

NZ Taxonomy Technical Expert Group (TEG) meeting #3 summary minutes

7.00pm-9.00pm NZT, Tuesday 11 February 2025

Via Microsoft Teams

Thematic focus areas per TEG meeting agenda:

For alignment

- Transition methodology
- Decision tree flow
- Considering what is needed/compatible with a Paris-aligned 2050 economy
- Cut-off dates

Attendees:

TEG co-Chairs

1. Andy Reisinger, Independent Climate Change Expert
2. Pip Best, Partner – Climate Change & Sustainability Services, EY Oceania

TEG members

3. Adam Coxhead, Head of Sustainable Finance, Bank of New Zealand
4. Caroline Poujol, Director – Sustainable Finance (NZ), ANZ
5. David Hall, Policy Director, Toha Network
6. David Woods, Independent
7. Feng Hu, International Specialist, United Nations Environment Programme Finance Initiative (UNEP FI); Founder and Director, silkroad.earth
8. Fonteyn Moses-Te Kani, Pou Tiaki – Director Māori Strategy & Indigenous Inclusion, Westpac New Zealand
9. Greg Munford, Senior Investment Strategist – Sustainable Investment, New Zealand Superannuation Fund
10. James Paterson, Head of Sustainable Finance, ASB
11. Jeremie Madamour, Principal Advisor – Climate Change & Sustainability Reporting, External Reporting Board (XRB)
12. Joanna Silver, Head of Sustainable Finance, Westpac New Zealand
13. Jono Broome, Associate Director – Client Advisory APAC, Morningstar Sustainability
14. Jorge Waayman, Manager – ESG Research, Harbour Asset Management
15. Julia Langley, Managing Director – Switzerland & New Zealand, Green Wave Advisory
16. June McCabe, Independent Director; Pou Tahua Representative, National Iwi Chairs Forum (NICF)
17. Sean Fullan, Resilience & Recovery Manager, Insurance Council of New Zealand (ICNZ)
18. Stefan Gray, Manager – Strategic Climate Initiatives, Reserve Bank of New Zealand (RBNZ)

Ministry for the Environment

19. Isobel Bruun-Kiaer, Senior Policy Advisor – Sector Policy & Finance



20. Lauren Aspoas, Policy Advisor – Sector Policy & Finance

Technical delivery partners

21. Matteo Bigoni, Head of Taxonomies, Climate Bonds Initiative

22. Pip Band, Director, Band Consulting

CSF

23. Nigel Gormly, Director – Programs

24. Renzhu Zhang, Analyst

Summary minutes

Welcome and overview of meeting agenda

CSF update

Transition methodology and decision tree flow discussion

- CBI outlined key changes to the flow chart following TEG's written feedback on the draft methodological design features paper (MDFP)
- TEG discussed changes and aligned on specific edits to make
- TEG was aligned on proposed transition methodology, provided that appropriate technical screening criteria are in place
- TEG agreed with the flow of the decision tree, provided that all suggested changes are implemented

Defining what is needed/compatible with a Paris-aligned 2050 economy discussion

- TEG agreed on the methodological approach to determining what qualifies as 'Paris-aligned'
- Regarding pathway(s) for alignment, TEG noted that:
 - No pathways can be considered strictly Paris-/1.5°C-aligned in a binary sense
 - Global pathways provide little insight into what might be Paris-aligned for NZ
 - Climate Change Commission (CCC) pathways are bottom-up and not specifically designed to align with international frameworks like the Intergovernmental Panel on Climate Change (IPCC) or the International Energy Agency (IEA)
 - CCC pathways are national targets-aligned, not Paris- or 1.5°C-aligned – in fact, CCC recommends revising NZ's 2050 target for better Paris-/1.5°C-alignment, and only its high technology high systems change (HTHS) pathway could meet the revised target
 - Despite their limitations, CCC pathways are the best available national reference for NZ



- Proposal:
 - The NZ Taxonomy will:
 - Make use as far as possible of CCC's HTHS pathway, complemented by global pathways developed by the IPCC and the IEA
 - Consider other credible sector-specific pathways for particular activities
 - Note: IEA has no specific Agriculture, Forestry and Other Land Use (AFOLU) pathways, hence, IPCC will serve as the guiding global framework for AFOLU
 - Live poll results: 69% agreed; 31% were unsure (response rate: 89%) and were invited to engage in further discussions out-of-session

Clarity was provided on definitions in the MDFP and the inclusion of Scope 3 emissions

Cut-off dates discussion

- TEG was aligned with the approach to cut-off dates for 'transition', noting that cut-off dates may not be workable for all agriculture activities that fall into the transition category

Next steps

Closing karakia

Confirmed as a true and correct record by TEG Co-Chairs