

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO 1001
TO BE ANSWERED ON 10th FEBRUARY 2025

CLIMATE FINANCE TAXONOMY

1001. Shri Vishaldada Prakashbapu Patil

Will the **Minister of FINANCE** be pleased to state:

- (a) the details and the current status of the climate finance taxonomy of the country announced in the Union Budget 2024-25;
- (b) the criteria and metrics used to classify economic activities as green or sustainable and whether it aligns with international standards and best practices;
- (c) the sectors being prioritized in the initial phase of the taxonomy;
- (d) the steps taken by the Government to encourage adoption of the green taxonomy and integrate climate-related risks into decision-making processes of financial institutions; and
- (e) the safeguards to prevent greenwashing and to ensure the integrity of the green taxonomy?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) to (e) In line with the budget announcement on Taxonomy for climate finance in July 2024, the Department has constituted Sectoral Technical Committees (TCs) involving multiple stakeholders to discuss, deliberate and guide the taxonomy work. The taxonomy will support the achievement of the country's climate commitments and green transition and will prevent greenwashing. The Reserve Bank of India has taken several measures, including a survey to assess the readiness and progress of major scheduled commercial banks in managing climate risks, and has also issued the framework for accepting green deposits to augment the flow of credit to green activities/projects. In addition, SEBI has introduced sustainability reporting and mandatory ESG-related disclosures, which cover 1000 top-listed companies by market capitalisation.
