ASIA ASSET FINANCE PLC

A Finance Company with a Golden Heritage

Muthoot Group Company

Policy on Environmental, Social and Governance Sustainability

Content

1. Introduction

Asia Asset Finance PLC recognizes that sustainable development and environmental stewardship are pivotal in today's dynamic business environment. As a responsible financial institution, we understand the critical role that Environmental, Social, and Governance (ESG) considerations play in shaping the future of finance and society. In alignment with the CBSL Guidelines on Sustainable Finance Activities, this policy statement articulates our commitment to integrating ESG factors into our lending practices and investment decisions.

Our approach to sustainable finance is designed to effectively manage the ESG risks associated with our business model while actively supporting ventures that are greener, climate-friendly, and socially inclusive. By prioritizing these values, we aim to foster economic growth that aligns with our commitment to mitigating environmental impacts and enhancing social responsibility.

This Policy outlines our dedication to promoting sustainable development through thoughtful financial activities. We are devoted to advancing our efforts in responsible finance, ensuring that our financial decisions contribute positively to both the economy and the environment.

2. Objectives

2.1. Governance and Risk Management Framework

To develop and implement a governance and risk management framework that supports AAF's sustainable finance activities. This framework will be aligned with the CBSL's roadmap, ensuring that our sustainable finance practices are well-structured and effective.

2.2. Support for Priority Sectors

To advance sustainable finance initiatives within the priority sectors outlined by the CBSL guidelines, which include:

- Forestry and logging
- Agriculture
- Manufacturing
- Electric power generation, transmission, and distribution
- Water supply, sewerage, and waste management
- Construction
- Transportation and storage
- Tourism and recreation

- Information and communication technology
- Financial services (including affordable insurance products to enhance climate resilience in agriculture and tourism)
- Other activities (e.g., gas, steam, and air conditioning supply; underground permanent geological storage of CO2; hydrogen storage)

2.3. Support for Environmental and Social Goals

To foster and support projects and initiatives that contributes to environmental protection, social equity, and economic development, in alignment with the timelines and goals established by the CBSL.

2.4. Integration of ESG Factors

To incorporate Environmental, Social, and Governance (ESG) factors into our risk assessment and investment decision-making processes, in accordance with the CBSL roadmap.

2.5. Transparency and Accountability

To uphold transparency and accountability in reporting our sustainable finance initiatives to stakeholders, following the reporting requirements set by the CBSL.

3. Principles

3.1 **Environmental Responsibility**: Prioritize financing for projects that minimize environmental impact, promote energy efficiency, reduce carbon emissions, and support the transition to a low-carbon economy within the timelines specified by the Central Bank of Sri Lanka (CBSL). This includes prioritizing credit facilities for initiatives that significantly benefit the environment and have a minimal ecological footprint.

3.2 **Social Inclusivity**: Support projects that enhance social well-being, promote diversity and inclusion, and contribute to poverty reduction and community development, as outlined in the CBSL roadmap.

3.3 **Good Governance**: We will adhere to principles of good governance, including transparency, accountability, and ethical conduct, in our lending practices and investment decisions. This commitment extends to our credit facilities, in accordance with the guidelines mandated by the CBSL.

3.4 **Financial Viability:** Assess the financial feasibility and creditworthiness of credit facilities to ensure sustainable returns for borrowers and the institution.

3.5 **Regulatory Compliance:** Adhere to the guidelines and regulations set forth by the Central Bank of Sri Lanka concerning sustainable finance practices.

4. Roles and responsibilities of the Board of Directors

4.1. The Board of Directors is responsible for approving the Sustainable Finance Activity Policy and ensuring it aligns with CBSL guidelines and the organization's strategic goals. They must regularly review and update this policy as needed.

4.2. The Board sets strategic objectives for sustainable finance activities and ensures these objectives align with the organization's mission and CBSL's roadmap.

4.3. The Board develops and oversees the governance framework for implementing sustainable finance initiatives. They are also tasked with monitoring the effective execution of these activities.

4.4. The Board approves the risk management framework specific to sustainable finance and oversees the effectiveness of risk management practices, ensuring that risks are appropriately managed.

4.5. The Board evaluates the performance and impact of sustainable finance activities and reviews regular reports to ensure compliance with CBSL requirements and achievement of objectives.

4.6. The Board ensures that all sustainable finance activities comply with relevant regulations and reporting requirements. They establish mechanisms to hold senior management accountable for the effective implementation and performance of these activities.

4.7. The Board approves the content and format of reports on sustainable finance activities and oversees communication strategies to engage stakeholders and provide updates.

4.8. The Board promotes the adoption of best practices in sustainable finance and supports training and development programs related to sustainable finance for both board members and staff.

5. Roles and responsibilities of the CEO and Senior Management

5.1. The CEO and Senior Management are responsible for executing the Sustainable Finance Activity Policy, ensuring that it aligns with the organization's strategic goals and CBSL guidelines.

5.2. Tasked with implementing the policy in daily operations, allocating necessary resources, and overseeing the development of risk management strategies specific to sustainable finance.

5.3. The CEO and Senior Management conduct detailed risk assessments for sustainable finance projects, developing and executing mitigation strategies to manage potential challenges.

5.4. Monitor the progress of sustainable finance projects, ensuring that meet established objectives and deliver the desired outcomes.

5.5. Responsible for preparing accurate and timely reports on sustainable finance activities, ensuring compliance with CBSL reporting requirements.

5.6. Engage with stakeholders, providing transparent communication about the progress and impact of sustainable finance initiatives.

5.7. The CEO and Senior Management support continuous improvement by staying informed about best practices in sustainable finance and advocating for updates to policies and practices.

5.8. Facilitate training and development programs for staff involved in sustainable finance, enhancing skills and knowledge to ensure effective implementation of the policy.

6. Oversight of ESG and Risk Management in Sustainable Finance Activities

ESG risk management is a system designed to help financial institutions identify, assess, and manage ESG-related risks throughout their decision-making processes, thereby enhancing the integration of ESG considerations. This system includes governance structures for managing environmental and social risks, risk management practices, and enforcement mechanisms.

6.1. The company must identify and evaluate ESG risks associated with its sustainable business activities, taking into account the nature, scale, complexity, and interconnectedness of its operations. It is essential to assess the magnitude and materiality of these risks.

6.2. Identified ESG risks should be integrated into the company's overall risk management framework, with appropriate risk mitigation measures established to address these risks effectively.

6.3. ESG risk management should be incorporated into decision-making processes, including the integration of ESG factors into the company's internal risk assessment methods.

7. Products Features

The products should be aligning with the CBSL roadmap attached herewith.

8. Disclosures and Reporting

In the annual report, the company should include the following disclosures:

8.1. An overview of its sustainable finance policies and activities.

8.2. A description of identified ESG and sustainable finance-related risks, along with the measures taken to mitigate these risks.

8.3. An assessment of the environmental and social impacts of current and proposed investments and business activities.

8.4. An update on the progress of sustainable finance initiatives, including the implementation status of the roadmap and the action plan for the upcoming year.

8.5. The total annual amount of sustainable funds raised and allocated to sustainable finance activities.

9. Review, Monitor and Update Of The Policy

As the owner of the policy, Compliance officer shall be responsible to review the policy at least annually or more frequently as necessary. Any changes and amendments should be documented with rationale and to be presented to the Nomination and Governance committee for review and approval.

- End of the document -

Sri Lanka Green Finance Taxonomy

May 2022

ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Environmental Objectives and Guiding Principles for Developing the Sri Lanka Green Finance Taxonomy

Environmental Objectives	1. Climate change mitigation 2. Climate change adaptation 3. Pollution prevention and control 4. Ecological conservation and resource efficiency
Guiding Principles	1. Substantial contribution 2. Do no significant harm (DNSH) 3. Respect Sri Lanka's green development priorities 4. Science-based screening 5. Compatible with international standards and practices 6. Dynamic adjustment

Tab Description and Benchmarks

Tab Description	**Benchmarks**
Climate Change Mitigation	• IPSF Common Ground Taxonomy - Climate Change Mitigation (2021) • Sri Lanka updated NDCs (2021) • EU Taxonomy - Climate Delegated Act (2021) • China Green Bond Endorsed Project Catalogue (2021)
Climate Change Adaptation	• Sri Lanka updated NDCs (2021) • National Adaptation Plan for Climate Change in Sri Lanka 2016-2025 • IFC Climate Smart Agriculture Financing Opportunities in Sri Lanka (2021)
Other Green Objectives (covering environmental objectives 3 and 4)	• Green Bond Endorsed Project Catalogue (2021) • Colombia Green Taxonomy (draft 2021) • IFC Guidelines for Blue Finance (2022)

Column Description	
Number	Number of the activity in this document
Macro-sector	High-level sector classification
Activity	Activity
Description	Description of activity
Metric & Threshold for Sri Lanka	Metric to be met to be aligned with the taxonomy

Sri Lanka Green Finance Taxonomy - Mitigation

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M1.1	Forest and Logging	Afforestation	Establishment of forest through planting, deliberate seeding or natural regeneration on land that, until then, was under a different land use or not used. Afforestation implies a transformation of land use from non-forest to forest, in accordance with the Food and Agriculture Organization of the United Nations (FAO) definition of afforestation, where forest means a land matching the forest definition as set out in national law, or where not available, is in accordance with the FAO definition of forest. Afforestation may cover past afforestation as long as it takes place in the period between the planting of the trees and the time when the land use is recognized as a forest.	Apply Climate Bonds Criteria: https://www.climatebonds.net/standard/forestry Or the local criteria can be applied for: 1. Afforestation plan and subsequent forest management plan or equivalent instrument 2. Climate benefit analysis 3. Guarantee of permanence 4. Audit 5. Group assessment
M1.2	Forest and Logging	Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event	Rehabilitation and restoration of forests as defined by national law. Where national law does not contain such a definition, rehabilitation and restoration corresponds to a definition with broad agreement in the peer-reviewed scientific literature for specific countries or a definition in line with the FAO concept of forest restoration or a definition in line with one of the definitions of ecological restoration applied to forest, or forest rehabilitation under the Convention on Biological Diversity. The economic activities in this category also include forest activities in line with the FAO definition of “reforestation” and “naturally regenerating forest” after an extreme event, where extreme event is defined by national law, and where national law does not contain such a definition, is in line with the IPCC definition of extreme weather event; or after a wildfire, where wildfire is defined by national law, and where national law does not contain such a definition, as defined in the European Glossary for wildfires and forest fires. The economic activities in this category imply no change of land use and occurs on degraded land matching the forest definition as set out in national law, or where not available, in accordance with the FAO definition of forest.	Apply Climate Bonds Criteria: https://www.climatebonds.net/standard/forestry Or the local criteria can be applied for: 1. Afforestation plan and subsequent forest management plan or equivalent instrument 2. Climate benefit analysis 3. Guarantee of permanence 4. Audit 5. Group assessment

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M1.3	Forest and Logging	Forest management	Forest management as defined by national law. Where national law does not contain such a definition, forest management corresponds to any economic activity resulting from a system applicable to a forest that influences the ecological, economic or social functions of the forest. Forest management assumes no change in land use and occurs on land matching the definition of forest as set out in national law, or where not available, in accordance with the FAO definition of forest.	Apply Climate Bonds Criteria: https://www.climatebonds.net/standard/forestry Or the local criteria can be applied for: 1. Afforestation plan and subsequent forest management plan or equivalent instrument 2. Climate benefit analysis 3. Guarantee of permanence 4. Audit 5. Group assessment
M1.4	Forest and Logging	Conservation forestry	Forest management activities with the objective of preserving one or more habitats or species. Conservation forestry assumes no change in land category and occurs on land matching the forest definition as set out in national law, or where not available, in accordance with the FAO definition of forest.	Apply Climate Bonds Criteria: https://www.climatebonds.net/standard/forestry Or the local criteria can be applied for: 1. Afforestation plan and subsequent forest management plan or equivalent instrument 2. Climate benefit analysis 3. Guarantee of permanence 4. Audit 5. Group assessment
M2.1	Agriculture	Certified agriculture projects	Agriculture projects utilising international certification schemes which have climate change mitigation components.	Eligible certifications schemes include: • Climate Bonds certification (bond certification) • Crop certification • Global GAP • Roundtable on Sustainable Soy • Bonsucro (sugar) • Better Cotton Initiative • Roundtable on Sustainable Biomaterials
M2.2	Agriculture	Management of soil and biomass for net carbon sequestration	Transition from temporary crops or pastures to agroforestry systems (e.g., cocoa, fruit trees or forestry) and agrosilvopastoral system. Change land use towards systems with greater carbon sequestration (such as agroforestry systems), which have better soil protection and are consistent with their vocation. Conserve water resources.	• Project length of at least five years • Reduced tillage • Avoided erosion • No open burning • Evidence that soil carbon sequestration is likely to be maintained for 20 years or more (secure land rights, low threat of conversion, contractual commitments) or demonstrate 50% higher level of sequestration
M2.3	Agriculture	Other agricultural practices: Introduction of polycultures or associated crops in permanent crops	Introducing polycultures or crops associated with compatible species (preferably native timber or fruit trees) protects the soil, increases carbon and nitrogen fixation, diversifies production and increases resilience to climate variability.	Direct eligibility

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M2.4	Agriculture	Other agricultural practices: Implementation of clean energy and energy efficiency measure	Install equipment to save energy and take advantage of its renewable sources, including methane gas and solar energy. Equipment maintenance and improving fuel saving routines.	Direct eligibility for renewable energy and methane gas. Fuel saving subject to % criteria. For tea production - baselines form: http://www.energy.gov.lk/images/energy-management/energy-consumption-benchmark-analysis.pdf
M2.5	Agriculture	Other agricultural practices: biodigesters	Incorporate biodigesters (organic fertilizer and methane). Biogas can be used as fuel in kitchens, for heating and lighting, or to power an engine that generates electricity. There is also the fertilizer called biol.	Direct eligibility
M3.1	Manufacturing	Manufacture of organic basic chemicals	Manufacture of: (a) high value chemicals (HVC): (i) acetylene; (ii) ethylene; (iii) propylene; (iv) butadiene; (b) Aromatics: (i) mixed alkylbenzenes, mixed alkylnaphthalenes other than HS 2707 or 2902; (ii) cyclohexane; (iii) benzene; (iv) toluene; (v) o-Xylene; (vi) p-Xylene; (vii) m-Xylene and mixed xylene isomers; (viii) ethylbenzene; (ix) cumene; (x) biphenyl, terphenyls, vinyltoluenes, other cyclic hydrocarbons excluding cyclanes, cyclenes, cycloterpenes, benzene, toluene, xylenes, styrene, ethylbenzene, cumene, naphthalene, anthracene; (xi) benzol (benzene), toluol (toluene) and xylol (xylenes); (xii) naphthalene and other aromatic hydrocarbon mixtures (excluding benzole, toluole, xylole); (c) vinyl chloride; (d) styrene; (e) ethylene oxide; (f) monoethylene glycol; (g) adipic acid.	GHG emissions from the organic basic chemicals production processes are lower than: (a) for HVC: 0,693 tCO2e/t of HVC; (b) for aromatics: 0,0072 tCO2e/t of complex weighted throughput; (c) for vinyl chloride: 0,171 tCO2e/t of vinyl chloride; (d) for styrene: 0,419 tCO2e/t of styrene; (e) for ethylene oxide/ethylene glycols: 0,314 tCO2e/t of ethylene oxide/glycol; (f) for adipic acid: 0,32 tCO2e /t of adipic acid. Where the organic chemicals in scope are produced wholly or partially from renewable feedstock, the life-cycle GHG emissions of the manufactured chemical, manufactured wholly or partially from renewable feedstock, are lower than the life-cycle GHG emissions of the equivalent chemical manufactured from fossil fuel feedstock. Life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party. Agricultural biomass used for the manufacture of organic basic chemicals complies with the criteria laid down in Article 29, paragraphs 2 to 5 of Directive (EU) 2018/2001. Forest biomass used for the manufacture of organic basic chemicals complies with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive.

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M3.2	Manufacturing	Manufacture of iron and steel	Manufacture of iron and steel products with significantly reduced GHG emissions in the manufacturing process by using advanced technologies. Steel scrap can be recycled in electric arc furnaces (EAFs) producing EAF carbon steel or EAF high alloy steel.	The activity manufactures one of the following: (a) iron and steel where GHG emissions do not exceed the following values applied to the different Manufacture process steps: (i) hot metal = 1,331 tCO2e/t product; (ii) sintered ore = 0,163 tCO2e/t product; (iii) coke (excluding lignite coke) = 0,144 tCO2e/t product; (iv) iron casting = 0,299 tCO2e/t product; (v) electric Arc Furnace (EAF) high alloy steel = 0,266 tCO2e/t product; (vi) electric Arc Furnace (EAF) carbon steel = 0,209 tCO2e/t product. (b) steel in electric arc furnaces (EAFs) producing EAF carbon steel or EAF high alloy steel, where the steel scrap input relative to product output is not lower than: (i) 70 % for the production of high alloy steel; (ii) 90 % for the production of carbon steel. Where the CO2 that would otherwise be emitted from the Manufacture process is captured for the purpose of underground storage, the CO2 is transported and stored underground, in accordance with the metric and shreshhod set out in Sections M8.1 of this document.
M3.3	Manufacturing	Manufacture of liquid biofuel for use in transport	Manufacture of liquid biofuel for use in transport with significantly reduced GHG emissions by using advanced technologies.	Scope: Agriculture/forest waste and food waste only Bio-liquids only Operation/Manufacture process only Criteria: 1. Agricultural biomass used for the manufacture of liquid biofuel for use in transport, such as fuel ethanol and biodiesel, shall: (a) have monitoring or management plans in place in order to address the impacts on soil quality and soil carbon. (b) not be made from raw material obtained from land with a high biodiversity value (e.g. primary forest, highly biodiverse forest, land protected by law, biodiverse grassland etc.) (c) shall not be made from raw material obtained from land with high-carbon stock - e.g. wetlands. (d) shall not be made from raw material obtained from land that was peatland in January 2020 unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. Food-and feed crops are not used for the manufacture of biofuels for use in transport. 2. The GHG savings from the manufacture of liquid biofuel for use in transport are at least 65 % in relation to the GHG saving methodology and the relative fossil fuel comparator.

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M3.4	Manufacturing	Manufacture of batteries	Manufacture of rechargeable batteries, battery packs and accumulators for transport, stationary and off-grid energy storage and other industrial applications. Manufacture of respective components (battery active materials, battery cells, casings and electronic components). Recycling of end-of-life batteries.	The economic activity manufactures rechargeable batteries, battery packs and accumulators (and their respective components), including from secondary raw materials, that result in substantial GHG emission reductions in transport, stationary and off-grid energy storage and other industrial applications. The economic activity recycles end-of-life batteries.
M3.5	Manufacturing	Production of wind generators	Manufacture of onshore and offshore wind turbines, wind turbine generators, wind turbine blades, bearings, cables, gearboxes, towers and other key components of 3MW and above wind turbines for plateau, low-temperature, low wind speed environments, and wind farm-related systems and equipment.	Direct eligibility
M3.6	Manufacturing	Production of solar generators	Manufacture of photovoltaic (PV) power generators and solar thermoelectric equipment.	Direct eligibility
M3.7	Manufacturing	Production of biomass energy utilization equipment	Manufacture of collection, crushing, transportation, and storage equipment for agricultural by-products such as straw and rice husk; Manufacture of biomass-power generators and heating equipment, marsh gas and biogas production equipment, biomass solid and liquid fuel production equipment, and other equipment making use of biomass energy.	Direct eligibility
M3.8	Manufacturing	Production of hydropower generators and pumped-storage equipment	Manufacture of high-performance and large-capacity hydropower generators, high-head and large-capacity pumped storage equipment, thousand-megawatt large hydraulic turbine generators, variable-speed pumped storage equipment, ultra-high-head large-impact hydraulic turbine generators, seawater pumped storage equipment, and other relevant hydropower generators and pumped storage equipment.	Direct eligibility
M3.9	Manufacturing	Production of geothermal energy utilization equipment	Manufacture of ground source heat pumps, high-temperature geothermal heat pumps, key equipment of geothermal absorption refrigeration systems, medium and low-temperature geothermal power generation systems and geothermal drying and hot water supply systems, and anti-corrosion and anti-incrustation equipment for geothermal energy utilization.	Direct eligibility
M3.10	Manufacturing	Production of marine energy utilization equipment	Manufacture of marine energy utilization equipment that generates electricity from resources, such as marine tidal energy, tidal current energy, wave energy, temperature difference energy, and salt difference energy.	Direct eligibility

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M3.11	Manufacturing	Manufacture of hydrogen	Manufacture of hydrogen and hydrogen-based synthetic fuels.	Green hydrogen is directly eligible. Other Hydrogen may be eligible if it meets the condition to be he life-cycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in 3tCO2eq/tH2] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO2e/MJ.
M3.12	Manufacturing	Manufacture of low carbon transport fleets and vessels	Manufacture of low carbon transport fleets and vessels which meet the metric and threhold for Sri Lanka.	The economic activity manufactures 1. inland passenger water transport vessels that: (a) have zero direct (tailpipe) CO2 emissions; (b) until 31 December 2025, are hybrid and dual fuel vessels using at least 50 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation; 2. inland freight water transport vessels, not dedicated to transporting fossil fuels, that: (a) have zero direct (tailpipe) CO2 emission; (b) until 31 December 2025, have direct (tailpipe) emissions of CO2 per tonne kilometre (gCO2/tkm), calculated (or estimated in case of new vessels) using the Energy Efficiency Operational Indicator, 50 % lower than the average reference value for emissions of CO2 defined for heavy duty vehicles; 3. sea and coastal freight water transport vessels, vessels for port operations and auxiliary activities, that are not dedicated to transporting fossil fuels, that: (a) have zero direct (tailpipe) CO2 emissions; (b) until 31 December 2025, are hybrid and dual fuel vessels that derive at least 25 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation at sea and in ports; (c) until 31 December 2025, and only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea, the vessels that have direct (tailpipe) CO2 emissions, calculated using the International Maritime Organization (IMO) Energy Efficiency Design Index (EEDI), 50 % lower than the average reference CO2 emissions value.
M3.13	Manufacturing	Manufacture of low-carbon motorcycles	Manufacture of low-carbon motorcycles which meet the metric and threhold for Sri Lanka.	This includes: • manufacture zero tailpipe emissions motorcycles, mopeds • manufacture of motorcycles, mopeds and cycles fitted with an auxiliary engine up to 2025 • manufacture of low emissions engines for motorcycles up to 2025 • manufacture of parts and accessories for zero tailpipe emissions motorcycles
M3.14	Manufacturing	Manufacture of energy-saving furnace/kiln	Manufacture of metallurgical heating furnaces, non-electric metal treatment furnaces, industrial electric furnaces, industrial kiln and other energy-saving furnaces/kiln using high-temperature air combustion, oxygen-enrichment combustion, and waste heat utilization technologies, as well as the equipment like energy-saving furnace burners.	The economic activity manufactures technologies that are aimed at and demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market. Life-cycle GHG emission savings are calculated using ISO14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emission savings are verified by an independent third party.

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M3.15	Manufacturing	Manufacture of high-efficient energy-saving household appliances	Manufacture of household appliances such as energy-saving air conditioners, air-conditioning units, refrigerators, electric washing machines, flat-screen TVs, electric fans, etc.	Household appliances falling into the highest two populated classes of energy efficiency in accordance with relevant local or international labelling scheme. Cooling and ventilation systems rated in the highest two populated classes of energy efficiency in accordance with relevant local or international labelling scheme. The energy efficiency of the energy-saving products should meet or exceed Level 1 of relevant local or international labelling scheme.
M3.16	Manufacturing	Manufacture of energy efficiency equipment for buildings	Manufacture of energy efficiency equipment for buildings.	The economic activity manufactures one or more of the following products and their key components: (a) windows with U-value lower or equal to 1,0 W/m2K; (b) doors with U-value lower or equal to 1,2 W/m2K; (c) external wall systems with U-value lower or equal to 0,5 W/m2K; (d) roofing systems with U-value lower or equal to 0,3 W/m2K; (e) insulating products with a lambda value lower or equal to 0,06 W/mK; (f) household appliances falling into the highest two populated classes of energy efficiency in accordance with relevant international or local labelling schemes; (g) light sources rated in the highest two populated classes of energy efficiency in accordance with relevant international or local labelling schemes; (h) space heating and domestic hot water systems rated in the highest two populated classes of energy efficiency in accordance with relevant international or local labelling schemes; (i) cooling and ventilation systems rated in the highest two populated classes of energy efficiency in accordance with relevant international or local labelling schemes; (j) presence and daylight controls for lighting systems; (k) heat pumps that meet thresholds defined in M4.12 of this document; (l) façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation; (m) energy-efficient building automation and control systems for residential and non-residential buildings; (n) zoned thermostats and devices for the smart monitoring of the main electricity loads or heat loads for buildings, and sensoring equipment; (o) products for heat metering and thermostatic controls for individual homes connected to district heating systems, for individual flats connected to central heating systems serving a whole building, and for central heating systems; (p) district heating exchangers and substations compliant with the district heating/cooling distribution activity set out in Section M4.11 of this document; (q) products for smart monitoring and regulating of heating system, and sensoring equipment.

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M4.1	Electric power generation, transmission and distribution	Electricity generation using solar photovoltaic technology	Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology.	The component products selected for solar photovoltaic power generation facilities should meet the following requirements: 1) The minimum photoelectric conversion efficiency of polycrystalline silicon cells and monocrystalline silicon cells shall not be less than 19% and 21% respectively; 2) The minimum photoelectric conversion efficiency of polycrystalline silicon cell modules and single crystal silicon battery modules shall not be less than 17% and 17.8% respectively; 3) The minimum photoelectric conversion efficiency of silicon-based, CIGS, CdTe and other thin-film battery modules shall not be less than 12%, 14% , 14% , 12% ; 4) The decay rates of polycrystalline silicon battery modules and monocrystalline silicon battery modules shall not be higher than 2.5% and 3% in the first year, and not higher than 0.7% per year, and not higher than 20% within the period of 25 years; the attenuation rate of thin-film battery module shall not be more than 5% in the first year, no more than 0.4% per year in the following year, no more than 15% within the period of 25 years.
M4.2	Electric power generation, transmission and distribution	Electricity generation using concentrated solar power (CSP) technology	Construction and operation of facilities using solar thermal power to generate electricity.	Direct eligibility
M4.3	Electric power generation, transmission and distribution	Electricity generation from wind power	Construction or operation of electricity generation facilities that produce electricity from wind power.	Direct eligibility
M4.4	Electric power generation, transmission and distribution	Electricity generation from ocean energy technologies	Construction or operation of electricity generation facilities that produce electricity from ocean energy including g marine tidal energy, wave energy, tidal current energy, temperature difference energy, salt difference energy and other resources.	Direct eligibility
M4.5	Electric power generation, transmission and distribution	Electricity generation from hydropower	Construction or operation of electricity generation facilities that produce electricity from hydropower.	The activity complies with either of the following criteria: (a) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; (b) the power density of the electricity generation facility is above 5 W/m2; (c) the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100gCO2e/kWh. The life-cycle GHG emissions are calculated using ISO 14067:2018, ISO 14064-1:2018 or the G-res tool. Quantified life-cycle GHG emissions are verified by an independent third party.
M4.6	Electric power generation, transmission and distribution	Electricity generation from bio-energy	Construction and operation of electricity generation installations that produce electricity exclusively from biomass, biogas or bioliquids wastes, excluding electricity generation from blending of renewable fuels with biogas or bioliquids.	Total rated thermal input less than 2 MW. The greenhouse gas emission savings from the use of biomass are at least 80 % in relation to the GHG saving methodology and the relative fossil fuel comparator.

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M4.7	Electric power generation, transmission and distribution	Electricity generation from geothermal energy	Construction or operation of electricity generation facilities that produce electricity from geothermal energy.	Life-cycle GHG emissions from the generation of electricity from geothermal energy are lower than 100gCO2e/kWh. Life-cycle GHG emission savings are calculated using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party.
M4.8	Electric power generation, transmission and distribution	Electricity generation from natural gas-fired power plants	Construction or operation of electricity generation facilities that produce electricity from natural gas.	Life-cycle GHG emissions from the generation of electricity from gas-fired power, are lower than 100gCO2e/kWh. The life-cycle GHG emissions are calculated using ISO 14067:20181
M4.9	Electric power generation, transmission and distribution	Storage of electricity	Construction and operation of facilities that store electricity and return it at a later time in the form of electricity. The activity includes pumped hydropower storage.	Direct eligibility except for: (a) Chemical energy storage: medium of storage (such as ammonia) complies with the criteria for Manufacture of the corresponding product specified. Hydrogen electricity storage: hydrogen meets the screening criteria specified in M3.11
M4.10	Gas, steam and air conditioning supply	Construction and operation of natural gas transmission, storage, and peak load regulation facilities	Construction and operation of natural gas transmission, storage and transportation peak shaving facilities, such as long-distance natural gas pipelines, gas storage, branch pipelines, regional pipeline networks, and liquefied natural gas (LNG) receiving stations.	1. The activity consists of one of the following: (a) retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low carbon gasses in the gas system; construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases; (b) conversion/repurposing of existing natural gas networks to 100% hydrogen; (c) construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases. 2. The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.
M4.11	Gas, steam and air conditioning supply	District heating and cooling	Construction of urban centralized heating facilities using low-grade industrial waste heat sources or other clean heat sources; and energy-saving and environmentally friendly technological renovation activities of urban centralized heating boilers, heating pipe networks and other centralized heating facilities. Construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger.	(a) construction and operation of pipelines and associated infrastructure for distributing heating and cooling, that are using at least 50 % renewable energy, 50 % waste heat, 75% cogenerated heat or 50 % of a combination of such energy and heat. (b) refurbishment of pipelines and associated infrastructure for distributing heating and cooling, where the investment that makes the system use at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat within a three-year period.
M4.12	Gas, steam and air conditioning supply	Construction, installation and operation of heat pump facilities	Installation and operation of electric heat pumps.	The installation and operation of electric heat pumps complies with both of the following criteria: (a) refrigerant threshold: Global Warming Potential does not exceed 675; (b) energy efficiency requirements are best in class.

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M4.13	Gas, steam and air conditioning supply	Production of heat/cool from solar thermal heating	Construction and operation of facilities producing heat/cool from solar thermal heating technology.	Direct eligibility
M4.14	Gas, steam and air conditioning supply	Cogeneration of heat/cool and power from solar energy	Construction and operation of facilities co-generating electricity and heat/cool from solar energy.	Direct eligibility
M4.15	Gas, steam and air conditioning supply	Cogeneration of heat/cool and power from geothermal energy (Production of heat/cool from geothermal energy)	Construction and operation of facilities co-generating heat/cool and power from geothermal energy.	Meet all requirements: (a) Life cycle emissions from the combined generation of heat/cool and power from geothermal energy <100g (b) Life cycle emissions should be calculated using ISO 14067:2018 or ISO 14064-1:2018. (c)Mandatory third-party verification of life cycle emissions.
M4.16	Gas, steam and air conditioning supply	Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels (Production of heat/cool from renewable non-fossil gaseous and liquid fuels)	Construction and operation of combined heat/cool and power generation facilities using gaseous and liquid fuels of renewable origin.	1. Meet all of (a) Life-cycle GHG emissions from the co-generation of heat/cool and power are lower than 100gCO2e per 1 kWh of energy output to the co-generation. (b) Life-cycle GHG emissions are calculated based on project-specific data, where available, using ISO 14067:2018 or ISO 14064-1:2018. (c) Quantified life-cycle GHG emissions are verified by an independent third party. 2. In addition, if facilities incorporate any abatement (e.g., carbon capture or decarbonized fuels) (a) Where the CO2 that would otherwise be emitted from the cogeneration process is captured for the purpose of underground storage, the CO2 is transported and stored underground, in accordance with the criteria set out in Section M8.1 of this document. 3. The activity meets either of the following criteria: (a) at construction, measurement equipment for monitoring of physical emissions, such as methane leakage is installed or a leak detection and repair program is introduced; (b) at operation, physical measurement of methane emissions are reported and leak is eliminated. 4. Where the activity blends renewable gaseous or liquid fuels with biogas or bioliquids, the agricultural biomass used for the production of the biogas or bioliquids complies with the criteria laid down in M3.3 of this document.

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M4.17	Gas, steam and air conditioning supply	Cogeneration of heat/cool and power from bioenergy (Production of heat/cool from bioenergy)	Construction and operation of installations used for cogeneration of heat/cool and power exclusively from biomass, biogas or bioliquids, and excluding cogeneration from blending of renewable fuels with biogas or bioliquids.	1. Agricultural and forest biomass used in the activity complies with the criteria laid down in M3.3. 2. The greenhouse gas emission savings from the use of biomass in cogeneration installations are at least 80 % in relation to the GHG emission saving methodology and fossil fuel comparator. 3. Where the cogeneration installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in M5.5 of this document, as applicable. 4. Points 1 and 2 do not apply to cogeneration installations with a total rated thermal input below 2 MW and using gaseous biomass fuels.
M4.18	Gas, steam and air conditioning supply	Production of heat/cool using waste heat	Construction and operation of facilities that produce heat/cool using waste heat.	Direct eligibility
M5.1	Water supply, sewerage and waste management	Sewage sludge treatment – anaerobic digestion	Construction and operation of facilities for the treatment of sewage sludge by anaerobic digestion with the resulting production and utilisation of biogas or chemicals.	Scope: Anaerobic digestion only. Construction and operation of facilities for the treatment of sewage sludge by anaerobic digestion with the resulting production and utilisation of biogas or chemicals. Criteria 1. A monitoring and contingency plan is in place in order to minimize methane leakage at the facility. 2. The produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry.
M5.2	Water supply, sewerage and waste management	Collection and transport of non-hazardous waste in source segregated fractions	Separate collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling.	All separately collected and transported non-hazardous waste that is segregated at source is intended for preparation for reuse or recycling operations.
M5.3	Water supply, sewerage and waste management	Recycling non-hazardous waste	Construction and operation of facilities for the sorting and processing of separately collected non-hazardous waste streams into secondary raw materials involving mechanical reprocessing, except for backfilling purposes.	At least 50% of the weight of collected materials is converted into secondary raw materials.
M5.4	Water supply, sewerage and waste management	Composting of domestic and agricultural bio-waste	Construction and operation of dedicated facilities for the treatment of separately collected bio- waste through composting (aerobic digestion) with the resulting production and utilisation of compost.	Scope: composting agricultural and bio-waste Criteria: 1. The bio-waste that is composted is sourced, segregated and collected separately. 2. The compost produced is used as fertiliser or soil improver and meets national rules on fertilisers or soil improvers for agricultural use.

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M5.5	Water supply, sewerage and waste management	Utilization/ treatment of domestic waste – anaerobic digestion	Construction and operation of dedicated facilities for the treatment of separately collected bio- waste through anaerobic digestion with the resulting production and utilisation of biogas and digestate and/or chemicals.	Scope: Anaerobic digestion of bio-waste only Criteria: 1. A monitoring and contingency plan is in place in order to minimize methane leakage at the facility. 2. The produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry. 3. The bio-waste that is used for anaerobic digestion is source segregated and collected separately. 4. The produced digestate is used as fertiliser or soil improver, either directly or after composting or any other treatment. 5. In the dedicated bio-waste treatment plants, the share of food and feed crops used as input feedstock, measured in weight, as an annual average, is less than or equal to 10% of the input feedstock.
M5.6	Water supply, sewerage and waste management	Recycling of agricultural waste	Construction and operation of resource utilization facilities for agricultural wastes such as crop stalks, livestock and poultry manure, tail vegetables, and primary processing residues of agricultural products. For example, of construction and operation of crop straw biomass fuel facilities, livestock and poultry manure biogas facilities and other related facilities.	Scope: Anaerobic digestion of bio-waste only Criteria: 1. A monitoring and contingency plan is in place in order to minimize methane leakage at the facility. 2. The produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry. 3. The bio-waste that is used for anaerobic digestion is source segregated and collected separately. 4. The produced digestate is used as fertiliser or soil improver, either directly or after composting or any other treatment. 5. In the dedicated bio-waste treatment plants, the share of food and feed crops used as input feedstock, measured in weight, as an annual average, is less than or equal to 10% of the input feedstock.
M6.1	Construction	Renovation of existing buildings	Energy-saving renovation of existing buildings and energy-use systems of buildings.	The building renovation leads to a reduction of primary energy demand (PED)/energy consumption/ GHG emissions of at least 30%.
M6.2	Construction	Acquisition and ownership of buildings	Buying real estate and exercising ownership of that real estate.	Green SL Rated buildings: Gold and Platinum.
M6.3	Construction	Construction of new buildings	Construction of new buildings	The GHG emissions/ energy consumption/Primary Energy Demand (PED) of the building resulting from the construction, is at least 10 % lower than the threshold set by a relevant national/international nearly zero-energy building requirements.

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M6.4	Construction	Infrastructure enabling low-carbon road transport	Construction and operation of electric vehicle battery charging and charging service facilities, new energy vehicle hydrogenation and other clean energy vehicle-related infrastructure.	Scope: EV and hydrogen vehicle infrastructure only Criteria 1. The activity complies with one or more of the following criteria: (a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fueling stations or electric road systems (ERS); 2. The infrastructure is not dedicated to the transport or storage of fossil fuels.
M6.5	Construction	Infrastructure enabling low carbon water transport	Construction, modernization, operation and maintenance of infrastructure that is required for zero tailpipe CO2 operation of vessels or the port's own operations.	1. The activity complies with one or more of the following criteria: (a) the infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO2 emissions: electricity charging, hydrogen- based refuelling; (b) the infrastructure is dedicated to the provision of shore-side electrical power to vessels at berth; (c) the infrastructure is dedicated to the performance of the port's own operations with zero direct (tailpipe) CO2 emissions; (d) the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods. 2. The infrastructure is not dedicated to the transport or storage of fossil fuels.
M6.6	Construction	Low carbon airport infrastructure	Construction, modernization, maintenance and operation of infrastructure that is required for zero tailpipe CO2 operation of aircraft or the airport's own operations, as well as for provision of fixed electrical ground power and preconditioned air to stationary aircraft.	1. The activity complies with one or more of the following criteria: (a) the infrastructure is dedicated to the operation of aircraft with zero tailpipe CO2 emissions: electricity charging and hydrogen refuelling; (b) the infrastructure is dedicated to the provision of fixed electrical ground power and preconditioned air to stationary aircrafts; (c) the infrastructure is dedicated to the zero direct emissions performance of the airport's own operations: electric charging points, electricity grid connection upgrades, hydrogen refuelling stations. 2. The infrastructure is not dedicated to the transport or storage of fossil fuels.
M6.7	Construction	Infrastructure for electric rail transport	Construction, modernization, operation and maintenance of railways and subways as well as bridges and tunnels, stations, terminals etc.	Scope: electrified rail only Criteria: 1. The infrastructure is either: (a) electrified trackside infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling, and trackside control- command and signalling subsystems; (b) new and existing trackside infrastructure and associated subsystems where there is a plan for electrification as regards line tracks, and, to the extent necessary for electric train operations, as regards sidings, or where the infrastructure will be fit for use by zero tailpipe CO2 emission trains within 10 years from the beginning of the activity: infrastructure, energy, on-board control- command and signalling, and trackside control-command and signalling subsystems; 2. The infrastructure is not dedicated to the transport or storage of fossil fuels.

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M6.8	Construction	Green lighting upgrades	Energy-saving technology upgrading of high-efficient lighting product.	Scope: LED lighting upgrades
M6.9	Construction	Installation, maintenance and repair of renewable energy technologies in buildings	Installation, maintenance and repair of renewable energy technologies, on-site. The Application of Renewable Energy in Buildings.	Design and construction of renewable energy application systems for buildings using solar photovoltaic power generation devices installed on the roofs and walls of buildings to provide electricity to buildings, and the use of heat pumps and other facilities to provide cooling and heating to buildings, as well as renewable energy building application renovation activities. The activity consists in one of the following individual measures, if installed on-site as technical building systems: (a) installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment; (b) installation, maintenance and repair of solar hot water panels and the ancillary technical equipment; (c) installation, maintenance, repair and upgrade of heat pumps contributing to the targets for renewable energy in heat and cool (d) installation, maintenance and repair of wind turbines and the ancillary technical equipment; (e) installation, maintenance and repair of solar transpired collectors and the ancillary technical equipment (f) installation, maintenance and repair of thermal or electric energy storage units and the ancillary technical equipment; (g) installation, maintenance and repair of high efficiency micro CHP (combined heat and power) plant; (h) installation, maintenance and repair of heat exchanger/recovery systems.
M7.1	Transportation and storage	Construction and operation of public transportation system in urban and rural areas	Construction and operation of subways, light railways, tram and other urban rail transportation facilities; construction and operation of high-capacity public transportation facilities, such as BRT bus stations, lines and other facilities construction and operation; purchase of public transportation vehicles, etc.	Scope: passenger public transport The activity complies with one of the following criteria: (a) the trains and passenger coaches have zero direct (tailpipe) CO2 emissions.
M7.2	Transportation and storage	Construction and operation of rail freight transport and upgrade of existing railways	Construction and operation of freight railway facilities such as freight railway routes, yards and stations, and special power substations; construction and operation of existing railway electrification, yards and stations and relevant energy-saving and environmental protection renovation projects.	1. The activity complies with one or both of the following criteria: (a) the trains and wagons have zero direct tailpipe CO2 emission; (b) the trains and wagons have zero direct tailpipe CO2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode). 2. The trains and wagons are not dedicated to the transport of fossil fuels.

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
M7.3	Transportation and storage	Construction and operation of facilities for shared transport, including motorbikes, passenger cars and light commercial vehicles	Construction and operation of shared transportation infrastructure, such as systems for public rental bicycles, online bicycle rental, online electric bicycle rental, online car rental, car sharing, parking facilities and equipment, and bicycle parking facilities.	Scope: Shared private transport The activity complies with the following criteria: For Motor vehicles having at least four wheels: (a) until end 2028, specific emissions of CO2 are lower than 50gCO2/km (low- and zero-emission light-duty vehicles); (b) from 1 January 2029, specific emissions of CO2 are zero. For Mopeds, Motorcycles, Motor Tricycles and Quadricycles: the tailpipe CO2 emissions equal to 0g CO2e/km.
M7.4	Transportation and storage	Passenger interurban rail transport	Purchase, financing, rental, leasing and operation of passenger transport using railway rolling stock on mainline networks, spread over an extensive geographic area, passenger transport by interurban railways and operation of sleeping cars or dining cars as an integrated operation of railway companies.	The activity complies with one of the following criteria: (a) the trains and passenger coaches have zero direct (tailpipe) CO2 emissions; (b) the trains and passenger coaches have zero direct (tailpipe) CO2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode).
M7.5	Transportation and storage	Construction and operation of shared personal mobility devices, cycle logistics	Construction, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero- emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transport services by (cargo) bicycles.	1. The propulsion of personal mobility devices comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. 2. The personal mobility devices are allowed to be operated on the same public infrastructure as bikes or pedestrians.
M8.1	Others	Underground permanent geological storage of CO2	Permanent storage and operation of captured CO2 in appropriate underground geological formations.	Scope: storage and operation Criteria 1. Characterisation and assessment of the potential storage complex and surrounding area, or exploration il is carried out in order to establish whether the geological formation is suitable for use as a CO2 storage site. 2. For operation of underground geological CO2 storage sites, including closure and post-closure obligations: (a) appropriate leakage detection systems are implemented to prevent release during operation; (b) a monitoring plan of the injection facilities, the storage complex, and, where appropriate, the surrounding environment is in place, with the regular reports checked by the competent national authority. 3. The activity complies with ISO 27914:2017 for geological storage of CO2.
M8.2	Others	Hydrogen storage	Construction and operation of facilities that store hydrogen and return it at a later time.	The activity is one of the following: (a) construction of hydrogen storage facilities; (b) conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage; (c) operation of hydrogen storage facilities where the hydrogen stored in the facility meets the criteria for manufacture of hydrogen set out in hydrogen Manufacture in Section M3.11.

Sri Lanka Green Finance Taxonomy - Adaptation

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
A1.1	Agriculture	Installation and operation of water management system for agricultural use in the fresh water stressed districts	Installation and operation of high-efficiency irrigation measure (e.g. drip irrigation) , rain water collection facilities, water recycling and treatment facilities for agriculture land in the fresh water stressed districts.	Eligible measures list: • Drip irrigation • rain water collection • water recycling • flood proof warehousing • Sustainable drainage systems
A1.2	Agriculture	Construction and operation of climate information communication technology infrastructure for agricultural productivity	Construction and operation of information management and communication infrastructure for early warning of climate-related disasters (such as drought, flooding, hurricane, etc.) that will reduce the agricultural outputs.	Direct eligibility for early warning systems, monitoring, expansion of disaster warning systems from city to farms.
A1.3	Agriculture	Monitoring and treatment services to prevent, monitor and treat the climate-related pathogens and diseases on ruminant livestock, poultry and swine	Monitoring and treatment services to prevent, monitor and treat the presence of pathogens and diseases.	Eligible measures include: - Research and development of seeds and crops that are resilient to drought, heat, flood, pests or soil with increased salinity.
A1.4	Agriculture	Research, development and dissemination of climate-resilient seeds and crops	Research, development and dissemination of seeds and crops that are resilient to drought, heat, flood, pests, disease or soil increased salinity.	Meet local climate-resilient standards
A1.5	Agriculture	Research, development and dissemination of heat-tolerant livestock breeds and aquaculture species	Research, development and dissemination of heat-tolerant livestock breeds and aquaculture species.	Meet local heat-tolerance standards
A1.6	Agriculture	Implementation of smart agriculture systems to increase the climate resilience of agricultural production	Construction and operation of smart agriculture systems (e.g. precision agriculture, sensor controlled pivot "fertigation" and similar) up to local climate resilience standards.	Meet local climate-resilient standards or certification scheme which have climate adaptation components
A2.1	Financial services	Providing affordable insurance products to increase climate resilience of agricultural and tourism activities	Providing affordable insurance products to increase climate resilience: weather insurance products to protect against flooding or extreme weather events; agricultural crop insurance to protect against drought, flood; agricultural asset insurance; livestock insurance; aquaculture production insurance; tourism safety insurance.	Direct eligibility
A3.1	Construction	Construction of climate-resilient warehouse and storage systems for agricultural buffer stocks as a measure to improve disaster risk preparedness and management	Construction and operation flood-proof warehouses and storage systems for agricultural buffer stocks . The warehouse and storage system should be up to local climate resilience standards.	Meet local climate-resilient standards

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
A3.2	Construction	Construct physical structures and install equipment to protect the livestock against heat stress	Construct physical structures and install equipment to protect the livestock against heat stress (e.g. adequate cooling, air flow, evaporative systems, water misting and ventilation); elevated livestock shelters (e.g. raised foundations); protection of livestock against heat stress (e.g. shade screens or shade cloth structures).	Direct eligibility
A3.3	Construction	Construction and maintenance of flood and coastal erosion management measures for existing tourism and agricultural facilities.	Construction and maintenance of flood and coastal erosion management measures for existing tourism and agricultural facilities. (e.g. install flood defenses, increase drainage capacity, diversion of flood flows away from areas at risk, flood resilient building materials, sustainable drainage systems, raise level of structures).	Direct eligibility
A4.1	Tourism and recreation	Construction and operation of climate information communication technology infrastructure for tourists	Construction and operation of information management and communication infrastructure for timely issuing of extreme weather forecasts for tourists through mobile and internet.	Direct eligibility
A4.2	Tourism and recreation	Retrofit the coastal tourism properties to improve climate resilience	Retrofit the coastal tourism properties in the identified vulnerable areas (e.g. low-lying beaches, other disaster prone areas) to improve its climate resilience.	Direct eligibility
A4.3	Tourism and recreation	Construction and operation of certified sustainable tourism destinations	Construction and operation of tourism destinations certified under the National Sustainable Tourism Certification Scheme by Sri Lanka Tourism Development Authority (SLTDA) in collaboration with Global Sustainable Tourism Council (GSTC).	Meet local climate-resilient standards or certification scheme which have climate adaptation components

Sri Lanka Green Finance Taxonomy - Other Green Objectives

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
E1.1	Agriculture	Growing of rice with certification focusing on sustainable land and water management	Growing of rice with sustainability /organic certification.	GAP and Organic certification, Organic Participatory Guarantee System (PGS).
E1.2	Agriculture	Growing of beverage tea with certification focusing on sustainable land and water management	Growing of beverage tea with sustainability /organic certification.	Meet local certification scheme that has ecological conservation and/or resource efficiency components.
E1.3	Agriculture	soil conservation	Carry out a minimum preparation or tillage of the soil, with permanent soil coverage and use of green manures. On sloping soils, plant in contour lines through terraces, deep-rooting plant covers, or other methods. Maintain a biomass coverage of the soil in at least 80% of the property. Activity may also include implementation of technologies related to soil absorption sources and soil management.	Implementing soil testing programs to determine nutrient requirements, training programs on the use of mobile soil testing kits and providing soil recommendations.
E1.4	Agriculture	Pastoral ecological protection and construction	Establish and manage agricultural ecological circular system, such as “rice-fish symbiosis”, “pig- biogas-fruit tree”, “forest economy” and other ecological agricultural circular modes.	Meet local certification scheme that has ecological conservation components.
E1.5	Agriculture	Green animal husbandry	Green animal husbandry projects carried out to promote the efficiency of animal husbandry resources and environmental protection. For example: - harmless treatment systems for sick and dead livestock and poultry; - facility construction for storage, treatment and utilization of waste from livestock and poultry breeding; - construction of environment-friendly breeding facilities, such as elevated beds; - construction of agricultural industrial parks with a circular system between breeding, biogas, planting, and processing.	Meet local certification scheme that has ecological conservation and/or resource efficiency components.
E1.6	Agriculture	Green fishery	Environment-friendly fishery projects such as carbon sink fishery and clean water fishery, rice-fish system and the comprehensive utilization of saline-alkali water for fishery and agriculture, recirculating aquaculture systems, deep-water anti-wind and wave non-bait cage aquaculture, ecological aquaculture, and comprehensive utilization of aquatic by-products. Construction and operation of facilities treating aquaculture wastewater, as well as fishery resource conservation facilities, such as the marine fisheries conservation, etc.	Meet local certification scheme that has ecological conservation and/or resource efficiency components.
E1.7	Agriculture	Replacement of synthetic fertilizers, including organic or green manures (use of vegetable mulches)	Replace synthetic fertilizers with fertilizers prepared from organic material, such as harvest waste, pruning, manure, grass, etc. Introduce green manures, such as beans, crotalia, canavalia, among others.	Replacement of synthetic fertilizers
E1.8	Agriculture	Effective, low-toxicity and low-residue pesticide production and alternatives	Production and application of the state- and industrial- endorsed effective, low-toxicity and low-residue pesticides up to local standard.	Bio pesticide allowed by regulations

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
E1.9	Agriculture	Research and development and application of green prevention/ control products	Research, development, promotion and commercial application of green prevention/control products, including but not limited to: Research, development, promotion and commercial application of green prevention/control products such as green efficient functional fertilisers, biological fertilisers, new soil conditioners, low-risk pesticides, pesticide application agents, and physical and chemical inducements; research, development, promotion and commercial application of emerging products (such as green efficient feed additives, low-toxicity and low drug-resistance veterinary drugs, and efficient and safe vaccines, etc.).	Products allowed by regulations
E2.1	Manufacturing	Manufacture of coconut oil with sustainability/organic certification	Manufacture of coconut oil with sustainable/organic certification.	Organic certification
E2.2	Manufacturing	Manufacture of dairy products with sustainability/organic certification	This activity includes: • manufacture of fresh liquid milk, pasteurized, sterilized, homogenized and/or ultra heat treated • manufacture of milk-based drinks • manufacture of cream from fresh liquid milk, pasteurized, sterilized, homogenized • manufacture of dried or concentrated milk whether or not sweetened • manufacture of milk or cream in solid form • manufacture of butter • manufacture of yoghurt • manufacture of cheese and curd • manufacture of whey • manufacture of casein or lactose • manufacture of ice cream and other edible ice such as sorbet	Organic certification
E2.3	Manufacturing	Production of bio-based fast moving consumer goods from marine resources through bio-technological applications	Production of algae and other marine micro or macro organism to produce food, pharmaceuticals, cosmetics, or other bio-based products through bio-technological applications up to local sustainable production standards or certification scheme.	Meet local certification scheme that has ecological conservation and/or resource efficiency components
E2.4	Manufacturing	Manufacture of textiles with green/sustainability certification	This includes preparation and spinning of textile fibres as well as textile weaving, finishing of textiles and wearing apparel, manufacture of made-up textile articles, except apparel. (It does not include growing of natural fibres or manufacture of synthetic fibres)	Meet local certification scheme that has ecological conservation and/or resource efficiency components
E2.5	Manufacturing	Manufacture of paper with green/sustainability certification	This includes the manufacture of pulp, paper and converted paper products.	Meet local certification scheme that has ecological conservation and/or resource efficiency components

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
E2.6	Manufacturing	Manufacture of rubber products with green/sustainability certification	This includes: • Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres • Manufacture of other rubber products	Meet local certification scheme that has ecological conservation and/or resource efficiency components
E2.7	Manufacturing	Manufacture of ocean-friendly and water-friendly personal sanitation products	Manufacture of biodegradable and phosphate-free detergents, shampoos, shampoo bars, soap bars without plastic packaging; manufacture of microbead-free toothpaste without plastic packaging.	Direct eligibility
E2.8	Manufacturing	Plastic recycling, remanufacturing and repurpose	Establishment and operation of plastic collection and recycling facilities that reuse, remanufacture and repurpose the plastics up to local industrial and environmental standards.	Direct eligibility
E3.1	Water supply, sewerage and waste management	Construction of new drinking water supply infrastructure	Construction and operation of technically-advanced drinking water collection, storage, treatment and supply infrastructure that reaches at least 20% water savings per unit of service compared to a documented local baseline.	Direct eligibility
E3.2	Water supply, sewerage and waste management	Retrofit of existing water supply infrastructure	Retrofit of existing water supply infrastructure that reaches at least 20% water savings per unit of service compared to a documented local baseline.	At least 20% water savings per unit of measure compared to baseline
E3.3	Water supply, sewerage and waste management	Treatment of wastewater from vessels, shipping yards, ports and vessels	Installation of water treatment equipments and facilities for all wastewater (blackwater, greywater, bilge water, etc.) generated from ports, shipping and crusing vessels up to local industrial and environmental standards.	Meet local wastewater treatment standards
E3.4	Water supply, sewerage and waste management	Wastewater treatment of major industries	Construction and operation of wastewater treatment facilities for major water-polluting industries, such as papermaking, coking, nitrogen fertilizers, non-ferrous metals, printing and dyeing, agricultural and sideline food processing, raw pharmaceutical ingredient manufacturing, tanning, pesticides, electroplating;. For example, the treatment of phosphate ore, phosphorus chemical industry, phosphogypsum storages, and comprehensive utilization and trading of phosphogypsum, construction and operation of wastewater facilities in industries containing phosphorus pesticides, etc.	Meet local wastewater treatment standards
E3.5	Water supply, sewerage and waste management	solid waste collection and treatment of garbage generated in shipping vessels, yards and ports	Installation of solid waste collectors, receivers and treatment facilities for ports and marine terminals for the collection of garbage generated in shipping vessels, yards and ports.	Meet local waste treatment standards
E3.6	Water supply, sewerage and waste management	Recycling and treatment of packaging waste	Establishment and operation of recycling and treatment facilities for packaging wastes such as packaging containers and materials made from paper, plastic, metal, glass, wood, or mixed materials that comply with national standards.	Direct eligibility

Number	Macro-sector	Activity	Description	Metric & Threshold for Sri Lanka
E4.1	Construction	Construction of new green buildings	Development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to realise the building projects for later sale as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis.	Green SL Rated buildings: Gold and Platinum
E5.1	ICT	Application of information systems, technology, and instruments deployed for measuring, tracking, and reporting physical and chemical indicators of the water body to achieve sustainable fishery and aquaculture management, water-related ecosystem restoration, and disaster resilience.	Application of information systems, technology, and instruments deployed for measuring, tracking, and reporting physical and chemical indicators of the water body to achieve sustainable fishery and aquaculture management, water-related ecosystem restoration, and disaster resilience. This could include systems with drones, autonomous sailing vessels, autonomous underwater vehicles, and ocean buoys, among other technologies.	Direct eligibility

ශ්‍රී ලංකා මහ බැංකුව

இலங்கை மத்திய வங்கி

CENTRAL BANK OF SRI LANKA