

NZ Taxonomy Technical Expert Group (TEG) meeting #5 summary minutes

7.00pm-9.00pm NZT, Tuesday 1 April 2025

Via Microsoft Teams

Thematic focus areas per TEG meeting agenda:

For discussion

- Agriculture/Forestry TAG-proposed draft substantial contribution criteria for mitigation

For alignment

- Do no significant harm (DNSH) and minimum social safeguards (MSS) criteria development approach
- DNSH criteria
- MSS criteria

Attendees:

TEG co-Chairs

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

TEG members

3. Caroline Poujol, Director – Sustainable Finance (NZ), ANZ
4. David Hall, Policy Director, Toha Network
5. David Woods, Independent
6. Fonteyn Moses-Te Kani, Pou Tiaki – Director Māori Strategy & Indigenous Inclusion, Westpac New Zealand
7. Greg Munford, Senior Investment Strategist – Sustainable Investment, New Zealand Superannuation Fund
8. James Paterson, Head of Sustainable Finance, ASB
9. Joanna Silver, Head of Sustainable Finance, Westpac New Zealand
10. Jono Broome, Associate Director – Client Advisory APAC, Morningstar Sustainability
11. Jorge Waayman, Manager – ESG Research, Harbour Asset Management
12. Julia Langley, Managing Director – Switzerland & New Zealand, Green Wave Advisory
13. June McCabe, Independent Director; Pou Tahua Representative, National Iwi Chairs Forum (NICF)
14. Sean Fullan, Resilience & Recovery Manager, Insurance Council of New Zealand (ICNZ)
15. Stefan Gray, Manager – Strategic Climate Initiatives, Reserve Bank of New Zealand (RBNZ)

Ministry for the Environment

16. Isobel Bruun-Kiaer, Senior Policy Advisor – Sector Policy & Finance
17. Lauren Aspoas, Policy Advisor – Sector Policy & Finance



Technical delivery partners

18. Matteo Bigoni, Head of Taxonomies, Climate Bonds Initiative
19. Pip Band, Director, Band Consulting

CSF

20. Jessica Desmond, Senior Manager – Engagement
21. Renzhu Zhang, Analyst

Apologies:

1. Adam Coxhead, Head of Sustainable Finance, Bank of New Zealand
 2. Feng Hu, International Specialist, United Nations Environment Programme Finance Initiative (UNEP FI); Founder and Director, silkroad.earth
 3. Jeremie Madamour, Principal Advisor – Climate Change & Sustainability Reporting, External Reporting Board (XRB)
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Summary minutes

Opening karakia

Welcome

CSF update

- Provided an overview of stakeholder engagement feedback and highlighted key points from stakeholders for TEG consideration and discussion

DNSH and MSS criteria development approach

- TEG discussed:
 - Balancing ambition with usability in generic DNSH criteria – specifically, whether the methodology should involve going beyond legal requirements
 - The inclusion of Iwi Management Plans (IMPs) in the DNSH/MSS criteria
 - Language use



Review of activity-specific DNSH draft criteria from Australia

Generic DNSH criteria

- TEG discussed:
 - Language use
 - The need to replace the current requirement for IMPs with an environmental impact assessment (EIA) that explicitly includes cultural considerations
 - The limitations of EIAs

Review of ‘green’ and ‘transition’ activity categories against the methodology

- It was noted that the Agriculture/Forestry TAG has merged several activity categories where investible practices do not differ – for example, dairying and livestock grazing
- TEG:
 - Reviewed the agreed methodology for classifying overall activity categories as ‘green’ or ‘transition’
 - Expressed support for including a ‘green’ horticultural activity for tree-based crops, where low fertiliser use and carbon sequestration are present, if credible
 - Queried whether support measures could qualify as ‘green’
 - Queried whether the current list of practices and measures meet the ambition of making a substantial contribution to climate change mitigation, and tasked the Agriculture/Forestry TAG with reassessing their proposed list

Direction for the Agriculture/Forestry TAG on emerging technologies

- It was noted that global approaches to inclusion of emerging technologies varies in strictness – from exclusion of research and development (R&D) entirely due to the inability to demonstrate a substantial contribution, to allowing inclusion in recognition that investment is needed for technologies that may eventually make a substantial contribution
- TEG acknowledged the importance of NZ investing in low-carbon technology R&D and expressed support for enabling finance to flow into this area
- TEG discussed:
 - The potential to include supporting pilot studies that operate across multiple sites, have proven effectiveness in reducing emissions, and are approved for use
 - Whether specific technologies should be named
 - Whether to include satellite monitoring, which seen as an enabling technology only
 - The potential use of technology readiness levels (TRLs) to guide decisions on inclusion

Review of Agriculture/Forestry TAG-proposed forestry definitions

- TEG reviewed the forestry definitions proposed by the Agriculture/Forestry TAG and raised points for clarification/justification – particularly where the definitions differ from existing ones, such as those in the NZ Emissions Trading Scheme (ETS)



Whole-of-farm activity

- It was noted that CBI/CSF are seeking data from a range of organisations to support the establishment of baselines and emissions reduction thresholds for whole-of-farm activities
- TEG agreed to have an out-of-session discussion once this data is gathered

Closing karakia

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