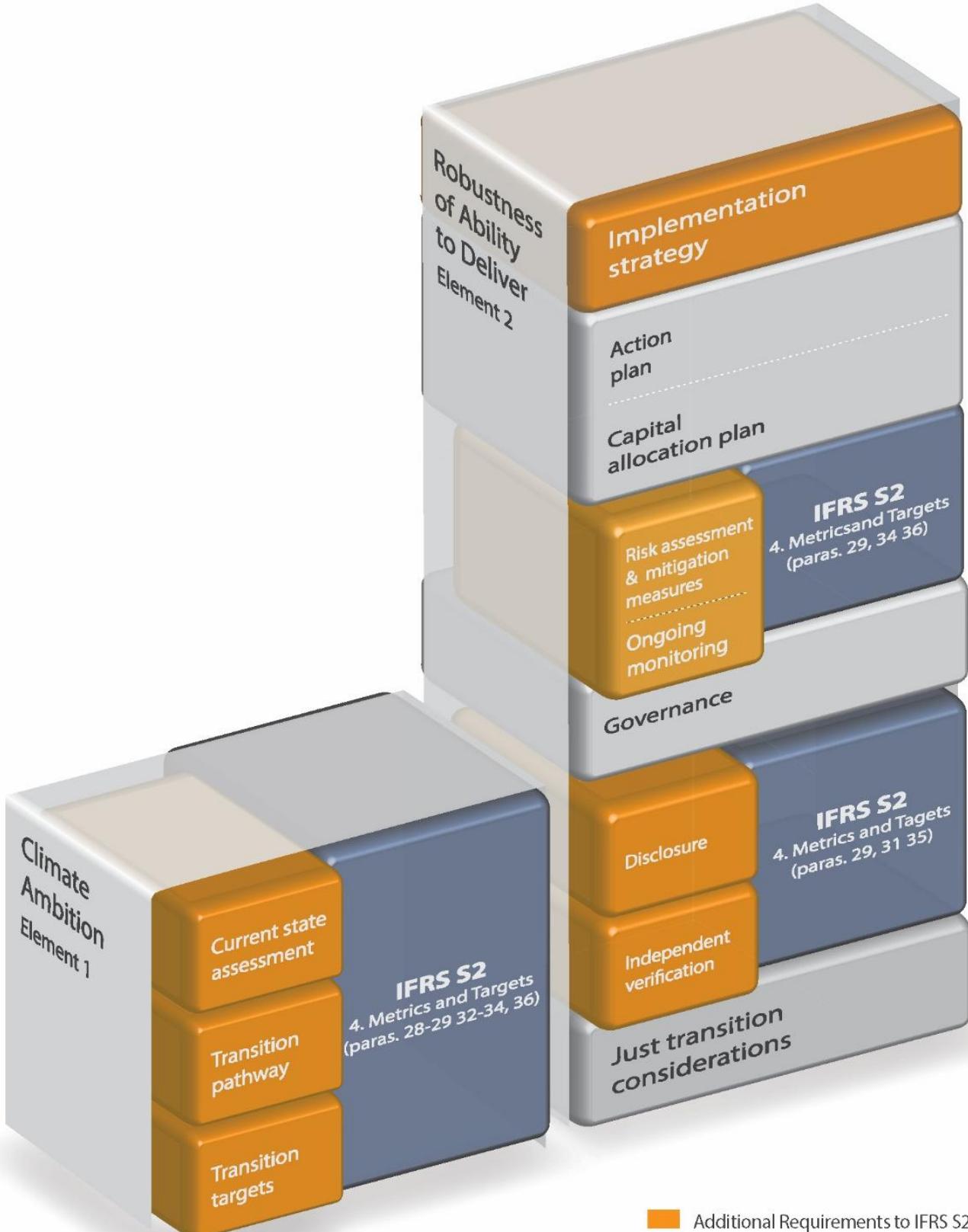


## ❖ EXPLANATORY NOTE

- **“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 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.

# Metrics and Targets

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 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