



CENTRE FOR
**Sustainable
Finance**
TOITŪ TAHUA

Summary of feedback:

from the first public
consultation on climate change
mitigation criteria for the NZ
Taxonomy

Public webinar #3 – 6 August, 2025



NZ Taxonomy overview



NZ Taxonomy criteria development

- Began development in late 2024.
- Climate change mitigation and adaptation and resilience criteria for agriculture and forestry sectors were prioritised.
- Intended to strongly align with the Australian Taxonomy.



The NZ Taxonomy is:

- A list of economic activities which contribute to an environmental objective and criteria to assess those activities

It does not:

- Impose a tax
- Rate companies as good or bad
- Mandate or restrict investment decisions
- Exclude entities from accessing finance
- Assess companies' or sectors' overall sustainability or relative emissions efficiency
- Assess the financial performance or risk of an investment
- Serve as a compliance framework or impose new reporting requirements

Global Landscape of Sustainable Finance Taxonomies

Last update May, 2025





NZ Taxonomy is a voluntary framework

Farmers and foresters decide:

- What activities take place on farm/in forest
- Who to do business with
- What financial products to apply for
- How to assess, price and size risk

Financial institutions decide:

- Who to do business with
- What financial products to offer
- How to assess, price, and size risk



Consultation process



Getting to consultation

- Technical Advisory Group (TAG) and Technical Expert Group (TEG) (n=39) developed draft mitigation criteria from Dec 2024 to Apr 2025.
- Additional technical inputs were sought from 21 organisations.
- A further 78 relevant organisations were offered briefings/Q&A sessions and opportunities for early input.
- Public consultation was then undertaken to ensure the opportunity for even wider stakeholder feedback and inputs.



Consultation on draft mitigation criteria

- Consultation was open from 16 June to 13 July 2025.
- Consultation included:
 - Draft climate change mitigation criteria for agriculture and forestry
 - Do no significant harm criteria
 - Minimum social safeguards.
- Consultation was promoted through:
 - CSF newsletter (1800 subscribers)
 - Outreach to 38 agriculture and forestry industry bodies/key players via direct email
 - LinkedIn promotions
 - A preparatory public webinar
 - Fielddays visit
 - MfE comms
- Submissions could be made via online form, directly to the Secretariat, or via consultation call.



Public consultation feedback



Feedback received

- CSF received a total of 48 responses (29 representing organisations' collective views; 19 representing personal views).
- Consultation feedback was received from:
 - Financial institutions – banks, asset managers, investment funds
 - Professional services
 - Sustainable finance industry bodies
 - Agricultural real economy participants and industry bodies
 - Forestry real economy participants and industry bodies
 - eNGOs
 - Standard setters and certification bodies
- 7 organisations reached out to arrange consultation calls and provided feedback verbally.



Components of
the NZ Taxonomy
voted/commented
on by respondents

Component	Total	Finance/ financial services	Ag	Forestry	Government /Crown	eNGO	Other orgs	Individual
Methodology	50%	50%	50%	67%	33%	100%	0%	100%
SC	62%	33%	100%	100%	100%	100%	50%	100%
DNSH	54%	67%	50%	67%	33%	50%	0%	100%
MSS	46%	67%	25%	33%	0%	50%	0%	100%
Use/next steps	73%	83%	25%	50%	33%	50%	100%	100%



Overall sentiment

Organisational responses from the finance sector, standard setters, and environmental certification bodies were generally positive.

- *Supported the development of a common language, definitions, and criteria.*
- *Supported interoperability with other jurisdictions' taxonomies to reduce barriers to capital flows and minimise transaction costs and complexity.*
- *There was also strong support for including both green and transition activities and emphasised the importance of ensuring key industries can access transition finance.*



Overall sentiment

Agriculture sector players expressed a mix of opposition and conditional support.

- *All individual respondents and some organisational respondents expressed opposition.*
- *Some opposed the NZ Taxonomy due to the belief it was a tax or fears it could become mandatory.*
- *Others opposed the NZ Taxonomy's goals of supporting mobilisation of capital to meet the goals of the Paris Agreement or denied the existence of human-induced climate change.*
- *Supportive respondents were all organisational respondents.*
- *They stressed the importance of alignment with existing industry frameworks and ensuring the NZ Taxonomy remains practical and grounded in real-world data.*
- *These respondents also provided constructive suggestions and references for the inclusion of activities or revisions to proposed thresholds.*



Overall sentiment

Forestry sector representatives and experts provided constructive technical feedback.

- *Particularly on definitions, as well as the substantial contribution criteria and specific do no significant harm criteria.*
- *There was concern from these experts that that the structure of a taxonomy criteria (i.e. focusing on one environmental goal at a time) would overlook important co-benefits or ecological risks.*
- *They also questioned whether almost all forestry activities should have the potential to receive a green categorisation and suggested further protections to ensure:*
 - *forestry is always a suitable permanent offset for long-lived GHG emissions; and*
 - *forests are always appropriately managed and sited.*



Overall sentiment

Environmental NGOs *expressed concern that the NZ Taxonomy would enable incremental improvements to business as usual, instead of supporting transformation change in key industries.*



Overall sentiment

In terms of use and next steps:

- *Most respondents supported the simplified guidance and criteria for SMEs.*
- *Many respondents supported the expansion of the NZ Taxonomy.*
- *Of those supporting expansion, most preferred the development of additional sectors, rather than the development of criteria for further environmental goals (e.g. biodiversity) for agriculture, forestry and other land use (AFOLU).*



Revisions from public consultation feedback



Approach to consideration of consultation inputs

- Submissions qualitatively and quantitatively analysed.
- Areas for revisions taken to the TEG and TAG for consideration.
- For some areas, further technical input was sought from relevant stakeholders.
- TEG/TAG/CBI workshopped and developed proposed revisions.
- Draft criteria revised (currently underway – Aug 2025).
- Additional public consultation will be undertaken, if needed.

Key issues being considered in revisions

- Consideration of 'green' methodology and label.
- Whole-farm activity, including the development of a transition activity for whole-farm.
- Review of some activities for 'substantial contributions' to climate change mitigation.
- Proposed additional activities for inclusion or removal.
- Review of some proposed thresholds.
- Approach to inclusion of emerging technologies.
- Definitions related to forestry that are workable and protect against perverse outcomes.
- Considerations for additional requirements for green forestry activities.
- Usability of verification measures, including clarifying/simplifying use of farm plans.
- Additional do no significant harm criteria for some activities/areas.
- Simplification of minimum social safeguards requirements for small/medium enterprises.
- Additional guidance for SMEs.



NZ Taxonomy next steps

Next steps

- **Jul/Aug** – Revisions made to climate change mitigation criteria.
- **Jul/Aug** – On-going development of the climate change adaptation and resilience criteria.
- **Aug/Sep** – Third quality assurance review of process by the Council of Financial Regulators climate sub-group (CoFR CSG).
- **Sep 2025 – Second public consultation, including climate change adaptation and resilience criteria.**
- **Oct/Nov** – Revisions from the second public consultation.
- **Nov** – Fourth quality assurance review of process by the CoFR CSG.
- **End of 2025** – Final report shared.

Thank you

The Centre for Sustainable Finance: Toitū Tahua (CSF) was established in 2021 to advance progress toward the 2030 vision and Roadmap of the Sustainable Finance Forum.

The forum was an initiative of Sir Rob Fenwick's The Aotearoa Circle.

