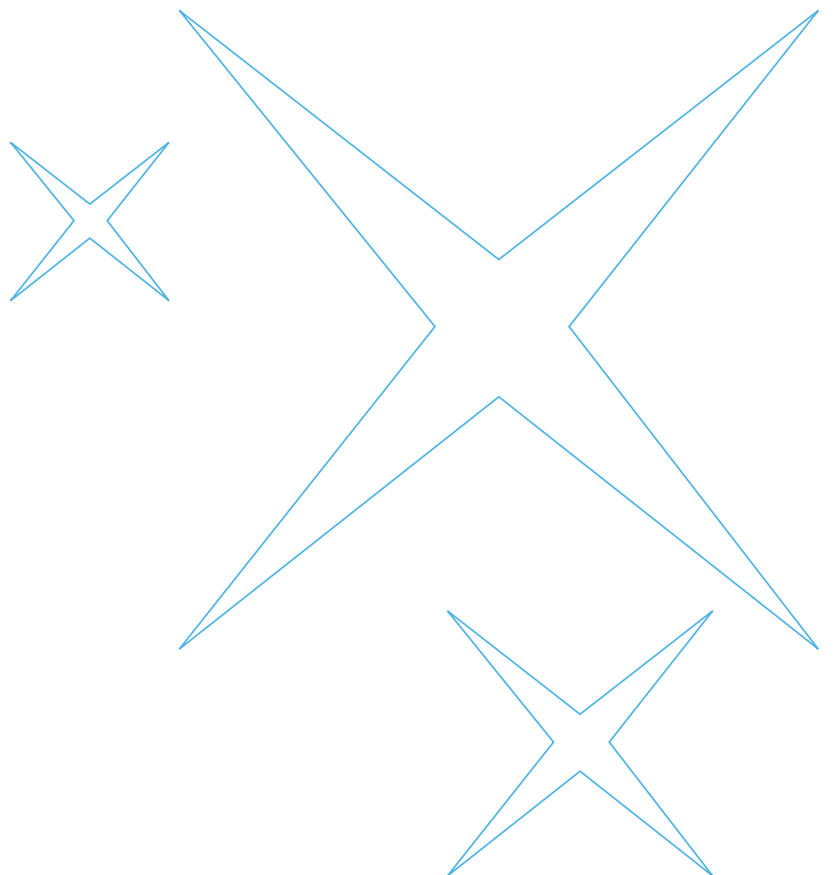


September 2025

Aotearoa New Zealand Sustainable Finance Taxonomy (NZ Taxonomy)

Climate change mitigation, adaptation
and resilience technical screening criteria.
Agriculture, Forestry and Other Land Use.

Draft for public consultation – September 2025





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Two working groups have primarily developed this draft of the NZ Taxonomy:

1. Technical Advisory Group (TAG) – this sector-specific group has provided technical inputs to develop the Substantial Contribution criteria for the agricultural and forestry sectors, as well as the activity-specific do no significant harm (DNSH) for these sectors.
2. Technical Experts Group (TEG) – this group is overseeing the development of the entire NZ Taxonomy (all sectors) and have focused on usability, interoperability and ensuring the NZ Taxonomy delivers on its intended purpose.

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To support this work, CSF engaged the **Climate Bonds Initiative** (CBI) as the technical delivery partner for the NZ Taxonomy development. The Climate Bonds Initiative is an international organisation working to mobilise global capital for climate action. CBI's mission is to help drive down the cost of capital for large-scale climate and infrastructure projects and to support governments seeking increased access to capital markets to meet climate and GHG emission reduction goals. CBI have contributed to the development of almost every sustainable finance taxonomy globally, including the EU, Singapore, Brazil and Australian taxonomies. We thank them for their expertise and guidance.

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The Centre for Sustainable Finance: Toitū Tahua (CSF) provides coordination and secretariat functions for the development of the NZ Taxonomy. CSF works across the financial system to align financial markets settings and initiatives with long term resilience and prosperity. It is an independently governed, charitable trust.

Ngā mihi nui.





Introduction

The Aotearoa New Zealand Sustainable Finance Taxonomy (NZ Taxonomy) is a framework to support Aotearoa's long-term prosperity and resilience. It provides decision-useful information for financial market participants who want to direct capital into environmentally sustainable activities.

The NZ Taxonomy is a voluntary framework. It defines economic activities which contribute to environmental objectives and defines the criteria those activities must meet to be considered taxonomy-aligned. By providing clear, credible and domestically relevant criteria to identify and classify environmentally sustainable activities, it enables financial market participants to more confidently identify environmentally sustainable investment opportunities, reducing risk and friction.

Taxonomies have the potential to be used as the foundation for the development of sustainability focused financial products, to help identify assets for inclusion in bonds or investment funds, to aid risk assessment or capital allocation decisions, and to support sustainability reporting. Possible use-cases continue to be developed and piloted internationally.

The NZ Taxonomy is at the stage of developing a credible, usable and internationally interoperable framework and criteria for a range of stakeholders. Work on the NZ Taxonomy in 2025 is focused on developing classifications and criteria for agriculture and forestry sector activities that contribute to the goals of climate change mitigation, adaptation and resilience.

Supporting climate transition, adaptation and resilience

The purpose of the NZ Taxonomy is to support financial market participants who wish to mobilise and direct capital flows towards:

- Building a low-emissions, Paris-aligned future;
- Restoring nature; and
- Upholding the rights and interests of Indigenous Peoples of the land.

The NZ Taxonomy has a strong focus on climate **transition activities**. Inclusion of a transition category is intended to facilitate the decarbonisation of industries which are hard-to-abate but are significant for social and economic wellbeing such as steel, cement, aviation, agriculture, etc.

Almost all taxonomies globally include transition concepts in some way, and several taxonomies utilise specific transition categories to distinguish these from green activities, including ASEAN, Australia, and Singapore.

The draft NZ Taxonomy for the agricultural and forestry sectors includes transition activities such as switching to more efficient or electric machinery, purchasing renewable energy generation and storage equipment, planting - including riparian and shelterbelt planting, improving data and monitoring efficiency, adopting new technologies and implementing new management practices. The transition classification has the intent of increasing the visibility and potential finance for credible actions which reduce emissions.

The NZ Taxonomy draft now also includes criteria designed to support **adaptation and resilience on-farm and in-forest**. As New Zealand businesses increasingly experience the impacts of climate change, the NZ Taxonomy can support businesses choosing to undertake activities which increase their adaptive capacity and build resilience.

The NZ Taxonomy is one tool that can be used to support Aotearoa New Zealand's transition to a lower emission, resilient economy. The NZ Taxonomy is not meant to determine or prescribe the future economic mix or transition pathways, but to provide support for stepping-stones on the path to a resilient future.

Why does NZ need its own taxonomy?

Taxonomies are in development in 58 global jurisdictions, and are fast becoming the common language between investors, markets and businesses when it comes to sustainability.

As a small and optional market, it is important that New Zealand meets global customer and market expectations.

To capitalise on these opportunities, it is important that the NZ Taxonomy is interoperable with established taxonomies, particularly those of key trading partners.

The NZ Taxonomy's design has benefited from an extensive review of benchmark taxonomies, including the EU, Australian and Singapore, and it is being developed with the support of global taxonomy experts.

Developing a NZ Taxonomy that is methodologically consistent with global efforts - but which includes criteria that are usable and relevant to our domestic context - ensures definitions and performance thresholds are suitable for New Zealand businesses.

NZ Taxonomy alignment

For an activity to be considered taxonomy-aligned, there are three sets of criteria to consider.

- **Substantial Contribution (SC) criteria** – The activity demonstrates it makes a substantial contribution to the environmental objective (i.e. climate change mitigation or adaptation and resilience).
- **Do No Significant Harm (DNSH) criteria** – The activity making this substantial contribution must not cause significant negative impacts on other environmental objectives.
- **Minimum Social Safeguards (MSS)** – Entities seeking NZ Taxonomy alignment should also meet minimum standards for social responsibility, including labour rights, governance and indigenous rights.

For the initial phase of NZ Taxonomy alignment, it is proposed that entities are not required to complete assessments against the DNSH and MSS framework. In future phases (date to be determined), to be considered NZ Taxonomy-aligned, activities must also meet the DNSH and MSS requirements. This obligation will apply to all reporting entities, except for small businesses – defined for this purpose as enterprises with fewer than 20 employees. Entities wanting to use the NZ Taxonomy can, of course, start including all three sets of criteria as early as they wish. Transparency about the criteria being used for assessment of alignment is recommended.

The NZ Taxonomy is a voluntary framework

It provides decision-useful information by setting clear criteria for what effective climate mitigation, adaptation and resilience activities look like.

It is at the discretion of any business owner/operator if they wish to undertake any of these activities. Likewise, it is at the discretion of any financial institution or investor if they wish to use this information in capital allocation decisions.

Governance and development

The NZ Taxonomy is being developed through a robust process established in alignment with leading international efforts in designing local taxonomies. This process includes the involvement of a diverse range of expertise, strong governance, regulatory oversight, transparency, opportunity for public input and safeguards against undue political or industry interference. The process has been as follows:

Project set-up

- Initial scoping and market validation, and a [report on design considerations for the NZ Taxonomy](#).
- Minister of Climate Change directs work to begin on the NZ Taxonomy's climate change mitigation and adaptation & resilience criteria, starting in the agriculture and forestry sectors.
- CSF convened, through an open-EOI process, a Technical Experts Group (TEG) and sector-specific Technical Advisory Group (TAG) of experts to co-design the NZ Taxonomy criteria.
- CSF engaged the Climate Bonds Initiative (CBI) as the technical partners for the development of the NZ Taxonomy. CBI has led the development of sustainable finance taxonomies globally, including in the EU, ASEAN, Brazil and Australia.
- The development work is overseen by the Ministry for the Environment, with quality assurance of the process being provided by the Council of Financial Regulators.

Criteria development

- The TEG and the Agriculture/Forestry TAG, comprising 46 members in total, worked to develop draft criteria for activities that make a substantial contribution to climate change mitigation, adaptation and resilience between December 2024 and August 2025.
- Additional technical input was sought from 35 organisations throughout this process. 22 provided substantive contributions.
- Briefings and opportunities for early input were also extended to an additional 74 organisations, including industry bodies and key players in the agriculture and forestry sectors, as well as eNGOs, financial institutions, and Māori organisations.
- The first draft of the NZ Taxonomy climate change mitigation criteria was publicly consulted on from 16 June – 13 July, 2025.
- 48 consultation responses were received by CSF, comprising 29 organisational and 19 individual submissions.
- Feedback was analysed and key issues were considered by the TEG and the Agriculture/Forestry TAG, who made revisions for this second consultation period.

About this consultation

This consultation is to seek wider stakeholder feedback on the draft adaptation and resilience criteria, as well as some key changes made to the climate change mitigation criteria.

Submissions may be made through the online [consultation form](#), or by emailing a document to taxonomy@sustainablefinance.nz. Submissions which answer the consultation questions will be prioritised.

Consultation is open from 22 September – 17 October, 2025.

Please contact taxonomy@sustainablefinance.nz for any questions or assistance.

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Adaptation and resilience substantial contribution criteria

As New Zealand increasingly experiences extreme weather events and the impacts of changing temperatures on ecosystems, the need for businesses to adapt and build resilience is increasing.

Examples of climate change adaptation and resilience (A&R) activities include investment in restoration of diverse native ecosystems, early warning systems, removing or controlling new invasive species and pests, costs associated with emergency preparedness and response, and broader changes to business locations, infrastructure or processes.

The climate change A&R Substantial Contribution (SC) criteria is made up of two sets of criteria.

1. The 'process-based' approach
2. The whitelist

The NZ Taxonomy has included a process-based approach for climate change A&R to reflect the highly contextual nature of appropriate activities/measures to build adaptive capacity and resilience. For this reason, a set menu of activities cannot be established in the way climate change mitigation activities can be detailed. Instead, the process-based approach outlines the steps that must be taken for development of a robust climate change A&R activity. If a business has followed the process, any resulting climate change A&R activity can be considered taxonomy-aligned.

In addition, the NZ Taxonomy also includes a whitelist. This is intended to provide an easier entry point to climate change A&R, by identifying activities/measures that make a substantial contribution, while carrying minimal risk of maladaptation or harm to other social and environmental objectives. The activities/measures on the whitelist are automatically deemed eligible for taxonomy-alignment and do not require a full assessment against the process-based approach criteria.

All climate change A&R activities are classified as green.



Introduction to the process-based approach to climate change adaptation and resilience substantial contribution criteria

What is the 'process-based approach' for climate change adaptation and resilience?

The SC criteria define requirements that an economic activity or measure must meet to be considered as making a substantial contribution to an environmental objective – in this case, climate change A&R.

These criteria outline the approach that must be taken for climate change A&R activities/measures to be aligned with the (NZ Taxonomy).

The NZ Taxonomy adopts a process-based approach for climate change A&R to reflect the highly contextual nature of appropriate activities/measures.

The approach – it is applicable to all sectors covered by the NZ Taxonomy.

How was the 'process-based approach' developed?

The draft approach builds on the EU model and has been adapted by the Technical Experts Group (TEG) and the Agriculture/Forestry Technical Advisory Group (TAG) to ensure relevance to the Aotearoa New Zealand context.

As always, the technical groups aim to balance introducing necessary changes while remaining interoperable with other key jurisdictions' taxonomies.

Why are these criteria important?

The process-based approach provides a structured pathway for proponents to demonstrate NZ Taxonomy-alignment by showing that an activity makes a substantial contribution to climate change A&R. Activities/measures not automatically eligible through the whitelist may use this approach to qualify for taxonomy-alignment.

How to use this document?

For an activity to be considered taxonomy-aligned, there are three sets of criteria to consider.

1. **Substantial Contribution (SC) criteria** – The activity demonstrates it makes a substantial contribution to the environmental objective (i.e., climate change A&R).
2. **Do No Significant Harm (DNSH) criteria** – The activity making this substantial contribution must not cause significant negative impacts on other environmental objectives.
3. **Minimum Social Safeguards (MSS)** – Entities seeking NZ Taxonomy alignment should also meet minimum standards for social responsibility, including labour rights, governance and indigenous rights.

The 'process-based approach' constitutes the Substantial Contribution criteria for the climate change A&R environmental objective.

Taxonomy alignment is voluntary.

For the initial phase of NZ Taxonomy alignment, entities are not required to complete assessments against the DNSH and MSS framework.

In future phases (date to be determined), to be considered NZ Taxonomy-aligned, activities must also meet the DNSH and MSS requirements. This obligation will apply to all reporting entities, except for small businesses – defined for this purpose as enterprises with fewer than 20 employees.

Entities wanting to use the NZ Taxonomy can, of course, start including all three sets of criteria as early as they wish. Transparency about the criteria being used for assessment of alignment is recommended.

This document is intended to support technical review and targeted feedback from stakeholders and sector experts. It should be read in conjunction with the following accompanying consultation materials:

- The whitelist of A&R activities/measures; and
- The DNSH framework.



Process-based approach to climate change adaptation and resilience Substantial Contribution criteria

1. This set of criteria provides a process-based approach for the determination of substantial contribution for economic activities under the environmental objective of adaptation and resilience (A&R) of the Aotearoa New Zealand Sustainable Finance Taxonomy (NZ Taxonomy). The criteria serve as a guidance for the user of the Taxonomy or a third party (such a consultant) to structure an A&R process (see **Appendix 1**) and can be used in conjunction with the accompanying spreadsheet of automatically eligible measures (entitled "Whitelist"). The NZ Taxonomy includes two types of substantial contribution to the A&R objective: adapted activities and enabling activities.
2. In order for an economic activity to be considered as **adapted**, the activity has implemented physical and/or non-physical solutions ('adaptation solutions' – please see Definitions) that substantially reduce the most important physical climate risks that are significant to that economic activity.
3. To determine those risks, the physical climate hazards that are significant to the economic activity have been identified from the non-exclusive list in **Appendix 2**, by performing a robust climate hazard, exposure and vulnerability assessment with the following steps:
 - a. A screening should be conducted to identify the physical climate hazards, including those from the non-exclusive list in **Appendix 3**, that may affect the performance of the economic activity during its expected lifetime.
 - b. Where the economic activity is found to be at risk from one or more physical climate hazards, a climate risk and vulnerability assessment is conducted to assess the significance of these hazards on the economic activity, alongside potential changes in the exposure and vulnerability of the economic activity over the same time horizon.
 - c. To undertake point (b) above, it is recommended that the user of the NZ Taxonomy follow the guidance for physical climate risk assessment provided by the Ministry for the Environment (MfE) entitled "[A Guide to local climate change risk assessments](#)" ("the Guide" thereafter). The Guide is not mandatory and **Appendix 3** provides further guidance documents and useful links to conduct physical climate risk assessment. Small and medium-sized enterprises (SMEs) are not expected to conduct all the governance and consultation mechanisms described in the Guide, but they should consider it as a reference and follow the principles set out in it.
 - d. An assessment of adaptation solutions that can reduce the exposure and/or vulnerability of the economic activity to the identified physical climate hazards. To clarify, the climate risk assessment might not involve a scenario analysis as required under the climate-related disclosure (CRD) regimes, but it should consider a range of potential changes to climate-related hazards and drivers.
 - i. To clarify, only the cost of the adaptation solutions is eligible for resilience financing, not the cost of the entire asset or economic activity within which it is implemented. This is because resilience financing is specifically intended to support actions that directly contribute to reducing climate risk. The broader asset or economic activity may have other purposes beyond enhancing resilience, so only the expenses directly related to the adapting measure are considered eligible.
 - e. The risk assessment needs to consider the potential range of changes in climate hazards predicted by different climate models for any given emissions scenario, not just the average outcome.
4. The climate risk assessment is proportionate to the scale of the activity and its expected lifespan, such that:
 - a. For economic activities with an expected lifespan of less than 10 years, the assessment is performed considering historical climate variability trends and, where possible, decadal climate forecasts at an appropriate spatial and temporal scale.
 - b. For all other economic activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future climate scenarios consistent with the expected lifetime of the economic activity, including, at least, 10 to 30-year climate projection scenarios for major investments.

5. The climate projections and assessment of risks should be based on best practice and available guidance and take into account the state-of-the-art science for risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change (IPCC) reports, scientific peer-reviewed publications, and robust and credible models (see Appendix III for examples). It is recommended that the user of the Taxonomy:
 - a. Adopt the high emissions scenario [SSP3-7.0](#) as the minimum emissions scenario for climate projections.
 - b. Use climate projections from a range of different climate models as a basis for the assessment of the hazards the economic activity might be exposed to. For guidance, the National Institute of Water and Atmospheric Research (NIWA) provides a publicly available and reputable source of [downscaled data for climate projections](#) for New Zealand. Specifically, NIWA provides 6 individual model results for any given emissions scenario. Other climate projections of comparable detail that have been documented in the scientific literature can also be used.
 - c. Develop a general socio-economic narrative to describe changes in exposure and vulnerability, as well as concurrent pressures from transition risks on the economic activity. For guidance, the External Reporting Board (XRB) provides examples of [specific socio-economic scenarios](#) that can inform the narrative.
 - d. SMEs may follow a streamlined approach for the process-based approach and are not expected to use either a minimum emissions scenario or a climate scenario for physical climate risk assessment. ClimateWise provides a useful [guidance document](#) (containing templates, check-lists and integration of Māori perspectives) on how SMEs can identify and manage climate-related risks, including:
 - i. The process for the identification of climate-related risks and opportunities facing the business.
 - ii. The methodology for assessing, rating and prioritising the identified risks to understand their significance and focus of the SME's adaptation efforts.
 - iii. Guidance on the design of an Adaptation Plan specifically tailored for SMEs.
 - iv. The process for reviewing and monitoring the Adaptation Plan.
6. The adaptation solutions implemented:
 - a. Should avoid the risk of maladaptation in order not to adversely affect adaptation efforts and the level of resilience to physical climate hazards of other people, of indigenous biodiversity, habitat connectivity or ecosystem processes, of cultural heritage, of assets, and of other economic activities over time.
 - b. Should comply with the Do No Significant Harm criteria of the NZ Taxonomy for the economic activity.
 - c. Favour nature-based solutions or rely on blue or green infrastructure to the extent possible.
 - d. Consider local, sectoral, regional or national adaptation plans and strategies, including risk assessments of regional district councils, and avoid or explain any material inconsistencies.
 - e. Are monitored and measured against activity-specific and pre-defined indicators (see **Appendix 4**) – remedial action is considered where those indicators are not met.
 - f. In the context of Aotearoa New Zealand, the identification, assessment, and implementation of climate adaptation measures must recognise the status of Te Tiriti o Waitangi and the role of iwi, hapū and Māori landowners as Tiriti partners and rights-holders. Climate risk assessments and adaptation solutions should incorporate:
 - i. Mātauranga Māori (Māori knowledge and values), where appropriate and with consent.
 - ii. Relevant iwi and hapū climate strategies, adaptation plans, or governance processes.
 - iii. Engagement that reflects tikanga (custom), whakapapa (relational accountability), and mana whakahaere (authority of place).

The user of the Taxonomy should also consider the impact of adaptation measures on Māori land, cultural heritage, and freshwater taonga, and ensure consistency with relevant Treaty settlements, iwi management plans, and statutory acknowledgements.

7. In order for an activity to be considered as an **enabling** activity (see **Appendix 5** for examples), the user of the NZ Taxonomy demonstrates, through an assessment of current and future climate hazards, including uncertainty and based on robust data, that the activity provides a technology, product, service, information, or practice, or promotes their uses with one of the following primary objectives:
 - a. Increasing the level of resilience to physical climate hazards of other people, of nature, of cultural heritage, of assets, and of other economic activities.
 - b. Contributing to adaptation efforts of other people, of nature, of cultural heritage, of assets, and of other economic activities.



Definitions for the process-based approach to climate change adaptation and resilience Substantial Contribution criteria

Activities

Economic activity (Source: adapted from Eurostat)

An economic activity takes place when resources such as capital goods, labour, manufacturing techniques or intermediary products are combined to produce specific goods or services. Thus, an economic activity is characterised by an input of resources, a production process, and an output of products (goods or services).

An activity as defined here may consist of one simple process (for example weaving) but may also cover a whole range of sub-processes, each mentioned in different categories of the classification system (for example, the manufacturing of a car consists of specific activities such as casting, forging, welding, assembling or painting). If the production process is organised as an integrated series of elementary activities within the same statistical system, the whole combination is regarded as one activity.

The NZ Taxonomy has adopted ANZSIC as its classification system for economic activities.

Adapted activity

Adapted activity means that the activity has undergone a process of adaptation that results in it being able to perform better and be more resilient in a changing climate. A contribution to adaptation occurs via the application of adaptation solutions to an activity.

Enabling activity

Enabling activities enhance the climate resilience of other activities or systems. Those activities are providing, producing, or delivering technologies, products, services, information sets, or practices specifically aimed at reducing climate vulnerability for the adopter or other beneficiaries. A contribution to adaptation may occur from enabling activities that have a primary objective other than climate change adaptation, provided that the enabling activity makes a substantial contribution to climate change adaptation.

Adaptation solutions

Measure (Source: the Climate Bonds Resilience Taxonomy)

A measure is a specific intervention within an asset, activity or entity. For instance, the installation of new equipment within a production facility, adoption of new technologies, practices, or operational changes within the facility.

Adapting measure

An adapting measure refers to a specific action or intervention taken within an activity to make more climate resilient. The term adapting is used instead of adapted because the focus is on whether the measure improves the resilience of the overall activity within which it is implemented.

Enabling measure

An enabling measure refers to a specific intervention implemented within an economic activity with the primary intention to enhance the resilience of one or more other economic activities or systems. Unlike adapting measures, which concentrate on making an activity that has been identified as being at risk from climate change more resilient, enabling measures aim to strengthen the resilience of other interconnected activities or systems.

Physical climate risk and vulnerability assessment

A physical climate risk and vulnerability assessment is a process used to identify, analyse, and evaluate the risks of climate change on physical assets, infrastructure, and operations. These assessments help organisations understand how climate-related hazards (please see Appendix II) such as extreme weather events (acute risks) and long-term shifts in climate patterns (chronic risks) could affect their business, property, or investments over time. The assessment forms part of the broader Adaptation and Resilience process.

Maladaptation

Actions that may lead to increased risk of adverse climate-related outcomes, including via indirect increased greenhouse gas (GHG) emissions, increased or shifted vulnerability to climate change, more inequitable outcomes, or diminished welfare, now or in the future. Most often, maladaptation is an unintended consequence.

Hazards

Physical climate-related events or trends (i.e. acute or chronic) that may potentially occur causing negative impacts within the investment's boundaries of assessment – please see Appendix II.

Exposure

The presence within the boundaries of assessment of people, natural systems, and economic or other assets in places and settings that could be adversely affected by hazards.

Vulnerability

The propensity or predisposition of people, natural systems and economic, social, cultural or other assets to be adversely affected and their ability to recover (or not).

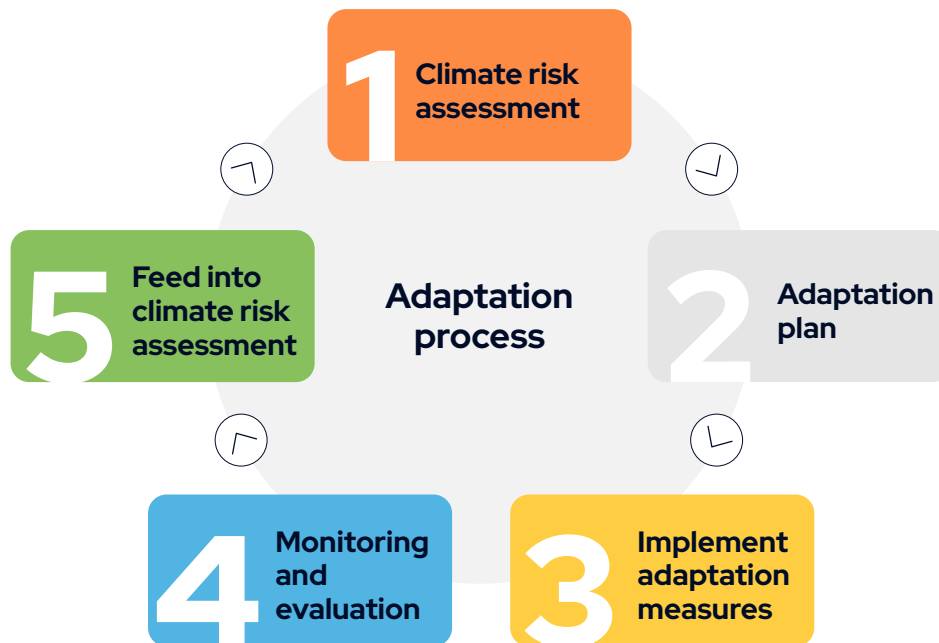
Nature-based solutions (NbS)

Actions aimed at protecting, conserving, restoring, and sustainably managing natural or modified terrestrial, freshwater, coastal, and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services, resilience and biodiversity benefits. NbS can include both green and blue infrastructure.

Appendices for the process-based approach to climate change adaptation and resilience Substantial Contribution criteria

Appendix 1 – Adaptation and resilience (A&R) process

1 Climate risk assessment



- Identify potential climate hazards from Appendix II relevant to the activity's location and lifespan.
- Evaluate significance of hazards + exposure + vulnerability.
- Use appropriate climate projections (historical and/or future).

2 Adaptation plan

- Identify A&R solutions to reduce hazard, exposure, or vulnerability.
- Ensure solutions are consistent with best available science.

3 Implement A&R solutions

- Check for maladaptation – ensure solutions do not harm others, lock in risk, or reduce long-term resilience.
- Favour nature-based solutions or rely on blue or green infrastructure to the extent possible.
- Cross-check against local adaptation strategies, iwi/hapū plans, and Te Tiriti obligations.

4 Monitoring and indicators

- Track the performance of solutions using predefined indicators (see **Appendix 4**).

5 Feed into climate assessment

- Plan for corrective actions if targets are not met due to unforeseen factors such as increased vulnerability, reduced capacity or ability to adapt and to mitigate risks such as reduced human and/or financial resources.

Appendix 2 – non-exclusive list of climate hazards

Adapted from the [Text of the EU Taxonomy Delegated Act](#), Appendix A (European Commission, June 2021).

	Temperature-related	Wind-related	Water-related	Solid mass-related
Chronic	Changing temperature (air, freshwater, marine water) including extremes	Changing wind patterns	Changing precipitation patterns and types (rain, hail, snow/ice)	Coastal erosion, inundation and recession
	Heat stress		Precipitation or hydrological variability	Soil degradation
	Temperature variability		Ocean acidification	Soil erosion
	Permafrost thawing		Saline intrusion	Solifluction
	Changing seasonality		Sea level rise	
	Changing distribution of pests and diseases		Water stress	
Acute	Heat wave	Cyclone, hurricane, typhoon	Drought and changes in aridity	Avalanche
	Cold wave/frost	Storm (including extratropical, convective, blizzards, dust and sandstorms)	Heavy precipitation (storm, rain, hail, snow/ice)	Landslide
	Bushfire, grassfire, wildfire	Tornado	Flood (coastal, estuarine, fluvial, pluvial, ground water)	Subsidence
			Storm surges (due to cyclones and non-cyclone East Coast lows)	
			Glacial lake outburst	

Appendix 3 – non-exhaustive list of tools, scenarios and models for physical climate risk assessment

Further guidance to undertake physical climate risks assessment

- Ministry for the Environment (2024), [Coastal hazards and climate change guidance](#)
- National Institute of Water and Atmospheric Research, [Risk and vulnerability assessments](#)
- Harrington et al. (2025), [On the procurement of physical risk assessments for climate-related disclosures: Guidance from a climate science perspective](#)
- The Aotearoa Circle (2023), [Agri-sector adaptation roadmap](#)
- External Reporting Board (2023), [Staff guidance: Entity scenario development](#)

Scenarios/projections to be used in physical climate risks assessments

- National Institute of Water and Atmospheric Research, [Virtual climate station data and products](#) (for current climate variability)
- National Institute of Water and Atmospheric Research, [New Zealand climate projections dataset](#), with [detailed projections for individual climate models](#)
- National Institute of Water and Atmospheric Research (2024), [Updated national climate projections for New Zealand](#)
- External Reporting Board (2023), [Sector-level scenario analysis](#)
- The Aotearoa Circle, [Climate scenarios](#)
- Gibson et al. (2025), [Downscaled CMIP6 future climate projections for New Zealand: Climatology and extremes](#)

Tools/data to be used in physical climate risks assessments

- Climate Analytics, [Climate impact explorer](#)
- Ministry for the Environment (2024), [Climate projections summary dashboard](#)
- National Institute of Water and Atmospheric Research, [Climate change adaptation toolbox](#)
- National Institute of Water and Atmospheric Research, [Extreme coastal flood maps for Aotearoa New Zealand](#)
- Natural Hazards Commission, [Natural hazards portal](#)
- Land Information New Zealand (2024), [Key datasets for resilience and climate change](#)
- Building Performance (2024), [Weather files for Aotearoa New Zealand](#)

Additional references

- Food and Agriculture Organization (2017), [Tracking adaptation in agricultural sectors: Climate change adaptation indicators](#)
- Adaptation and Resilience Investor Collaborative (2024), [Adaptation & resilience impact: A measurement framework for investors](#)
- International Capital Market Association (2024), [Adaptation & resilience impact: A measurement framework for investors](#)
- Ranger and Bernhofen (2024), [Aligning finance with adaptation and resilience goals: Targets and metrics for financial institutions](#)

Appendix 4 – examples of A&R indicators

- Deutsche Gesellschaft für Internationale Zusammenarbeit (2014), Repository of adaptation indicators: Real case examples from national Monitoring and Evaluation Systems
- Global Impact Investing Network, IRIS+ system
- United Nations Environment Programme, Land use finance impact hub

Appendix 5 – examples of enabling activities

Creation of data-sharing platforms and interfaces for data input-output	Data
Restoration of diverse native ecosystems to reduce monoculture vulnerability and support ecological resistance	Ecological
Wetland restoration and construction: Re-establishing and creating wetlands for flood attenuation, water purification, and biodiversity habitat	Ecological
Indigenous riparian restoration: Planting appropriate local native species along waterways to stabilise banks, reduce erosion, shade streams to mitigate heat stress for aquatic life, and create habitat corridors	Ecological
Indigenous afforestation for erosion control: Establishing or maintaining permanent native forest cover on highly erodible land to stabilise slopes, reduce sedimentation into rivers, and provide biodiversity co-benefits	Ecological



Introduction to the whitelist of climate change adaptation and resilience measures for agriculture and forestry

What is the 'whitelist' for climate change adaptation and resilience?

The whitelist is intended to provide an easier entry point, by identifying climate change adaptation and resilience (A&R) activities/measures that carry minimal risk of maladaptation or harm to other social and environmental objectives.

Activities/measures on this whitelist are automatically deemed eligible and do not require a full assessment against the process-based approach criteria.

It is not an exhaustive list of all possible climate change A&R solutions – only a carefully selected subset is included in the whitelist to reflect its low-risk, high-confidence nature.

These activities/measures are specific to agriculture and forestry, although some may be relevant to other sectors. Whitelists for other sectors within the NZ Taxonomy are yet to be developed.

How was the whitelist developed?

Building on the foundational work of the Climate Bonds Initiative, the Technical Experts Group (TEG) and the Agriculture/Forestry Technical Advisory Group (TAG) assessed the relevance of these activities/measures within the Aotearoa New Zealand context – some activities/measures were removed, others were amended to suit local conditions, and a few were combined to improve usability.

The technical groups also identified and added additional practices commonly used by New Zealand farmers and foresters that meaningfully contribute to climate change A&R outcomes, while presenting minimal risk of maladaptation or environmental/social harm.

Why is the whitelist important?

The whitelist makes it easier for smaller entities taking meaningful climate A&R actions to achieve taxonomy-alignment, without the administrative burden of demonstrating compliance with the full process-based approach.

How to use this document?

In general, for an activity to be considered taxonomy-aligned, there are three sets of criteria to consider.

- **Substantial Contribution (SC) criteria** – The activity demonstrates it makes a substantial contribution to the environmental objective (i.e. climate change A&R).
- **Do No Significant Harm (DNSH) criteria** – The activity making this substantial contribution must not cause significant negative impacts on other environmental objectives.
- **Minimum Social Safeguards (MSS)** – Entities seeking NZ Taxonomy alignment should also meet minimum standards for social responsibility, including labour rights, governance and indigenous rights.

The whitelist constitutes an alternative to SC criteria for the climate change A&R environmental objective. If an activity is aligned under the whitelist, it is not necessary to demonstrate alignment with the DNSH criteria. It still may be necessary for an entity to demonstrate adherence to the MSS.

For the initial phase of NZ Taxonomy alignment, entities are not required to complete assessments against the MSS framework.

In future phases (date to be determined), to be considered NZ Taxonomy-aligned, activities must also meet the MSS requirements. This obligation will apply to all reporting entities, except for small businesses – defined for this purpose as enterprises with fewer than 20 employees.

Entities wanting to use the NZ Taxonomy can, of course, start including all three sets of criteria as early as they wish. Transparency about the criteria being used for assessment of alignment is recommended.

Taxonomy alignment is voluntary.

This document is intended to support technical review and targeted feedback from stakeholders and sector experts. It should be read in conjunction with the following accompanying consultation materials:

- The process-based approach to climate change A&R substantial contribution criteria; and
- The DNSH framework.





Whitelist of climate change adaptation and resilience measures for agriculture and forestry

The following whitelist outlines investments that are automatically eligible under the NZ Taxonomy for adaptation and resilience (A&R) agriculture and forestry sectors.

Proponents are able to propose additional investments not included in the whitelist. Proponents should follow the guidance for the [process-based approach to A&R](#).

Investments in the whitelist are subject to a core requirement: **They must make a substantial contribution to climate change A&R. This means each investment must directly support the ability of organisations, communities, ecosystems, or economies to anticipate, prepare for, and respond effectively to the impacts of climate change and/or strengthen long-term resilience in a changing climate, even where the generic description of the investment in the whitelist does not specify this explicitly.**

Note: Proponents who wish to apply an investment to a different hazard not listed as a main climate hazard may provide a justification outlining the alignment.



Row	Investment	Investment type	Sector			Main climate hazards
			Agriculture	Forestry	Other Land Use	
1	Creation of bioclimatic indicator data-sharing platforms and interfaces for data input-output. For example: • design, and establishment of datasets aimed at monitoring temperature and evapotranspiration; maintenance and management of such datasets. • design and establishment of monitoring systems, i.e. temperature, soil moisture and compaction, river flow, wind, fire; maintenance and management of such systems • biodiversity assessments; implement of resulting action plan	Data	Yes	Yes	Yes	Flood damage Storm damage Water stress Heat stress Fire damage
2	Establishment and ongoing costs for GIS systems	Data	Yes	Yes	Yes	Flood damage Storm damage Water stress Fire damage
3	Establishment, Integration, expansion, and ongoing management of early warning systems	Data	Yes	Yes	Yes	Flood damage Storm damage Water stress Fire damage
4	Ongoing costs of if reporting soil information, including but not limited to soil moisture, geology, soil composition, structure and nutrients	Data	Yes	Yes	Yes	Water stress Mass movement damage
5	Ongoing costs of use of remote-sensing for performance data	Data	Yes	Yes	Yes	Storm damage Water stress Heat stress
6	Ongoing costs of use of time-series geospatial information	Data	Yes	Yes	Yes	Storm damage Water stress

Row	Investment	Investment type	Sector			Main climate hazards
			Agriculture	Forestry	Other Land Use	
7	Establishment and ongoing management of data and analytics systems and capacity building that support the effective uptake of insurance solutions, including parametric insurance	Data	Yes	Yes	Yes	Flood damage Storm damage Heat stress Mass movement damage
8	Managing, conserving and restoring native species (plants, animals, invertebrates, fungi, etc.). For example: • establishing ecological corridors for seasonal migration for terrestrial and aquatic species • implementation of natural regeneration and assisted natural regeneration techniques • restoration of diverse native ecosystems to reduce monoculture vulnerability and support ecological resistance	Ecological	Yes	Yes	Yes	Flood damage Storm damage Water stress Fire damage Mass movement damage
9	Ongoing controlling and/or removing invasive species (including pests) that compete or outcompete livestock, crops, or natives for limited water resources. For example: • fencing or exclusion zones for pest management to protect native forests or wetlands • removing invasive species	Ecological	Yes	Yes	Yes	Water stress
10	Restoration of indigenous ecosystems (e.g. wetlands, forests, dunelands), using appropriate native species	Ecological	Yes	Yes	Yes	Mass movement damage
11	Creation of fire breaks and defensible spaces	Ecological	Yes	Yes	Yes	Wildfire damage
12	Implementation of targeted application of biopesticides or low-toxicity pesticides	Ecological	Yes	Yes	Yes	Heat stress Cold stress

Row	Investment	Investment type	Sector			Main climate hazards
			Agriculture	Forestry	Other Land Use	
13	Wetland restoration and construction: Re-establishing and creating wetlands for flood attenuation, water purification, and biodiversity habitat	Ecological	Yes	Yes	Yes	Water stress Heat stress Cold stress
14	Indigenous afforestation – planting appropriate local native species, including for riparian and erosion control. For example: • indigenous afforestation along waterways to stabilise banks, reduce erosion, shade streams to mitigate heat stress for aquatic life, and create habitat corridors; • indigenous afforestation for erosion control – establishing or maintaining permanent native forest cover on highly erodible land to stabilise slopes, reduce sedimentation into rivers, and provide biodiversity co-benefits	Ecological	Yes	Yes	Yes	Water stress Heat stress Cold stress Mass movement damage
15	Alteration of working times	Operations	Yes	Yes	Yes	Flood damage Storm damage Heat stress
16	Development of emergency preparedness and response plan, for example: Implementation of evacuation procedures	Operations	Yes	Yes	Yes	Flood damage Storm damage Fire damage
17	Implementation of worker health and safety measures, for example Alteration of working times	Operations	Yes	Yes	Yes	Flood damage Storm damage Fire damage

Row	Investment	Investment type	Sector			Main climate hazards
			Agriculture	Forestry	Other Land Use	
18	Provision of medical supplies	Operations	Yes	Yes	Yes	Flood damage Storm damage Heat stress Mass movement damage
19	Provision of backup power systems for critical food processing operations	Operations	Yes	No	No	Flood damage Storm damage Fire damage
20	Installation of automated water control systems	Operations	Yes	Yes	Yes	Water stress Heat stress
21	Implementation of agri-ecological practices for water conservation	Operations	Yes	No	No	Water stress Heat stress
22	Implementation of on-farm/forestry biosecurity infrastructure (e.g. wash stations, buffer zones, monitoring equipment)	Operations	Yes	Yes	Yes	Heat stress Cold stress

Mitigation substantial contribution criteria

What are Substantial Contribution criteria for climate change mitigation?

The Substantial Contribution (SC) criteria define the thresholds and requirements that an economic activity or measure must meet to be considered as making a substantial contribution to an environmental objective – in this case, climate change mitigation. These criteria have been established by robust technical and scientific evidence and are designed to ensure that activities go beyond business-as-usual and meaningfully advance emissions reduction.

The criteria may take the form of performance thresholds (e.g., emissions reduction percentages), or, where appropriate and justified by evidence, the use of eligible practices as proxies in areas where data availability limits the establishment of quantified metrics.

Why are these criteria important?

The SC criteria are a critical component in determining whether an economic activity is aligned with the NZ Taxonomy. They are the only part of the framework specifically designed to drive positive outcomes for one of the Taxonomy's environmental objectives.

How to use this document?

For an activity to be considered taxonomy-aligned, there are three sets of criteria to consider.

- **Substantial Contribution (SC) criteria** – The activity demonstrates it makes a substantial contribution to the environmental objective (i.e. climate change mitigation).
- **Do No Significant Harm (DNSH) criteria** – The activity making this substantial contribution must not cause significant negative impacts on other environmental objectives.
- **Minimum Social Safeguards (MSS)** – Entities seeking NZ Taxonomy alignment should also meet minimum standards for social responsibility, including labour rights, governance and indigenous rights.

For the initial phase of NZ Taxonomy alignment, entities are not required to complete assessments against the DNSH and MSS framework. The intent of this transitional approach is to allow entities sufficient time to adapt their reporting systems and processes to the NZ Taxonomy framework.

In future phases, to be considered NZ Taxonomy-aligned, activities must also meet the DNSH and MSS requirements. This obligation will apply to all reporting entities, except for small businesses – defined for this purpose as enterprises with fewer than 20 employees.

SC criteria for climate change mitigation contain details about:

1. **Process requirements** – These detail the processes and performance metrics that must be met for this activity to be NZ Taxonomy-aligned.
2. **Eligible practices** – These detail the applicable practices that a proponent may seek NZ Taxonomy-aligned finance for. These practices will make substantial contribution to the stated Environmental Objective. Supporting practices, which enable the eligible practices, may also be included.
3. **Monitoring** – These detail monitoring requirements for performance.
4. In some instances, **additional criteria or exclusions/restrictions** may also be detailed, including DNSH restrictions.

This document is intended to support technical review and targeted feedback from stakeholders and sector experts.

Green versus transition climate change mitigation activities at a glance

Activities under the climate change mitigation Substantial Contribution criteria are classified as green or transition based on the methodological approach established [here](#). In short,

- Activities that are already low/net-zero emissions are considered green in the context of the climate change mitigation taxonomy (reminder the taxonomy classifies activities in service of a particular goal, not as a holistic sustainability ranking).
- Measures that support meaningful emissions reductions for activities that are not already low emissions are considered transition measures.

Both green and transition activities are NZ Taxonomy-aligned.

Type	Activities	Green Activity	Transition Measures
Agriculture	Livestock grazing and animal production (including ruminant and monogastric)	Yes – See A.0	Yes
	Perennial and non-perennial crops (including horticulture)	Yes – See A.0	Yes
	Support measures for Agriculture		Yes
Forestry	Afforestation and reforestation	Yes	Yes
	Rehabilitation	Yes	Yes
	Forest management	Yes	Yes
	Conservation forestry	Yes	Yes
	Support measures for Forestry		Yes
Other land management, restoration and conservation	Conservation of natural ecosystems	Yes	Yes
	Protection, restoration and creation of other ecosystems	Yes	Yes
	Support measures for natural ecosystems		Yes



Agriculture Substantial Contribution criteria for climate change mitigation

Note to proponents

Within agriculture, proponents can use either:

- A0 whole farm activity and incorporate measures from A1 to A3 (no limit on measures to be incorporated to the plan); OR
- One or multiple transition measures and/or agriculture support measures from A1 to A3

A0. Whole-of-farm activity

A whole-of-farm activity represents significant climate change mitigation potential across the entire farm, helping to reduce emissions and increase and/or maintain carbon stocks.

Both the Green and Transition categories for the whole-farm activity are considered NZ Taxonomy-aligned.

- The Green category primarily recognises farms that are already highly efficient and that have low absolute emissions, with limited scope for further improvement.
- The Transition category is designed to recognise efficient production practices that do not meet the stringent Green threshold but are considered best-in-class within their industry or are encouraging substantial emissions reductions.

Under the NZ Taxonomy, farms with very low emissions that meet a set threshold can be classified as Green. This threshold is deliberately set at a stringent level to align with the NZ Taxonomy's methodological design features report, which sets the approach to activities being classified as Green or Transition for taxonomy alignment.

In practice, it is expected only a small number of farms – mainly in viticulture and horticulture – will meet the Green whole-farm requirement. Other farms may still qualify as taxonomy-aligned under the Transition whole-of-farm category if they meet the relevant criteria.

Additionally, transition measures are available for any farms that can not or do not wish to use the whole-of-farm activity for taxonomy-alignment.

Significant work was undertaken to establish sector-specific thresholds or pathways, but these are not currently consistently available due to concerns about sectoral, regional and system variations, as well as data quality/integrity. The intention is to revisit the use of thresholds or pathways in future updates.

Green Whole-of-Farm Activity:

The farm activity will be green under the NZ Taxonomy if the emissions are at or below 1 tonne of carbon dioxide equivalent per hectare per year.

Transition Whole of Farm Activity:

The farm activity qualifies as transition under the NZ Taxonomy if it meets either of the following:

A. Industry Benchmarking via Emissions Intensity

Emission intensity must be in the upper quartile (lowest 25%) of a representative, recent dataset for that industry (e.g., dairy, sheep meat, beef, horticulture) reflecting farm-level emissions using a credible industry or supply chain carbon accounting tool (see details below).

OR:

B. Continuous Improvement in Emissions

Quantitatively demonstrating at least a 2%* annual reduction in greenhouse gas emissions, measured on a five-year rolling average, over a minimum period of five years. (see details below).

** The 2% annual efficiency target has been set based on observed sector benchmarks, with independent research – including the Westpac New Zealand Economics Bulletin (May 2024) reports that agricultural productivity growth in New Zealand is averaging around 1% per year, referencing long-term sector data and historic trends. This benchmark is supported by figures from Stats NZ and comparative international productivity reports.*

The two pathway approach to transition alignment has been set to recognise both the achievements of already highly efficient producers and the pressing need for accelerated decarbonisation among other farms. This approach aims to set an ambitious benchmark that reflects the diversity of performance within the sector, encouraging continued progress for all participants.

As greater clarity is gained regarding the distribution of productivity and efficiency across the farming sector, these targets will be revisited and adjusted to ensure they remain both fair and effective in driving sector-wide improvement.

Process and requirements for whole of farm activity – apply for all classification options, both green and transition

- A. The land on which the whole-farm activity is being applied must not have been subject to the conversion of a forest or natural ecosystem since 31 December 2020 (see [land conversion definitions](#)).
- B. Farming (inclusive of cropping and grazing) must not be undertaken on land with high carbon stock, specifically land that currently has any one the following statuses (or had such a status in the base year of 2008):
 - a. Wetland: Land that includes permanently or intermittently wet areas, shallow water, and land-water margins that support a natural ecosystem of plants and animals that are adapted to wet conditions.
 - b. Land of continuously natural forest areas spanning more than one hectare with trees higher than 5 metres and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ, to ensure resilience and biodiversity outcomes.
 - c. Drained peatland: Unless measures are undertaken to re-wet this land alongside the cultivation and harvesting of raw material.

- C. A clearly defined baseline for activity-level emissions and carbon sinks must be established, or, if unavailable, a detailed plan for baseline establishment must be provided. The baseline must identify key emissions sources and sinks across the entire whole-farm activity, following an assessment based on either [MPI's Farm Emissions Methodology](#), or the [GHG Protocol Agricultural Guidance](#) using the [NZ National Inventory emissions factors](#), or calculators that align to the GHG Protocol and use the NZ National Inventory emissions factors.
 - a. The proponent must retain all records and reports from the baseline year, including data and outputs from recognised systems such as FEM or other approved calculators aligned with the GHG Protocol and NZ National Inventory factors. Any changes to the chosen methodology over the course of the project must be fully documented. Records must be kept in sufficient detail to demonstrate consistency in emissions and sink estimates over time, and to enable re assessment of results if the methodology is updated or revised.
- D. Develop, implement, and maintain a Farm Environment Plan (FEP) or recognised industry assurance report that is tailored to the needs of the livestock or farming activity that details:
 - a. The farm's strategy to reduce emissions.
 - b. The farm's strategy to increase or maintain (in the case of saturation) sequestration.
 - c. The farm's biophysical environment and production system, including information on land use change.
 - d. The farm's approach to nutrient management, outlined in the FEP, including soil type and its needs, pasture requirements, historical fertiliser applications and rotations and seasonal conditions and forecasts.
 - e. The farm's emissions baseline, i.e., its average annual performance in terms of GHG emissions and carbon sequestration (using an appropriate and approved system as outlined in C for farm level accounting).
 - f. The management practices that ensure the compliance with the minimum requirement criteria related to conversion of native forest and high-carbon stock land.
- E. Demonstrate credible compliance with requirements A to D. Proponents can demonstrate compliance by:
 - a. Obtaining third-party assurance or verification opinion of compliance with the requirements; and/or
 - b. Reporting against targets through the Science Based Targets Initiative's Forest, Land and Agriculture (SBTi FLAG) guidance and tool, or other equivalent credible target setting methodology (targets must be verified at the farm level and cover emissions aligned with the taxonomy's sector boundary); and/or
 - c. Providing documentary evidence that substantiates compliance with requirements A to D

Additional process requirements for Transition alignment pathway - Option A

- Emission intensity must be in the upper quartile (lowest 25%) of a representative, recent dataset for that industry (e.g., dairy, sheep meat, beef, horticulture) reflecting farm-level emissions using a credible industry or supply chain carbon accounting tool
- To demonstrate Transition alignment for mixed farming systems emissions intensity must be calculated for the two largest agricultural commodities on the farm by revenue. There are two exceptions to this requirement:
 - If 80% or more of farm revenue comes from a single commodity, alignment only needs to be demonstrated for that commodity.
 - If credible industry statistics are unavailable for one commodity and that commodity is less than 50% of the total farm revenue, then alignment only needs to be demonstrated for the commodity with available data.

Additional process requirements for Transition-alignment pathway - Option B

A whole-farm activity may demonstrate transition alignment under Option B by:

- Quantitatively demonstrating at least a 2% annual reduction in greenhouse gas emissions, measured on a five-year rolling average, over a minimum period of five years.
- Emissions reduction may be shown in:
 - Absolute terms* (total kgCO₂e per year); or
 - Emissions intensity (kgCO₂e/kg of product per year).
- To demonstrate Transition alignment Option B for mixed farming systems using the emissions intensity measure:
 - The two largest agricultural commodities on the farm by revenue must be calculated.
 - If 80% or more of farm revenue comes from a single commodity, alignment only needs to be demonstrated for that commodity.
- * If reporting in absolute terms, all changes in land size (e.g., sale, acquisition, lease transfers) during the assessment period must be transparently recorded and documented.
- Each reporting year, the managed land area (hectares) must be disclosed alongside emissions totals and intensity metrics.
- Reductions in emissions attributed primarily to land area reduction (such as land sales) must be clearly distinguished from those achieved through management improvement or operational efficiency on the land retained.
- If land is sold or acquired during a reporting year, the baseline emissions and minimum annual 2% reduction target must be recalculated for the updated land area.

Eligible practices

Eligible practices can include both existing and new practices on the farm.

In addition to the mandatory requirements, proponents may incorporate any other taxonomy-aligned green and/or transition measures or other enabling activities into the FEP* to further support emissions abatement and maintain and/or increase carbon stocks.

** Any relevant process requirements outlined in the Taxonomy measures (e.g., management plans, baselining, and monitoring requirements, etc.) can be incorporated into the FEP to streamline overall management.*

Monitoring

- A. The farm must keep a yearly record of its emissions, including:
- a. Information on the deployment of management practices.
 - b. Information on GHG emissions and removals, that is:
 - i. Based on best available data; and/or
 - ii. Demonstrates its activities contribute substantially to climate change mitigation by deploying all of the essential management practices, except those that are clearly not applicable to the farm.

Additional monitoring requirements for Transition-alignment - Option B:

Reporting to include:

- Absolute emissions (kgCO₂e) for each year.
- Emissions intensity for major commodities (kgCO₂e/kg of product per year).
- Annual managed land area (ha) and details of any land area changes (including date, area, and how baseline emissions and trends were recalculated).
- Narrative explanation or annex documenting land size events to ensure transparent and auditable disclosure.

A1. Livestock grazing and animal production

Note the below outlines the **transition measures** available to apply to these activities. For whole-of-farm green or transition alignment for livestock/animal production or mixed farms please refer to A.O.

A1.1 Nutrient management

Efficient nitrogen use in livestock systems to minimise nitrous oxide emissions, achieved through substituting fossil-fuel derived fertilisers with low-emissions fertilisers, and/or the application of Enhanced Efficiency Fertilisers (EEFs), and/or by optimising fertilisation techniques.

Process and requirements

The measure must comprise all the following:

- A. Develop, implement and maintain a Farm Environment Plan (FEP) that details the approach to nutrient management tailored to the needs of the livestock activity. The plan should align with the guidance and monitoring approach outlined in relevant Industry Assurance Plans ([see Industry Assurance Schemes](#)). For industries without guidance for an Industry Assurance Plan, the FEP should, at a minimum, include soil type and its needs, pasture or fodder crop requirements, historical fertiliser applications and rotations, seasonal conditions and forecasts, and incorporate one or more of the eligible practices listed below.
- B. Demonstrate that the measure has been implemented in accordance with the FEP, with certification through an Industry Assurance Plan or verification by a qualified expert (e.g., Certified Nutrient Management Advisor or agronomist) with evidence of one of the following:
 - a. Within three years, at least 80% of all fertilisers used must be low-emissions fertilisers; OR
 - b. Measurable reduction of N₂O emissions relative to baseline set at project commencement of at least 1.5% per year (using a five-year rolling average). To be measured using the [MPI's Farm Emissions Methodology](#) or [GHG Protocol Agricultural Guidance](#) using the [NZ National Inventory emissions factors](#).
 - i. The proponent must retain all records and reports from the baseline year, including data and outputs from recognised systems such as FEM or other approved calculators aligned with the GHG Protocol and NZ National Inventory factors. Any changes to the chosen methodology over the course of the project must be fully documented. Records must be kept in sufficient detail to demonstrate consistency in emissions and sink estimates over time, and to enable re assessment of results if the methodology is updated or revised.
- C. Fertiliser application must comply with the following:
 - a. When EEFs exempt from ACVM registration are used, they must comply with the Agricultural Compounds and Veterinary Medicines (ACVM) Exempt and Prohibited Substances Regulations 2011 and/or subsequent updates and amendments, as well as Notices regarding exempt fertilisers, plant biostimulants, and soil conditioners.
 - b. Use of EEFs which have claims that mean they are registered under the ACVM Act 1997 must comply with the conditions of registration. Shelf-life is considered as part of the ACVM registration process.

Eligible practices

Eligible practices that support sustainable nutrient management, which may include both existing and new practices on farm, along with their associated costs, include:

- A. Purchasing EEFs that meet the specified criteria mentioned above. Common types of EEFs include fertilisers coated with nitrification inhibitors, urease inhibitors, polymer-coated, sulphur-coated or slow-release fertilisers and controlled-release fertilisers.
- B. Using manure or slurry to substitute for or to reduce use of mineral N fertiliser. For on-farm manure application demonstration of a plan for optimised timing, placement and inhibitors in order to reduce N emissions.

- C. Use of nitrification inhibitors to slow down the conversion of urea to ammonia.
- D. Using nitrogen-fixing microorganisms (either naturally occurring or introduced, including in legumes) that demonstrably reduce reliance on synthetic fertilisers and are additional to normal farm practices.

Supporting practices

- E. Engaging and/or conducting agronomic services and soil testing to determine the appropriate application of fertilisers based on soil and pasture/livestock needs.
- F. Implementing Variable Rate Technology (VRT) and techniques, for fertilisation, irrigation, and other relevant applications, enabling precise application of inputs to different areas of the field based on their specific needs. This includes costs related to purchasing, installing, upgrading, or maintaining relevant equipment and infrastructure, as well as acquiring data solutions.
- G. Installing or optimising irrigation systems and micro-sprinklers to improve controlled fertiliser application and prevent waterlogging.

A1.2 Livestock management

Implement or maintain sustainable ruminant livestock management practices to reduce methane production.

Process and requirements

The measure must comprise all the following:

- A. Develop, implement, and maintain a Farm Environment Plan (FEP) tailored to the needs of the livestock activity. The plan must include livestock and pasture requirements, as relevant, and incorporate one or more of the eligible practices listed below.
- B. Demonstrate that the measure has been implemented in accordance with the FEP with verification by a qualified expert (e.g., livestock consultant, livestock nutritionist, agronomist, etc.) with evidence of the following:
 - a. Measurable reduction of absolute CH₄ emissions relative to a baseline of at least 2% per year from project commencement (using a five-year rolling average). To be measured following [GHG Protocol Agricultural Guidance](#) using the NZ National Inventory emissions factors or the [MPI's Farm Emissions Methodology](#).
 - i. The proponent must retain all records and reports from the baseline year, including data and outputs from recognised systems such as FEM or other approved calculators aligned with the GHG Protocol and NZ National Inventory factors. Any changes to the chosen methodology over the course of the project must be fully documented. Records must be kept in sufficient detail to demonstrate consistency in emissions and sink estimates over time, and to enable re assessment of results if the methodology is updated or revised.
- C. Livestock operations must meet feed predominantly through grazing or forage crops as outlined in the [New Zealand Grass-Fed Administrative Standard](#).
- D. Listed interventions in the FEP must align to approved interventions and listed efficacy rates in MPI's Farm Emissions Method.

Eligible practices

Eligible practices, which may include both existing and new practices on farm, along with their associated costs, include:

- A. Use of livestock selectively bred for lower methane genetic traits.
- B. Improving fertility rates.
- C. Increase of animal performance combined with reduced stocking rates to increase efficiency.

- D. Incorporating silvopastoral or agroforestry practices within the livestock production system (refer to taxonomy-aligned decarbonisation measure [A1.4 Silvopastoral](#) and/or [A2.4 Agroforestry](#) for criteria).
- E. Using feed supplements or additives that reduce methane emissions (refer to taxonomy-aligned decarbonisation measure [A1.5 Methane reduction in livestock](#) for criteria).
- F. Proper management of manure and other waste products (refer to taxonomy-aligned decarbonisation measure [A1.6 Manure management](#) for criteria).

Supporting practices

- G. Installing equipment and infrastructure, such as physical or virtual fences, to manage livestock movement and promote better land use through optimised grazing patterns and stocking rates. This includes the costs of purchasing, installing, upgrading, or maintaining relevant equipment and infrastructure and any ongoing subscription expenses.
- H. Implementing data monitoring and record-keeping systems to track and analyse performance metrics such as liveweight gain, calving rates, and weaning rates, with the aim of ultimately reducing emissions per unit of livestock production and supporting climate change mitigation efforts.
- I. Implementation and ongoing running of animal monitoring and traceability tools and equipment, including collars, harnesses and ear tags, for the purpose of monitoring animal movements, health and reproduction data.
- J. Engaging professional services and procuring treatments that are non-harmful and endorsed by a livestock health specialist to enhance herd health management and contribute to climate change mitigation efforts.
- K. Engaging consulting and advisory services to improve livestock management practices that support emissions reduction.

A1.3 Application of biochar to agriculture lands

The TEG/TAG acknowledge that these measures are not common practice in New Zealand, however their inclusion is important to ensure the usability and interoperability.

Application of biochar to agricultural soils to sequester carbon to increase soil carbon, enhance soil health, and increase farm productivity.

Process and requirements

The measure must comprise all the following:

- A. Develop, implement, and maintain a Farm Environment Plan (FEP) that details the approach to soil management tailored to the needs of the livestock activity. The FEP must include soil type and its needs, pasture requirements, biochar suitability and application rate, and incorporate one or more of the eligible practices listed below.
- B. Demonstrate that the measure has been implemented in accordance with the soil approach outlined in the FEP, with verification by a qualified expert (e.g., agronomist, agricultural consultant, etc.) being a recommended approach.
- C. To meet the requirements of this measure, the applied biochar must comply with one of the following eligibility criteria.
 - a. The biochar must only be produced using agricultural and/or forestry residues and waste as feedstock, such as leftover plant materials, animal manure, biosolids (that meet relevant state/territory and federal requirements), fallen wood, branches, bark, sawdust, and similar organic materials; OR
 - b. For biochar derived from dedicated crops and purpose-grown biomass feedstocks, the purchased biochar and/or its feedstocks are certified by a relevant third-party certification body'. 'Relevant certifications include:
 - i. World Biochar Certificate (WBC).

- ii. International Sustainability & Carbon Certification (ISCC) system.
- iii. Roundtable on Sustainable Biomaterials (RSB).
- iv. Forest Stewardship Council (FSC).
- v. Programme for the Endorsement of Forest Certification (PEFC).

Exclusions and restrictions

- A. The biochar must not be generated from sewage, sludge, industrial waste, or landfill waste.

Eligible practices

Eligible practices that support biochar application, which may include both existing and new practices on farm, along with their associated costs, include:

- A. Purchasing biochar that meets the specified eligibility criteria outlined above.
- B. Acquiring equipment for on-farm biochar production, such as a pyrolysis unit, including the costs of purchasing, installing, upgrading, or maintaining relevant equipment and infrastructure*

Supporting practices

- C. Engaging and/or conducting agronomic services and soil testing to determine the appropriate biochar type, application rate, and estimate the potential increase in soil carbon following application.
- D. Utilising equipment to support biochar application, such as spreaders, composters, mixers, sprayers, biochar applicators, storage, and irrigation equipment.

** Biochar production equipment must fall within the top 25% of energy efficiency rates for equipment available in-country.*

A1.4 Silvopastoral

Establishment or maintenance of silvopastoral systems that promote the intentional integration of woody perennials with animal production.

Process and requirements

The measure must comprise all the following:

- A. Develop, implement, and maintain a Farm Environment Plan (FEP) tailored to the needs of the livestock activity. The FEP must consider the interactions between the livestock activity, woody perennials, and the broader landscape, including factors such as soil condition, climate, water availability and pest management. It must also incorporate one or more of the eligible practices listed below.
- B. Demonstrate that the measure has been implemented in accordance with the FEP, with verification by a qualified expert (e.g., agronomist, agricultural consultant, etc.) being a recommended approach.
- C. The measure must comply with the following criteria:
 - a. Intentional integration of woody perennials alongside animal production to deliver both economic and ecological benefits, including carbon sequestration.
 - b. Utilise the same land for various agricultural purposes.
 - c. Planted trees for this measure must have the potential to grow to a minimum height of 5 metres and achieve a canopy cover of at least 10 percent* of the planted area.
- D. A risk assessment of erosion susceptibility and potential affected values is undertaken using the [MPI NES-PF erosion susceptibility classification and fish spawning indicator tool](#) to determine potential erosion risk.
- E. Forest Management Plans to assess and mitigate long-term climate risks, including species diversity, pest and disease resilience, and fire risk under future climate scenarios.

- F. Identification for exclusion of afforestation in high and very high erosion risk areas with species with the intention for clear felling, or that pose a significant risk of collapse because they are shallow-rooting.
- G. A risk assessment and actions to avoid negative impacts on water ecosystems, water quality and quantity and mitigate and remedy those that occur, including:
 - a. Riparian zones of a minimum of 10 metres each side of the water body are identified and documented on all water bodies that have permanent water when forested.
 - b. Afforestation with exotic forestry species is prohibited within a minimum 10m riparian management zone (RMZ) from identified water bodies.
 - c. In addition to the 10 metres riparian zone, slope, soil stability and future harvest disturbance should be assessed when considering if 10m is a sufficient riparian zone to protect water quality.

Eligible practices

Eligible silvopastoral practices that support the measure, which may include both existing and new practices on farm, along with their associated costs, include:

- A. Integrating, maintaining, restoring, and/or expanding woody perennials within agricultural landscapes. These planted areas can take various forms, such as windbreaks, riparian buffers, block or strip plantings for shelterbelts, among others.
- B. Selecting and planting appropriate seedling stock of woody perennial species.
- C. Incorporating the use of agronomic services for planning, baselining and monitoring.
- D. Installing establishment infrastructure to set up and support the successful establishment of agroforestry practices during the early stages of development, including protection and irrigation systems for the planted area.
- E. Installing other types of infrastructure to protect and enhance established planted areas, such as fencing materials.
- F. Establishing and maintaining weed and pest (browser and predator) control, where needed.
- G. Establishing monitoring systems to track early survival and growth of plantings, allowing for timely remedial action if necessary.
- H. Procuring ground-work services or equipment hire for site preparation or fencing installation.
- I. Engaging or conducting labour services for planting, maintenance, and ongoing protection of agroforestry practices, including pest management.
- J. Implementing and engaging auditing and certification services, such as the Forest Stewardship Council (FSC) or the Program for the Endorsement of Forest Certification (PEFC), for a Sustainable Forest Management System (SFMS).

A1.5 Methane reduction in livestock

Methane reduction technology, supplements or feed additives are administered to ruminant animals to directly reduce methane production.

Process and requirements

The measure must comprise all the following:

- A. Develop, implement, and maintain a Farm Environment Plan (FEP) that details the approach to feed management tailored to the needs of the livestock activity. The FEP should outline the feed supplements or additives to be utilised, including their dosage consistent with the emission reductions claims, compatibility with nutritional balance, mixing and rationing methods, along with one or more of the eligible practices listed below.

- B. Demonstrate that the measure has been implemented in accordance with the FEP, with certification through Industry Assurance Plan or verification by a qualified expert (e.g., livestock nutritionist, etc.).
- C. Feed supplements and additives must have been recognised by the Ministry for Primary Industries as delivering enteric methane emissions for use in the [MPI's Farm Emissions Methodology](#), and where necessary approved under the Agricultural Compounds and Veterinary Medicines (ACVM) Act.

Eligible practices

Eligible practices that support the use of feed supplements and additives to reduce methane emissions, which may include both existing and new practices on farm, along with their associated costs, include:

- A. Purchasing feed supplements or additives that meet the specified eligibility criteria outlined above.

Supporting practices

- B. Utilising advisory services for the selection, dosing, mixing, rationing, and compliance aspects of the use of methane inhibitors, including consulting with a livestock nutritionist when necessary.
- C. Acquiring equipment for the storage, mixing, and rationing of feed supplements and additives.
- D. Conducting monitoring and evaluation activities related to the use of feed supplements and additives, including assessments of emissions reduction, herd health, weight gain, and overall productivity.

A1.6 Manure management

Minimise methane and nitrous oxide emissions by implementing or maintaining sustainable manure management practices in livestock operations.

Process and requirements

The measure must comprise all the following:

- A. Develop, implement, and maintain a Farm Environment Plan (FEP) tailored to the needs of the livestock activity. The FEP must incorporate one or more of the eligible practices listed below.
- B. Demonstrate that the measure has been implemented in accordance with the FEP, with verification by a qualified expert (e.g., livestock consultant, agricultural consultant, etc.) being a recommended approach.

Eligible practices

Eligible practices that support sustainable manure management, which may include both existing and new practices on farm, along with their associated costs*, include:

- A. Emissions capture and conversion:
 - a. Biogas production: Produce and subsequently flare biogas from organic effluent using anaerobic digestion in either a covered pond or anaerobic digester tank.
 - b. Methane capture: Capture and destroy the methane component of biogas from the organic effluent through flaring or generating electricity.
- B. Emissions avoidance:
 - a. Pond treatment: Use of methane reducing treatments or additives to reduce emissions from effluent ponds or from subsequent effluent spreading.
 - b. Volatile solids removal: Remove material containing volatile solids to reduce methane emissions (diversion of the material).
 - c. Aerobic treatment: Treat the diverted material aerobically, resulting in significantly lower total methane and nitrous oxide emissions compared to anaerobic pond treatment (a post diversion treatment).

- C. Biogas production for biomethane:
 - a. Biogas production: Produce biogas from organic effluent using anaerobic digestion in either a covered pond or anaerobic digester tank.
 - b. Biogas upgrading: Send the produced biogas to a biogas upgrading system to produce biomethane.
- D. Biomethane production off-farm^{**}:
 - a. Delivery of manure to off-farm biogas facility.
 - b. Biogas reception: Receive biogas for processing.
 - c. Biogas upgrading system: Utilise a biogas upgrading system to produce biomethane.
- E. Biochar production^{**}:
 - a. Biochar pyrolysis: Producing on-farm biochar via pyrolysis.

** Associated costs include expenses for purchasing, installing, upgrading, or maintaining relevant equipment and infrastructure, including capital expenditures (CapEx), removal, treatment and other operational costs.*

*** When the NZ Taxonomy for the Energy sector is developed D and E will be moved from Agriculture to Energy.*

A1.7 Renewable energy production and storage for on-site use

Renewable energy use, production, and storage solutions for on-site applications.

Process and requirements

The measure must comprise the following, as applicable:

- A. Solar and wind energy-related infrastructure installed in New Zealand must comply with relevant New Zealand Standards and/or are purchased from a [Sustainable Energy Association of New Zealand \(SEANZ\) Authorised Provider](#).
- B. Rechargeable storage systems must be compatible with renewable energy sources.
- C. Farm Environment Plan (FEP) or Energy Plan to outline the baseline energy usage with verification by a qualified expert with evidence of either of the following:
 - a. Projected increase energy efficiency for at least 25% within two years; OR
 - b. To shift to 100% renewable energy within three years.

Eligible practices

Eligible practices that support the integration of renewable energy for on-site applications, which may include both existing and new practices on the farm/asset, along with their associated costs, include:

- A. Installing renewable energy generation systems, including solar PV technologies (e.g., ground-mounted or rooftop), wind and hydro energy technologies. This includes the costs of purchasing, installing, upgrading, or maintaining relevant equipment and infrastructure.
- B. Installing rechargeable storage batteries compatible with renewable sources, installed behind the meter.
- C. Purchasing, manufacturing, and/or using biofuels to power on-farm machinery and vehicles.

A1.8 Electric and energy efficient vehicles and equipment

Purchase or leasing of electric, energy-efficient, or renewable energy-compatible vehicles and equipment for on-site use.

Eligible practices

Eligible practices, which may include both existing and new practices on the farm/asset, along with their associated costs, include:

- A. Replacing existing fossil fuel fleet and/or equipment with one or more of the following:
 - a. Electric vehicles.
 - b. Where electric farm vehicles are not able to be purchased through standard commercial channels within New Zealand eligible* energy efficient tractors, headers and harvesters, including hybrid farm equipment.
- B. Hiring and/or contracting the use of the above fleet and/or equipment for on-site use is eligible.
- C. Modifying or retrofitting existing equipment and vehicles for biofuel use.

***Note**

Eligible energy efficient tractors, headers and harvesters must meet one of the below options. Note: This criteria will be updated when the transport taxonomy is developed and at this point a sunset date for non-EV transport inclusion will be considered.

- A. Purchase, lease or contracting use of new tractors, headers and other self-propelled machinery, which may include reconfiguration of existing equipment, that meets one of the following:
 - a. at least 20% less energy consumed per unit of output compared to the current vehicle or equipment on the farm; OR
 - b. an overall energy saving of at least 20% compared to the current vehicle or equipment on the farm; OR
 - c. publicly available information confirming its class leading energy efficiency characteristics.
- B. Purchase, lease or contracting use of new hydrogen fuel cell tractors, headers and other self-propelled machinery, which may include reconfiguration of existing equipment.
- C. Purchase, lease or contracting use of drones to reduce the use of helicopters, motorbikes and horses.
- D. Purchase, lease or contracting use of a new agricultural trailed vehicle, that meets one of the following:
 - a. at least 10% less energy consumed per unit of area (i.e., L/ha); OR
 - b. is designed for no or zero-tillage planting and seeding.

A1.9 Establishment and monitoring to support carbon offset generation

Establishment, management and reporting expenditures required to generate carbon offsets to participate in the Emissions Trading Scheme (ETS) and other voluntary offset schemes.

Eligible practices

Eligible practices that support activities to allow participation in carbon offset schemes that support activities to allow participation in carbon credit schemes that are approved as meeting established international best practice in the form of Integrity Council for the Voluntary Carbon Market (ICVCM) along with their associated costs, include:

- A. Site development: Expenses associated with preparing the site for creating carbon credits.
- B. Initial investment: Upfront financial commitments required for the successful establishment and implementation of the project.
- C. Planning and assessment: Costs related to project planning, environmental assessments and feasibility studies.
- D. Measurement, reporting and verification expenses incurred for compliance audits, ongoing certification, and meeting reporting requirements.

A2. Perennial and non-perennial crops (including horticulture)

Note the below outlines the **transition measures** available to apply to these activities. For whole-of-farm green or transition alignment for perennial and non-perennial crops or mixed farms please refer to A.O.

A2.1 Crop nutrient management

Efficient nitrogen use in cropping and horticulture systems to minimise nitrous oxide emissions, achieved through substituting fossil-fuel derived fertilisers with low-emission fertilisers, and/or the application of Enhanced Efficiency Fertilisers (EEFs), and/or by optimising fertilisation techniques.

Process and requirements

The measure must comprise all the following:

- A. Develop, implement and maintain a Farm Environment Plan (FEP) tailored to the needs of the activity. The plan should align with the guidance and monitoring approach outlined in relevant Industry Assurance Plans ([see industry Assurance Schemes](#)). For industries without guidance for an Industry Assurance Plan, the FEP should, at a minimum, include soil type and its needs, crop requirements, historical fertiliser applications and rotations, seasonal conditions and forecasts, and incorporate one or more of the eligible practices listed below.
- B. Demonstrate that the measure has been implemented in accordance with the FEP with certification through Industry Assurance Plan or verification by a qualified expert or (e.g., Certified Nutrient Management Advisor or agronomist) with evidence of one the following:
 - a. Within three years of commencement, at least 80% of all fertilisers used must be low-emissions fertilisers; OR
 - b. Projected significant increase or maintenance of minimum 75% NUE (kg of yield/kg of N applied) within five years in line with optimum values of N application rates (should include temporal datasets on N inputs and yields); OR
 - c. Measurable reduction of N₂O emissions relative to its baseline of at least 1.5% per year (using a five-year rolling average). To be measured following [GHG Protocol Agricultural Guidance](#) using the NZ National Inventory emissions factors.
 - i. The proponent must retain all records and reports from the baseline year, including data and outputs from recognised systems such as FEM or other approved calculators aligned with the GHG Protocol and NZ National Inventory factors. Any changes to the chosen methodology over the course of the project must be fully documented. Records must be kept in sufficient detail to demonstrate consistency in emissions and sink estimates over time, and to enable re assessment of results if the methodology is updated or revised.
- C. Fertiliser application must comply with the following:
 - a. When EEFs that are exempt from the requirement for ACVM registration are used, they must comply with the Agricultural Compounds and Veterinary Medicines (ACVM) Exempt and Prohibited Substances Regulations 2011 and Notices regarding exempt fertilisers, plant biostimulants, and soil conditioners.
 - b. Use of EEFs which have claims that mean they are registered under the ACVM Act 1997 must comply with the conditions of registration. Shelf-life is considered as part of the ACVM registration process.

Eligible practices

Eligible practices that support sustainable nutrient management, which may include both existing and new practices on farm, along with their associated costs, include:

- A. Purchasing EEFs that meet the specified criteria mentioned above. Common types of EEFs include fertilisers coated with nitrification inhibitors, urease inhibitors, polymer-coated fertilisers, sulphur-coated fertilisers, slow-release fertilisers, and controlled-release fertilisers.
- B. Using manure or slurry (aligned with regulations) to substitute for or to reduce use of mineral N fertiliser. For on-farm manure application demonstration of a plan for optimised timing, placement and inhibitors in order to reduce N emissions without sacrificing yield.
- C. Using nitrogen-fixing microorganisms (either naturally occurring or introduced, including in legumes) that are demonstrated to reduce reliance on synthetic fertilisers and are additional to normal farm practices.

Supporting practices

- D. Engaging and/or conducting agronomic services and soil testing to determine the appropriate application of fertilisers based on soil needs.
- E. Implementing Variable Rate Technology (VRT) and techniques, for fertilisation, irrigation, and other relevant applications, enabling precise application of inputs to different areas of the field based on their specific needs. This includes costs related to purchasing, installing, upgrading, or maintaining relevant equipment and infrastructure, as well as acquiring data solutions.
- F. Installing or optimising irrigation systems and/or micro-sprinklers to improve controlled fertiliser application and prevent waterlogging.

A2.2 Application of biochar to agriculture lands

The TEG/TAG acknowledge that these measures are not common practice in New Zealand, however their inclusion is important to ensure the interoperability of the NZ Taxonomy.

Application of biochar to agricultural soils to sequester carbon to increase soil carbon, enhance soil health, and increase farm productivity.

Process and requirements

The measure must comprise all the following:

- A. Develop, implement, and maintain Farm Environment Plan (FEP) that details the approach to soil management plan tailored to the needs of the cropping activity. The FEP must include soil type and its needs, crop requirements, biochar suitability and application rate, and incorporate one or more of the eligible practices listed below.
- B. Demonstrate that the measure has been implemented in accordance with the FEP, with verification by a qualified expert (e.g., agronomist, agricultural consultant, etc.) being a recommended approach.
- C. To meet the requirements of this measure, the applied biochar must comply with one of the following eligibility criteria.
 - a. The biochar must only be produced using agricultural and/or forestry residues and waste as feedstock, such as leftover plant materials, animal manure, biosolids (that meet relevant state/territory and federal requirements), fallen wood, branches, bark, sawdust, and similar organic materials; OR
 - b. For biochar derived from dedicated crops and purpose-grown biomass feedstocks, the purchased biochar and/or its feedstocks are certified by a relevant third-party certification body. Relevant certifications include:
 - i. World Biochar Certificate (WBC).
 - ii. International Sustainability & Carbon Certification (ISCC) system.
 - iii. Roundtable on Sustainable Biomaterials (RSB).

- iv. Forest Stewardship Council (FSC).
- v. Programme for the Endorsement of Forest Certification (PEFC).

Exclusions and restrictions

- A. The biochar must not be generated from sewage, sludge, industrial waste, or landfill waste.

Eligible practices

Eligible practices that support biochar application, which may include both existing and new practices on farm, along with their associated costs, include:

- A. Purchasing biochar that meets the specified eligibility criteria outlined above.
- B. Acquiring equipment for on-farm biochar production, such as a pyrolysis unit, including the costs of purchasing, installing, upgrading, or maintaining relevant equipment and infrastructure.*

Supporting practices

- C. Engaging and/or conducting agronomic services and soil testing to determine the appropriate biochar type, application rate, and estimate the potential increase in soil carbon following application.
- D. Utilising equipment to support biochar application, such as spreaders, composters, mixers, sprayers, biochar applicators, storage, and irrigation equipment.

** Biochar production equipment must fall within the top 25% of energy efficiency rates for equipment available in-country.*

A2.3 Improved rice management

The TEG/TAG acknowledge that these measures are not common practice in New Zealand, however their inclusion is important to ensure the interoperability of the NZ Taxonomy.

Lower the emissions intensity of rice production through effective water management and residue straw management by implementing practices aimed at reducing days of flooding by at least 10 percent annually.

Process and requirements

The measure must comprise all the following:

- A. Develop, implement, and maintain a Farm Environment Plan (FEP) that outlines the approach to rice production management tailored to the needs of the rice production activity. The FEP must aim to reduce days of flooding by at least 10 percent annually by incorporating one or more of the eligible practices listed below.
- B. Demonstrate that the measure has been implemented in accordance with the rice FEP, with verification by a qualified expert (e.g., agronomist, agricultural consultant, etc.) being a recommended approach.

Eligible practices

Eligible practices that support the measure, which may include both existing and new practices on farm, along with their associated costs, include:

- A. Shallow flooding: Utilising shallow water levels to optimise growth.
- B. Direct-seeded rice: Planting rice directly in the field for improved establishment.
- C. Short-duration, high-yielding varieties: Selecting rice varieties that mature quickly while maximising yield.
- D. Midseason drying events: Allowing the field to dry midway through the growing season to enhance soil health and reduce water use.
- E. Alternate wet and dry techniques: Alternating between wet and dry conditions to conserve water and improve rice quality.
- F. Off-season straw management: Properly managing straw during the off-season to benefit soil health.

Supporting practices

- G. Engaging and/or conducting agronomic services and soil testing to establish baseline conditions, perform ongoing monitoring, determine soil and crop needs, and develop a FEP that details the approach to rice production management.
- H. Installing irrigation and drainage systems, including associated earthworks and pipe installation.
- I. Incorporating precision agriculture technology, such as soil moisture sensors, weather stations and data analysis systems to improve crop management and resource efficiency.

A2.4 Agroforestry

Implement or maintain agroforestry by incorporating woody perennials, such as trees, shrubs or other vegetation, into crop production systems or on the broader land parcel.

Process and requirements

The measure must comprise all the following:

- A. Develop, implement, and maintain a Farm Environment Plan (FEP) tailored to the needs of the cropping activity. The FEP must consider the interactions between the cropping activity, woody perennials, and the broader landscape, including factors such as soil condition, climate, and water availability. It must also incorporate one or more of the eligible practices listed below.
- B. Demonstrate that the measure has been implemented in accordance with the FEP, with verification by a qualified expert (e.g., agronomist, agricultural consultant, etc.) being a recommended approach.
- C. The measure must comply with the following criteria:
 - a. Intentional integration of woody perennials alongside crop production to deliver both economic and ecological benefits, including carbon sequestration.
 - b. Utilise the same land for various agricultural purposes.
 - c. Planted trees for this measure must have the potential to grow to a minimum height of 2 metres and achieve a canopy cover of at least 10 percent of the planted area.
- D. A risk assessment of erosion susceptibility and potential affected values is undertaken using the [MPI NES-PF erosion susceptibility classification and fish spawning indicator tool](#) to determine potential erosion risk.
- E. Forest Management Plans to assess and mitigate long-term climate risks, including species diversity, pest and disease resilience, and fire risk under future climate scenarios.
- F. Identification for exclusion of afforestation in high and very high erosion risk areas with species with the intention for clear felling, or that pose a significant risk of collapse because they are shallow-rooting.
- G. A risk assessment and actions to avoid negative impacts on water ecosystems, water quality and quantity and mitigate and remedy those that occur, including:
 - a. Riparian zones of a minimum of 10 metres each side of the water body are identified and documented on all water bodies that have permanent water when forested.
 - i. Afforestation with exotic forestry species is prohibited within a minimum 10m riparian management zone (RMZ) from identified water bodies.
 - ii. In addition to the 10 metres riparian zone, slope, soil stability and future harvest disturbance should be assessed when considering if 10m is a sufficient riparian zone to protect water quality.

Eligible practices

Eligible agroforestry practices that support the measure, which may include both existing and new practices on farm, along with their associated costs, include:

- A. Integrating, maintaining, restoring, and/or expanding woody perennials within agricultural landscapes. These planted areas can take various forms, such as windbreaks, riparian buffers, block or strip plantings for shelterbelts, among others.
- B. Selecting and planting appropriate seedling stock of woody perennial species.

Supporting practices

- C. Agronomic services for planning, baselining and monitoring.
- D. Installing establishment infrastructure to set up and support the successful establishment of agroforestry practices during the early stages of development, including protection and irrigation systems for the planted area.
- E. Installing other types of infrastructure to protect and enhance established planted areas, such as fencing materials.
- F. Establishing and maintaining weed and pest (browser and predator) control, where needed.
- G. Establishing monitoring systems to track early survival and growth of plantings, allowing for timely remedial action if necessary.
- H. Procuring ground-work services or equipment hire for site preparation or fencing installation.
- I. Engaging or conducting labour services for planting, maintenance, and ongoing protection of agroforestry practices.
- J. Implementing and engaging auditing and certification services, such as the Forest Stewardship Council (FSC) or the Program for the Endorsement of Forest Certification (PEFC), for a Sustainable Forest Management System (SFMS).

A2.5 Renewable energy production and storage for on-site use

See [A1.7](#) for detail.

A2.6 Electric and energy efficient vehicles and equipment

See [A1.8](#) for detail.

A2.7 Low emissions cold storage

The purchase and installation of cold storage equipment that meet the minimum energy performance and labelling requirements for commercial refrigeration equipment in the Energy Efficiency (Energy Using Products) Regulations.

A2.8 Establishment and monitoring to support carbon offset generation

See [A1.9](#) for detail.

A3. Support measures for agriculture

A3.1 Agriculture support measures

Eligible practices

Eligible practices, which may include both existing and new practices on farm, along with their associated costs, include:

- A. Research and Development (R&D) of mitigation options: Conducting research and development of mitigation strategies and practices that align with activities and measures outlined in the Taxonomy, including the development of alternative methane inhibitors and lower-carbon protein sources.
- B. On-farm testing of technologies at [TRL levels 5, 6 or 7](#) to test the mitigation impact, practicality and commercial implications of near-ready technologies.
- C. Training and capacity building: Engaging training and capacity-building services to support the adoption and implementation of emissions mitigation practices and the increase and/or maintenance of carbon stocks.
- D. Measurement and monitoring technologies: Implementing technologies to measure and monitor mitigation initiatives and objectives, including GHG emissions, spatial positioning and guidance systems, harvest or yield monitors, and data connectivity solutions.
- E. Mitigation of emissions through the prevention of post-harvest and post-production waste: Implementing technologies and practices designed to prevent, minimise, and reduce losses after harvest and production, including improved sorting, handling, storage and packaging to prevent damage, spoilage, or contamination of crop and livestock products.

A3.2 Precision agriculture support measures

The use of advanced technologies and data to optimise the management of agricultural activities, with the primary focus on reducing emissions while improving resource utilisation, enhancing efficiency, and promoting sustainability.

Eligible practices

Eligible precision agriculture practices that support sustainable land management practices, which may include both existing and new practices on farm, along with their associated costs, include:

- A. Implementing data collection technologies to gather real-time data such as soil conditions, weather, crop health, and livestock performance.
- B. Implementing Variable Rate (Application) Technology (VRT) to adjust the application of inputs like water, fertilisers, and pesticides, based on insights gathered from data analysis. This includes systems for precision irrigation, seeding, fertiliser and pesticide application, and harvesting.
- C. Integrating automated systems to enhance precision and efficiency, such as automated monitoring and data analytics systems, mapping technologies, VRT, drones, tractors, and other farm machinery.
- D. Implementing varied precision agriculture techniques, including weed and disease detection, targeted herbicide and pesticide application systems, drone-based monitoring, AI-driven technologies, controlled traffic farming, and precision biological pest control.
- E. Purchasing, installing, upgrading, or maintaining relevant equipment, such as sensors, remote sensing devices, yield monitors, controllers, consoles, drones, unmanned aerial vehicles (UAV), meteorological forecasting, and more.

- F. Setting up networking and connectivity services to support data transmission and integration.
- G. Utilising data analysis and decision support systems to guide informed farm management decisions.
- H. Using specialised tools, including GIS and GPS-based software for precision farming applications.
- I. Covering ongoing costs, including software subscriptions and updates.
- J. Providing staff training to ensure the effective use of precision technologies.



Forestry Substantial Contribution criteria for climate change mitigation

F1. Afforestation and reforestation

F1.1 Forest establishment (green activity)

Establish new forest growth, or natural regeneration, or re-establishment for new forest growth, for at least 25 years, on land that was either previously forested or was grazed, cropped, or fallow for the previous 5 years.

Process and requirements

For the activity to be classified as green, it must meet all of the following requirements:

- A. The activity will be inconsistent with the taxonomy if the underlying activities result in the conversion of a forest or natural ecosystem (see [land conversion definitions](#)).
- B. Have a clearly defined baseline for carbon sinks, or, if unavailable, a detailed plan for baseline establishment. The baseline must identify key carbon sinks across the entire activity, following an assessment based on the [GHG Protocol](#) or [ETS estimation tables](#) to estimate their value.
- C. Develop, implement and maintain a comprehensive forest management plan tailored to the needs of the activity, considering relevant local risks, metrics, projected timelines, and the interactions between the planned forest and the broader landscape, including factors such as soil condition, biodiversity, climate, and water availability. The plan must outline and document the number of trees to be planted per hectare to achieve the desired forest cover and include one or more of the eligible practices listed below.
- D. A risk assessment of erosion susceptibility and potential affected values is undertaken using the [MPI NES-PF erosion susceptibility classification and fish spawning indicator tool](#) to determine potential erosion risk.
- E. Forest Management Plans to assess and mitigate long-term climate risks, including species diversity, pest and disease resilience, and fire risk under future climate scenarios.
- F. Identification for exclusion of afforestation in high and very high erosion risk areas with species with the intention for clear felling, or that pose a significant risk of collapse because they are shallow-rooting.
- G. A risk assessment and actions to avoid negative impacts on water ecosystems, water quality and quantity and mitigate and remedy those that occur, including:
 - a. Riparian zones of a minimum of 10 metres each side of the water body are identified and documented on all water bodies that have permanent water when forested.
 - i. Afforestation with exotic forestry species is prohibited within a minimum 10m riparian management zone (RMZ) from identified water bodies.
 - ii. In addition to the 10 metres riparian zone, slope, soil stability and future harvest disturbance should be assessed when considering if 10m is a sufficient riparian zone to protect water quality.
- H. Quantitatively demonstrate an increase in carbon stocks (estimated) across the entire activity compared to the established baseline of at least 1 tonnes C per hectare per year, until they reach steady state (see Monitoring). The comparison should be made using a 5-year rolling average. Where the financing period is shorter than 5 years and historical data is not available, carbon estimations can be used. Where historical data exists and/or where the financing period is longer than 5 years, actual data should be used.
 - a. Note: The activity will remain eligible if carbon stocks are temporarily reduced due to unforeseeable and unavoidable catastrophes, for example, drought, wildfires or other natural disasters.

- I. Demonstrate credible compliance with requirements A to G. Proponents can demonstrate compliance by:
 - a. Providing evidence that the forest and/or all forest products harvested from the activity are certified under the Forest Stewardship Council (FSC) or the Program for the Endorsement of Forest Certification (PEFC); and/or
 - b. Obtaining third-party assurance or verification opinion of compliance with the requirements; and/or
 - c. Providing documentary evidence that substantiates compliance with requirements A to G.

Eligible practices

Eligible establishment and management practices that support classifying the activity as green, which may include both existing and new practices on the asset, along with their associated costs, include:

- A. Securing and acquiring land for the establishment of the forest.
- B. Implementing and conducting forestry establishment, planting, and managing activities to create the forest, including sowing seed, exclusion of stock (in establishment phase), and pest, pathogen and weed management.

Supporting practices

- C. Procuring the necessary equipment and resources for the ongoing maintenance and management of the forest.
- D. Installing, upgrading, and maintaining warning systems or satellite monitoring for fire, illegal incursions, epidemics, invasive species, floods, and drought conditions.
- E. Setting up and maintaining protection measures, including employing rangers, pest control, installing monitoring equipment, and conducting GIS analysis, satellite data collection, and data analysis.
- F. Implementing and engaging auditing and certification services, such as FSC and PEFC, for a Sustainable Forest Management System (SFMS).

Monitoring

- A. The calculation of changes in carbon stocks within the project area should consider:
 - a. Tree growth.
 - b. Natural decay.
 - c. Disturbance events, including changes due to drought, wildfires, decay, pest pathogen, weeds or other natural disasters.
 - d. Changes due to harvest.
- B. Infield measurements via one or more of the following:
 - a. Field Measurement Approach (FMA) using the ETS guidance tables.
 - b. Biomass estimation using canopy cover from remote sensing technology.
- C. Carbon dioxide equivalent net abatement must be calculated by subtracting activity emissions from activity removals.
- D. Maintain ongoing monitoring of the decarbonisation measures outlined in the forest management plan.

* See [land conversion definitions](#).

F1.2 Renewable energy production and storage for on-site use

See [A1.7](#) for detail.

F1.3 Electric and energy efficient vehicles and equipment

See [A1.8](#) for detail.

F1.4 Establishment and monitoring to support carbon offset generation

Establishment, management and reporting expenditures required to generate carbon offsets to participate in the Emissions Trading Scheme (ETS) and other voluntary offset schemes.

Eligible practices

Eligible practices that support activities to allow participation in carbon credit schemes that are approved as meeting established international best practice in the form of Integrity Council for the Voluntary Carbon Market (ICVCM) include:

- A. Site development: Expenses associated with preparing the site for creating carbon credits.
- B. Initial investment: Upfront financial commitments required for the successful establishment and implementation of the project.
- C. Planning and assessment: Costs related to project planning, environmental assessments and feasibility studies.
- D. Measurement, reporting and verification expenses incurred for compliance audits, ongoing certification, and meeting reporting requirements.

F2. Rehabilitation

F2.1 Restoration and rehabilitation of native forests (green activity)

Restoration and rehabilitation of degraded native forests, whether through natural or human-induced processes, with restoration aiming to return ecosystems to their original state, and rehabilitation focused on improving the ecosystem's health and functions.

Commercial clear fell timber harvesting is not permitted. However, conservation, and ecosystem management activities such as thinning, removing invasive species, and activities for habitat restoration (including the sale of any byproducts from these activities) are permitted.

Process and requirements

For the activity to be classified as green, it must meet all of the following requirements:

- A. The activity will be inconsistent with the taxonomy if the underlying activities result in the conversion of a forest or natural ecosystem, including partial conversion via selective logging or grazing.
- B. Have a clearly defined baseline for carbon sinks, or, if unavailable, a detailed plan for baseline establishment. The baseline must identify key carbon sinks across the entire activity, following an assessment based on the [GHG Protocol](#) or [ETS estimation tables](#) to estimate their value.
- C. Develop, implement and maintain a comprehensive forest management plan tailored to the needs of the activity that considers relevant local risks, metrics and projected timelines. The plan must include one or more of the eligible practices listed below.
- D. A risk assessment of erosion susceptibility and potential affected values is undertaken using the [MPI NES-PF erosion susceptibility classification and fish spawning indicator tool](#) to determine potential erosion risk.
- E. Forest Management Plans to assess and mitigate long-term climate risks, including species diversity, pest and disease resilience, and fire risk under future climate scenarios.

- F. Identification for exclusion of afforestation in high and very high erosion risk areas with species with the intention for clear felling, or that pose a significant risk of collapse because they are shallow-rooting.
- G. A risk assessment and actions to avoid negative impacts on water ecosystems, water quality and quantity and mitigate and remedy those that occur, including:
 - a. Riparian zones of a minimum of 10 metres each side of the water body are identified and documented on all water bodies that have permanent water when forested.
 - i. Afforestation with exotic forestry species is prohibited within a minimum 10m riparian management zone (RMZ) from identified water bodies.
 - ii. In addition to the 10 metres riparian zone, slope, soil stability and future harvest disturbance should be assessed when considering if 10m is a sufficient riparian zone to protect water quality.
- H. Quantitatively demonstrate an increase in carbon stocks of at least 0.4 tonne C per hectare per year (estimated) across the entire activity compared to the established baseline, until they reach steady state (i.e., the point at which the gains from photosynthesis balance from losses of respiration). The comparison should be made using a 5-year rolling average. Where the financing period is shorter than 5 years and historical data is not available, carbon estimations can be used. Where historical data exists and/or where the financing period is longer than 5 years, actual data should be used.
 - a. Note: The activity will remain eligible if carbon stocks are temporarily reduced due to unforeseeable and unavoidable catastrophes, for example, drought, wildfires or other natural disasters.
- I. Demonstrate credible compliance with requirements A to G. Proponents can demonstrate compliance by:
 - a. Providing evidence that the forest is certified under the Forest Stewardship Council (FSC) or the Program for the Endorsement of Forest Certification (PEFC); and/or
 - b. Obtaining third-party assurance or verification opinion of compliance with the requirements; and/or
 - c. Providing documentary evidence that substantiates compliance with requirements A to G.

Eligible practices

Eligible management practices that support classifying the activity as green, which may include both existing and new practices on the asset, along with their associated costs, include:

- A. Securing and acquiring land to protect, restore, and rehabilitate natural forests that provide a range of ecosystem services.
- B. Securing and acquiring land to expand, restore, and rehabilitate existing areas and/or establish new habitats for diverse ecosystem services.
- C. Implementing and conducting restoration and rehabilitation management activities, including those focused on restoring and rehabilitating habitats and species, improving biological connectivity, planting and eliminating pests, weeds and diseases.

Supporting practices

- D. Procuring the necessary equipment and resources for the on-going maintenance and management of restoration and rehabilitation projects, including fencing for pest management.
- E. Installing, upgrading, and maintaining warning systems or satellite monitoring for fire, illegal incursions, epidemics, invasive species, floods, and drought conditions.
- F. Setting up and maintaining protection measures, including employing rangers, installing monitoring equipment, and conducting GIS analysis, satellite data collection, and data analysis.

Monitoring

- A. The calculation of changes in carbon stocks within the project area should consider:
 - a. Tree growth.
 - b. Natural decay.
 - c. Disturbance events, including changes due to drought, wildfires or other natural disasters.
 - d. Changes due to conservation and ecosystem management activities.
- B. Ongoing carbon stocks increase potential can be measured and reported using the Field Measurement Approach (FMA).
- C. Maintain ongoing monitoring of the decarbonisation measures outlined in the management plan.

F2.2 Renewable energy production and storage for on-site use

See [A1.7](#) for detail.

F2.3 Electric and energy efficient vehicles and equipment

See [A1.8](#) for detail.

F2.4 Establishment and monitoring to support carbon offset generation

See [F1.4](#) for detail.

F3. Forest management

F3.1 Existing forest management (green activity)

Existing forests, either indigenous or exotic, are managed to maintain or increase above ground carbon stocks.

Process and requirements

For the activity to be classified as green, it must meet all of the following requirements:

- A. The land on which the activity is being applied must not have been subject to the conversion of a forest or natural ecosystem, since 31 December 2020 (see [land conversion definitions](#)).
- B. Have a clearly defined baseline for carbon sinks, or, if unavailable, a detailed plan for baseline establishment. The baseline must identify key carbon sinks across the entire activity, following an assessment based on the [GHG Protocol](#) or [ETS estimation tables](#) to estimate their value.
- C. Develop, implement and maintain a comprehensive forest management plan tailored to the needs of the activity that considers relevant local risks, metrics and projected timelines. The plan must include one or more of the eligible practices from D to K listed below.
- D. Quantitatively demonstrate an increase in carbon stocks (estimated) across the entire activity compared to the established baseline of at least 1 tonne C per hectare per year, until they reach steady state (see Monitoring). The comparison should be made using a 5-year rolling average. Where the financing period is shorter than 5 years and historical data is not available, carbon estimations can be used. Where historical data exists and/or where the financing period is longer than 5 years, actual data should be used.
 - a. Note: The activity will remain eligible if carbon stocks are temporarily reduced due to unforeseeable and unavoidable catastrophes, for example, drought, wildfires or other natural disasters.

- E. Demonstrate credible compliance with requirements A to D. Proponents can demonstrate compliance by:
 - a. Providing evidence that the forest and/or all forest products harvested from the activity are certified under the Forest Stewardship Council (FSC) or the Program for the Endorsement of Forest Certification (PEFC); and/or
 - b. Obtaining third-party assurance or verification opinion of compliance with the requirements; and/or
 - c. Providing documentary evidence that substantiates compliance with requirements A to D.

Eligible practices

Eligible management practices that support classifying the activity as green, which may include both existing and new practices on the asset, along with their associated costs, include:

- A. Securing and acquiring land for forest management purposes.
- B. Procuring the necessary equipment and resources for the ongoing maintenance and management of the forest.
- C. Implementing and conducting forestry planting, harvesting, and management activities.
- D. Modifying landscape structure to impede fire spread (e.g., establish networks of fire breaks; manage for a mix of stand ages and stocking densities; thin stands; create mosaics of controlled burns; select fire-tolerant species).
- E. Promoting fire-smart landscapes (e.g., by planting fire-resistant tree species as firebreaks).
- F. Encouraging the introduction and maintenance of mixed-species stands to increase resistance to pest invasion and resilience.
- G. In forest stands, introducing and retaining genotypes and varieties that are resistant and resilient to pest attack.
- H. Adjusting rotation lengths and cutting cycles to minimise the risk of storm-induced damage (e.g., landslides or runoff due to reduced vegetation cover).
- I. Modifying harvesting regimes to improve species and stand stability.
- J. Maintaining or increasing species and structural diversity in ecosystems to promote resistance to storm damage and resilience following damage.
- K. Selecting wind-resistant species and promoting the development of multilayered canopies.

Supporting practices

- L. Installing, upgrading, and maintaining warning systems or satellite monitoring for fire, illegal incursions, epidemics, invasive species, floods, and drought conditions
- M. Setting up and maintaining protection measures, including employing rangers, installing monitoring equipment, weed and pest (browser and predator) control, and conducting GIS analysis, satellite data collection, and data analysis.
- N. Implementing and engaging auditing and certification services, such as FSC and PEFC, for a Sustainable Forest Management System (SFMS).

Monitoring

- A. The calculation of changes in carbon stocks within the project area should consider:
 - a. Tree growth.
 - b. Natural decay.
 - c. Disturbance events, including changes due to drought, wildfires or other natural disasters.
 - d. Changes due to harvest.

- B. Infield measurements via one or more of the following:
 - a. Field inventory: measuring sufficient plots within each strata.
 - b. Permanent sample plot assessment: establishing permanently marked plots with fixed locations.
- C. Carbon dioxide equivalent net abatement must be calculated by subtracting activity emissions from activity removals.
- D. Maintain ongoing monitoring of the decarbonisation measures outlined in the forest management plan.

F3.2 Renewable energy production and storage for on-site use

See [A1.7](#) for detail.

F3.3 Electric and energy efficient vehicles and equipment

See [A1.8](#) for detail.

F3.4 Establishment and monitoring to support carbon offset generation

See [F1.4](#) for detail.

F4. Conservation forestry

F4.1 Conservation forestry establishment and management (green activity)

Activities in non-commercial forests aimed at preserving one or more habitats or species. Conservation forestry assumes no change in existing land classification and takes place on land that meets the definition of Natural Forest (see [natural forest definition](#)).

Commercial harvesting is not permitted. However, conservation, and ecosystem management activities such as removing invasive species, thinning to allow natives to grow, selective harvesting for cultural purposes and activities for habitat restoration (including the sale of any byproducts from these activities) is permitted.

Process and requirements

For the activity to be classified as green, it must meet all of the following requirements:

- A. The land on which the activity is being applied must not have been subject to the conversion of a forest or natural ecosystem, since 31 December 2020 (see [land conversion definitions](#)).
- B. Have a clearly defined baseline for carbon sinks, or, if unavailable, a detailed plan for baseline establishment. The baseline must identify key carbon sinks across the entire activity, following an assessment based on the [GHG Protocol](#) or [ETS estimation tables](#) to estimate their value.
- C. Develop, implement and maintain a comprehensive forest management plan tailored to the needs of the activity that considers relevant local risks, metrics and projected timelines. The plan must include one or more of the eligible practices listed below.
- D. Forest Management Plans to assess and mitigate long-term climate risks, including species diversity, pest and disease resilience, and fire risk under future climate scenarios.
- E. Identification for exclusion of afforestation in high and very high erosion risk areas with species with the intention for clear felling, or that pose a significant risk of collapse because they are shallow-rooting.

- F. A risk assessment and actions to avoid negative impacts on water ecosystems, water quality and quantity and mitigate and remedy those that occur, including:
 - a. Riparian zones of a minimum of 10 metres each side of the water body are identified and documented on all water bodies that have permanent water when forested.
 - i. Afforestation with exotic forestry species is prohibited within a minimum 10m riparian management zone (RMZ) from identified water bodies.
 - ii. In addition to the 10 metres riparian zone, slope, soil stability and future harvest disturbance should be assessed when considering if 10m is a sufficient riparian zone to protect water quality.
- G. Quantitatively demonstrate an increase in carbon stocks (estimated) across the entire activity compared to the established baseline of at least 0.5 tonne C per hectare per year, until they reach steady state* (see Monitoring). The comparison should be made using a 5-year rolling average. Where the financing period is shorter than 5 years and historical data is not available, carbon estimations can be used. Where historical data exists and/or where the financing period is longer than 5 years, actual data should be used.
 - a. Note: The activity will remain eligible if carbon stocks are temporarily reduced due to unforeseeable and unavoidable catastrophes, for example, drought, wildfires or other natural disasters.
- H. Demonstrate credible compliance with requirements A to G. Proponents can demonstrate compliance by:
 - a. Providing evidence that the forest is certified under the Forest Stewardship Council (FSC) or the Program for the Endorsement of Forest Certification (PEFC); and/or
 - b. Obtaining third-party assurance or verification opinion of compliance with the requirements; and/or
 - c. Providing documentary evidence that substantiates compliance with requirements A to D.

Eligible practices

Eligible management practices that support classifying the activity as green, which may include both existing and new practices on the asset, along with their associated costs, include:

- A. Securing and acquiring land for conservation forestry purposes.
- B. Procuring the necessary equipment and resources for the on-going maintenance and management of restoration and rehabilitation projects, including fencing for pest management.
- C. Implementing and conducting forestry conservation and management activities, including those focused on restoring and rehabilitating habitats and species, improving biological connectivity, and controlling pests and diseases.

Supporting practices

- D. Installing, upgrading, and maintaining warning systems or satellite monitoring for fire, illegal incursions, epidemics, invasive species, floods, and drought conditions.
- E. Setting up and maintaining protection measures, including employing rangers, installing monitoring equipment, and conducting GIS analysis, satellite data collection, and data analysis.
- F. Implementing and engaging auditing and certification services, such as FSC and PEFC, for a Sustainable Forest Management System (SFMS).

Monitoring

- A. The calculation of changes in carbon stocks within the project area should consider:
 - a. Tree growth.
 - b. Natural decay.
 - c. Disturbance events, including changes due to drought, wildfires or other natural disasters.
 - d. Changes due to harvest.

- B. Infield measurements via one or more of the following:
 - a. Field Measurement Approach (FMA) using the ETS guidance tables.
 - b. Biomass estimation using canopy cover from remote sensing technology.
- C. Carbon dioxide equivalent net abatement must be calculated by subtracting activity emissions from activity removals.
- D. Maintain ongoing monitoring of the decarbonisation measures outlined in the forest management plan.

** Steady state is the point at which the gains from photosynthesis balance from losses of respiration.*

F4.2 Renewable energy production and storage for on-site use

See [A1.7](#) for detail.

F4.3 Electric and energy efficient vehicles and equipment

See [A1.8](#) for detail.

F4.4 Establishment and monitoring to support carbon offset generation

See [F1.4](#) for detail.



F5. Support measures for forestry

Eligible practices

Eligible practices, which may include both existing and new practices on the asset, along with their associated costs, include:

- A. Research and Development (R&D) of mitigation options: Conducting research and development of mitigation strategies and practices that align with activities and measures outlined in the Taxonomy.
- B. Training and capacity building: Engaging training and capacity-building services to support the adoption and implementation of emissions mitigation practices and the increase and/or maintenance of carbon stocks.
- C. Measurement and monitoring technologies: Implementing technologies to measure and monitor mitigation initiatives and objectives, including GHG emissions, spatial positioning and guidance systems, harvest or yield monitors, and data connectivity solutions.

Other land use Substantial Contribution criteria for climate change mitigation

O1. Ecosystem restoration, rehabilitation or creation

O1.1 Restoration, rehabilitation or creation of natural ecosystems (green activity)

Restoration and rehabilitation of degraded land or creation of natural ecosystems, including, but not limited to:

- A. Mangroves and wetlands.
- B. Peatlands.
- C. And other naturally uncommon or vulnerable ecosystems identified by the NZ Department of Conservation.

With restoration aiming to return ecosystems to natural ecosystems status (see [natural ecosystem definitions](#)), and rehabilitation focused on improving the ecosystem's health and functions.

Process and requirements

For the activity to be classified as green, it must meet all of the following requirements:

- A. The activity will be inconsistent with the taxonomy if the underlying activities result in the conversion of a forest or natural ecosystem (see [land conversion definitions](#)).
- B. Have a clearly defined baseline for carbon sinks, or, if unavailable, a detailed plan for baseline establishment. The baseline must identify key carbon sinks across the entire activity, following an assessment based on the [GHG Protocol](#) to estimate their value.
- C. Develop, implement and maintain a comprehensive management plan tailored to the needs of the activity that considers relevant local risks, metrics and projected timelines. The plan must include one or more of the eligible practices listed below.
- D. Quantitatively demonstrate an increase in carbon stocks (estimated) across the entire activity compared to the established baseline of at least 0.4 tonne C per hectare per year, until they reach steady state* (see Monitoring). The comparison should be made using a 5-year rolling average. Where the financing period is shorter than 5 years and historical data is not available, carbon estimations can be used. Where historical data exists and/or where the financing period is longer than 5 years, actual data should be used.
 - a. Note: The activity will remain eligible if carbon stocks are temporarily reduced due to unforeseeable and unavoidable catastrophes, for example, drought, wildfires or other natural disasters.

- E. Demonstrate credible compliance with requirements A to D. Proponents can demonstrate compliance by:
 - a. Obtaining third-party assurance or verification opinion of compliance with the requirements; and/or
 - b. Providing documentary evidence that substantiates compliance with requirements A to D.

Eligible practices

Eligible management practices that support classifying the activity as green, which may include both existing and new practices on the asset, along with their associated costs, include:

- A. Securing and acquiring land to protect, restore, and rehabilitate ecosystem areas that provide a range of ecosystem services.
- B. Securing and acquiring land to expand, restore, and rehabilitate existing areas and/or establish new habitats for diverse ecosystem services.
- C. Procuring the necessary equipment and resources for the on-going maintenance and management of restoration and rehabilitation projects, including fencing for pest management.
- D. Implementing and conducting restoration and rehabilitation management activities, including those focused on restoring and rehabilitating habitats and species, improving biological connectivity, and eliminating pests and diseases.
- E. Establishment of wetlands in ecologically suitable locations, including required earthworks, planting and management activities.

Supporting practices

- F. Installing, upgrading, and maintaining warning systems or satellite monitoring for fire, illegal incursions, epidemics, invasive species, floods, and drought conditions.
- G. Setting up and maintaining protection measures, including employing rangers, installing monitoring equipment, and conducting GIS analysis, satellite data collection, and data analysis.

Monitoring

- A. Ongoing carbon stocks increased potential can be measured and reported using estimations aligned with the GHG protocol.
- B. Maintain ongoing monitoring of the decarbonisation measures outlined in the management plan.

** Steady state is the point at which the gains from photosynthesis balance from losses of respiration.*

O1.2 Renewable energy production and storage for on-site use

See [A1.7](#) for detail.

O1.3 Electric and energy efficient vehicles and equipment

See [A1.8](#) for detail.

O1.4 Establishment and monitoring to support carbon offset generation

See [F1.4](#) for detail.

O2. Ecosystem conservation

O2.1 Conservation of natural ecosystems (green activity)

Enhance or maintain carbon sinks through the conservation of natural ecosystems, including:

- A. Mangroves and wetlands.
- B. Peatlands.
- C. Shrublands.

Process and requirements

For the activity to be classified as green, it must meet all of the following requirements:

- A. The land on which the activity is being applied must not have been subject to the conversion of a forest or natural ecosystem, since 31 December 2020 (see [land conversion definitions](#)).
- B. Have a clearly defined baseline for carbon sinks, or, if unavailable, a detailed plan for baseline establishment. The baseline must identify key carbon sinks across the entire activity, following an assessment based on the [GHG Protocol](#) to estimate their value.
- C. Develop, implement and maintain a comprehensive management plan tailored to the needs of the activity that considers relevant local risks, metrics and projected timelines. The plan must include one or more of the eligible practices listed below.
- D. Quantitatively demonstrate an increase in carbon stocks (estimated) across the entire activity compared to the established baseline of at least 0.4 tonne C per hectare per year, until they reach steady state (i.e., the point at which the gains from photosynthesis balance from losses of respiration). The comparison should be made using a 5-year rolling average. Where the financing period is shorter than 5 years and historical data is not available, carbon estimations can be used. Where historical data exists and/or where the financing period is longer than 5 years, actual data should be used.
 - a. Note: The activity will remain eligible if carbon stocks are temporarily reduced due to unforeseeable and unavoidable catastrophes, for example, drought, wildfires or other natural disasters.
- E. Demonstrate credible compliance with requirements A to D. Proponents can demonstrate compliance by:
 - a. Obtaining third-party assurance or verification opinion of compliance with the requirements; and/or
 - b. Providing documentary evidence that substantiates compliance with requirements A to D.

Eligible practices

Eligible management practices that support classifying the activity as green, which may include both existing and new practices on the asset, along with their associated costs, include:

- A. Securing and acquiring land to protect and conserve ecosystem areas that provide a range of ecosystem services.
- B. Securing and acquiring land to expand and restore existing areas and/or establish new habitats for diverse ecosystem services.
- C. Procuring the necessary equipment and resources for the on-going maintenance and management of conservation projects.
- D. Implementing and conducting conservation management activities, including those focused on preserving habitats and species, improving biological connectivity, and eliminating pests and diseases.

Supporting practices

- E. Installing, upgrading, and maintaining warning systems or satellite monitoring for fire, illegal incursions, epidemics, invasive species, floods, and drought conditions.
- F. Setting up and maintaining protection measures, including employing rangers, installing monitoring equipment, and conducting GIS analysis, satellite data collection, and data analysis.

Monitoring

- A. Ongoing carbon stocks increase potential can be measured and reported using estimations aligned with the GHG protocol.
- B. Maintain ongoing monitoring of the decarbonisation measures outlined in the management plan.

** Steady state is the point at which the gains from photosynthesis balance from losses of respiration.*

O2.2 Renewable energy production and storage for on-site use

See [A1.7](#) for detail.

O2.3 Electric and energy efficient vehicles and equipment

See [A1.8](#) for detail.

O2.4 Establishment and monitoring to support carbon offset generation

See [F1.4](#) for detail.

O3. Support measures for other land management, restoration and conservation

See [F5](#) for detail.

Land conversion definitions

The following definitions provide guidance for the exclusion of activities based on non-compliance with conversion, including deforestation and other ecosystems as referenced throughout the document.

Forest definition

Land spanning more than 0.5 hectares with trees higher than 5 metres and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use.

Explanatory notes

- Forest is determined both by the presence of trees and the absence of other predominant land uses. The trees should be able to reach a minimum height of 5 metres in situ.
- Includes areas with young trees that have not yet reached, but which are expected to reach a canopy cover of 10 percent and tree height of 5 metres. It also includes areas that are temporarily unstocked due to clear-cutting as part of a forest management practice or natural disasters, and which are expected to be regenerated within 5 years. Local conditions may, in exceptional cases, justify that a longer time frame is used.
- Includes forest roads, firebreaks and other small open areas; forest in national parks, nature reserves and other protected areas such as those of specific environmental, scientific, historical, cultural or spiritual interest.
- Includes windbreaks, shelterbelts and corridors of trees with an area of more than 0.5 hectares and width of more than 20 metres.

- Includes abandoned shifting cultivation land with a regeneration of trees that have, or are expected to reach, a canopy cover of 10 percent and tree height of 5 metres.
- Includes areas with mangroves in tidal zones (not required to meet 5-metre height requirement), regardless of whether this area is classified as land area or not.
- Includes areas outside the legally designated forest land which meet the definition of 'forest'.
- Excludes tree stands in agricultural production systems, such as fruit tree plantations, olive orchards and agroforestry systems when crops are grown under tree cover. Note: Some agroforestry systems such as the 'Taungya' system where crops are grown only during the first years of the forest rotation should be classified as forest.
- In exceptional circumstances where appropriate native species are unlikely to meet the 5m height requirement due to local conditions (such as soil type, wind, rainfall, elevation, slope, or exposure) may exclude height requirements if those species are capable of meeting the height requirement in other locations.

Source: Adapted from FAO definitions.

Natural forest definition

Natural forests are forests that possess many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function. Natural forests align with the forest classification of land spanning more than 0.5 hectares with trees higher than 5 metres and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use.

Natural forests include:

- Primary forests that have not been subject to major human impacts in recent history.
- Regenerated (second-growth) forests that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or intensive logging), but where the main causes of impact have ceased or greatly diminished and the ecosystem has attained much of the species composition, structure, and ecological function of prior or other contemporary natural ecosystems.
- Managed natural forests where much of the ecosystem's composition, structure, and ecological function exist in the presence of activities such as:
 - Harvesting of timber or other forest products, including management to promote high-value species.
 - Low intensity, small-scale cultivation within the forest, such as less-intensive forms of swidden agriculture in a forest mosaic.
 - Forests that have been partially degraded by anthropogenic or natural causes (e.g., harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where degradation does not result in the sustained reduction of tree cover below the thresholds that define a forest or sustained loss of other main elements of ecosystem composition, structure, and ecological function.

Source: [Accountability Framework definitions](#).

Deforestation definition

The conversion of forest to other land use independently of whether human-induced or not.

NZ Taxonomy cut-off date for deforestation and conversion is 31 December 2020. Cut-off date is the date after which deforestation or conversion renders a given area or production unit non-compliant with the NZ Taxonomy. The cut-off date has been chosen to align with major global deforestation/ conversion agreements.

Explanatory notes

- Includes permanent reduction of the tree canopy cover below the minimum 10 percent threshold.
- It includes areas of forest converted to agriculture, pasture, water reservoirs, mining and urban areas.
- The term specifically excludes areas where the trees have been removed as a result of harvesting or logging, and where the forest is expected to regenerate naturally or with the aid of silvicultural measures.
- The term also includes areas where, for example, the impact of disturbance, over-utilisation or changing environmental conditions affects the forest to an extent that it cannot sustain a canopy cover above the 10 percent threshold.

Source: Adapted from FAO definitions.

Natural ecosystem definition

Natural ecosystems are composed of native species and occur largely as a result of natural processes, with minimal human alteration. This includes primary forests, native grasslands, wetlands, and other areas that retain their natural structure, composition, and ecological processes.

Source: [Accountability Framework definitions](#).

Conversion definition

Loss of a natural ecosystem (or man-made wetland) as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in a natural ecosystem's species composition, structure, or function.

NZ Taxonomy cut-off date for deforestation and conversion is 31 December 2020. Cut-off date is the date after which deforestation or conversion renders a given area or production unit non-compliant with the NZ Taxonomy. The cut-off date has been chosen to align with major global deforestation/ conversion agreements.

Explanatory notes

- Deforestation is a form of conversion (conversion of natural forests).
- A change of land use that results in a loss of natural ecosystems (mature or regenerating) is a form of conversion.
- Conversion includes severe and sustained degradation or the introduction of management practices that result in a profound and sustained change in the ecosystem's species composition, structure, or function.
- Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal.

Source: Adapted from [Accountability Framework definitions](#).



Appendices for climate change mitigation Substantial Contribution criteria

Examples of agricultural industry assurance schemes

Dairy

- [Fonterra Farm Environment Plans](#)
- [Synlait's Lead with Pride](#)

Red meat & wool (Sheep, beef and deer farmers)

- [New Zealand Farm Assurance Programme \(NZFAP\) and NZFAP Plus](#), managed by managed by New Zealand Farm Assurance Incorporated (NZFAI)

Horticulture

- [New Zealand Good Agricultural Practice \(NZGAP\)](#)
- [The GLOBAL G.A.P. Integrated Farm Assurance \(IFA\)](#)

Viticulture

- [Sustainable Winegrowing New Zealand \(SWNZ\)](#)



Glossary for climate change mitigation Substantial Contribution criteria

Absolute emissions

Absolute emissions are understood to be the total quantity of greenhouse gases emitted over a specified period, typically expressed in gigatonnes or metric tons of CO₂-equivalent. This includes all emissions from anthropogenic sources without any adjustment for output, population, or economic activity.

Source: [IPCC Sixth Assessment Report](#)

Afforestation

Establishment of forest through planting and/or deliberate seeding on land that, until then, was under a different land use, implies a transformation of land use from non-forest to forest.

Source: [Food and Agriculture Organization of the United Nations. \(2020\). Terms and definitions. In Global Forest Resources Assessment 2020. FAO.](#)

Agricultural commodities

Commodity groupings, include the below. For the purpose of calculating meaningful and relevant emission intensities, commodity groups should be broken down into sub-categories, i.e., beef, lamb and dairy:

- Dairy
 - Red meat and wool
 - Horticulture
 - Arable (grains and seeds)
 - Pork
 - Poultry
-

Farm Environment Plan (FEP)

A tool to help identify the environmental risks on farms and make plans to manage and mitigate those risks. Plans are unique to each farm and consider the type of farming, operational practices and local environment.

Freshwater Farm Plan

Freshwater Farm Plan (FWFP) process in New Zealand is a regulated system designed to help farmers and growers identify, manage, and reduce the impact of farming activities on local waterways.

Farms require a certified FWFP if they have:

- 20 hectares or more of arable or pastoral use,
- 5 hectares or more of horticultural use,
- 20 hectares or more of combined land use.

The requirement applies even if land blocks are not adjoining, as long as they're in the same catchment

Note: FWFP were on-hold at the time of the taxonomy publication, updates and details of FWFP [available here](#).

Industry assurance report

For mitigation must be tailored to the needs of the livestock or farming activity that details the farm's strategy to:

- A. Reduce emissions.
 - B. Increase or maintain (in the case of saturation) sequestration.
-

Intensity measure

An intensity measure refers to the amount of greenhouse gas (GHG) emissions released per unit of activity, output, or economic value. This allows emissions to be normalised and compared across varying scales of production or economic growth.

Net emissions

Net emissions represent total emissions minus total removals (e.g., via land use, technological carbon capture, or other sinks).

Reforestation

Re-establishment of forest through planting and/or deliberate seeding on land classified as forest.

Source: [Food and Agriculture Organization of the United Nations. \(2020\). Terms and definitions. In Global Forest Resources Assessment 2020. FAO.](#)

Small business

A business with less than 20 employees.



Do No Significant Harm criteria

This section presents the draft Do No Significant Harm (DNSH) criteria under the Aotearoa New Zealand Sustainable Finance Taxonomy (NZ Taxonomy). It also includes guidance to help proponents demonstrate alignment with the generic DNSH requirements. It is intended for review as part of a broader consultation package.

What are DNSH criteria?

The DNSH criteria ensures an economic activity that makes a substantial contribution (SC) to one of the NZ Taxonomy's environmental objectives does not cause significant harm to any of the NZ Taxonomy's other environmental objectives.

They function as a risk management tool, ensuring activities aligned with the NZ Taxonomy do not create unintended or adverse environmental consequences. While SC criteria aim to achieve positive environmental outcomes, DNSH criteria are not intended to deliver net-positive impacts – their role is to prevent harm.

Future development of SC criteria for other environmental objectives will provide the mechanism for positive progress in those areas.

The NZ Taxonomy adopts a dual approach, consistent with international best practice (e.g., EU, Australia):

- **Generic DNSH criteria:** Applied across all Taxonomy environmental objectives and sectors. These criteria are prepared related to each of the other environmental objectives.
- **Activity-specific DNSH criteria:** Tailored for individual activities and their material impacts.

This approach ensures the criteria remains both practical to implement and effective at managing specific risks across different sectors/economic activities.

Why are these criteria important?

The DNSH criteria are a core safeguard within the NZ Taxonomy. They ensure that activities classified as green or transition do not cause significant harm to the Taxonomy's other environmental objectives.

How have these criteria been developed?

Please refer to the DNSH/MSS approach paper, for more information about the approach and design of these criteria.

How to use this document?

For an activity to be considered taxonomy-aligned, there are three sets of criteria to consider.

- **Substantial Contribution (SC) criteria** – The activity demonstrates it makes a substantial contribution to the environmental objective (i.e. climate change mitigation or adaptation and resilience).
- **Do No Significant Harm (DNSH) criteria** – The activity making this substantial contribution must not cause significant negative impacts on other environmental objectives.
- **Minimum Social Safeguards (MSS)** – Entities seeking NZ Taxonomy alignment should also meet minimum standards for social responsibility, including labour rights, governance and indigenous rights.

For the initial phase of NZ Taxonomy alignment, it is proposed that entities are not required to complete assessments against the DNSH framework.

DNSH criteria of particular importance have been incorporated within the climate change mitigation SC provisions, in order to mitigate the risk of counterproductive impacts during the initial implementation phase of the NZ Taxonomy.

In future phases, to be considered NZ Taxonomy-aligned, activities must also meet the DNSH requirements. This obligation will apply to all reporting entities, except for small businesses – defined for this purpose as enterprises with fewer than 20 employees.

Generic DNSH criteria

For the initial phase of NZ Taxonomy alignment, entities are not required to complete assessments against the DNSH criteria. The intent of this transitional approach is to allow entities sufficient time to adapt their reporting systems and processes to the Taxonomy framework.

In future phases, to be considered NZ Taxonomy-aligned, activities must also meet the DNSH requirements. This obligation will apply to all reporting entities, except for small businesses – defined for this purpose as enterprises with fewer than 20 employees.

Users may demonstrate compliance with DNSH criteria with evidence from industry assurance schemes, supply chain schemes, or similar schemes. These schemes can be used to provide data for verification for DNSH, but do not in themselves indicate proponents meet the DNSH criteria.



Climate change adaptation and resilience (A&R) DNSH

Draft criteria	Description
1. Material climate and natural hazard-related physical risks are identified, assessed, managed and monitored.	Material climate and climate hazard-related physical risks to the activity, if any, are identified and resilience or adaptation solutions are implemented to avoid or mitigate potential adverse impacts.
1.1	For new or materially expanded activities, and where the activity may be materially impacted by one or more climate hazards (Annex 1), a physical climate risk assessment (CRA) is conducted. The CRA may have the following characteristics: • For existing activities, the implementation of physical and non-physical adaptation efforts may be phased and executed over the life of the project. • For new activities, implementation of identified adaptation risks must be met at the time of design and construction with an ongoing review of adaptation requirements.
1.2	The CRA has the following characteristics: • Considers current weather variability and future climate change, including uncertainty; • Is based on robust analysis of available climate data and projections across at least two relevant potential future scenarios; and • Is consistent with the expected lifetime of the activity as far as practicable.
2. System-level adaptation and resilience is not adversely affected.	The activity and any adaptation efforts identified to manage the potential impacts of material physical risks to the activity safeguard against maladaptation and do not adversely affect wider system-level adaptation and resilience.
2.1	The activity and any adaptation efforts identified do not impede local, sectoral, regional and/or national adaptation strategies and plans. Consideration has been given to the viability of 'Green', 'Blue' or Nature-based Solutions over 'grey' measures to address adaptation.

Climate change mitigation DNSH

Draft criteria	Description
1. Material emissions are identified, assessed, managed and monitored.	Material emissions associated with the activity are identified, assessed, managed and monitored in accordance with the mitigation strategy to minimise their impact.
1.1	For activities with a lifespan of over 10 years (both new or materially expanded), a GHG inventory or carbon footprint assessment is conducted. The assessment must: • Identify all material scope 1, 2 and 3 emissions (life cycle assessment) linked to the activity. • Clearly describe strategies for mitigating these emissions, prioritising nature-based solutions where feasible. • Measure emissions annually. • For SMEs, follow a recognised national or international standard (see guidance); for all other organisations, GHG inventory must be verified by an independent third-party at the start of the activity and at least every 5 years thereafter.
1.2	The activity and any mitigation measures support local, sectoral, regional and/or national climate mitigation strategies and plans.

Protection and restoration of biodiversity and ecosystem DNSH

Draft criteria	Description
1. Biodiversity and ecosystem-related risks and impacts are identified, assessed, managed and monitored.	Significant ecological and biodiversity impact and ecosystem-related risks and potential impacts associated with the activity are identified, assessed, managed and monitored to eliminate or mitigate the negative effects of the activity on biodiversity and ecosystems.
1.1	For new or materially expanded activities an Assessment of Environmental Effects (AEE) or Environmental Impact Assessment (EIA) is conducted. • The AEE or EIA covers the identification of material biodiversity and ecosystem-related risks and impacts posed by the activity, inclusive of cultural values and details identified impacts, measures to avoid, mitigate or manage those risks and impacts. • For sites or operations located in or near to biodiversity-sensitive areas outside of New Zealand (including UNESCO Natural and Mixed World Heritage sites and Key Biodiversity Areas), an appropriate assessment has been conducted in line with international standards (for example, IFC Performance Standard 6: Biodiversity Conservation and the Sustainable Management of Living Natural Resources).
1.2	A management or action plan is in place that outlines appropriate mitigation measures, compensation, monitoring, reporting and verification measures are implemented. The management or action plan adheres to the mitigation hierarchy and complies with applicable laws or relevant international standards (Annex IV).

Sustainable use and protection of water resources and marine resources DNSH

Draft criteria	Description
1. Water-related risks are identified, assessed, managed and monitored.	Significant water quality and consumption risks associated with the activity are identified, assessed, managed and monitored to avoid and/or mitigate adverse effects of the activity on water quantity, water quality and/or aquatic ecosystems, including groundwater, wetlands and/or riparian areas.
1.1	For new or materially expanded activities, an Assessment of Environmental Effects (AEE) or Environmental Impact Assessment (EIA) is conducted. • The AEE or EIA identifies any material water-related risks and potential impacts posed by the activity, inclusive of cultural values of the waterways. • The AEE or EIA details identified impacts, measures to avoid, mitigate or manage those risks and impacts, including measures to: – Minimise management of the water stress caused by the activity. – Avoid significant harm to water quality and aquatic ecosystems, including upstream, downstream, at a catchment-level and in riparian zones.
1.2	Where required, a water license, permit or equivalent water entitlement is issued in accordance with applicable laws, and water usage and conservation requirements and standards are complied with.

Pollution prevention and control DNSH

Draft criteria	Description
1. Relevant laws, regulations and standards relating to pollution are complied with.	Pollution risks associated with the activity are identified and material risks are assessed, managed and monitored to avoid the activity leading to the manufacture, distribution, use or emission of harmful substances, noise, light, heat, waste or any other air, water, or soil pollution beyond levels permitted by applicable laws and regulations or outlined in relevant international standards listed in Annex VI.
1.1	For new or materially expanded activities an Assessment of Environmental Effects (AEE) or Environmental Impact Assessment (EIA) is conducted and: • Includes an assessment of pollution-related risks and potential impacts posed by the activity. • Details the risks, potential impacts posed by the activity, and measures to avoid, mitigate or manage those risks and impacts.
1.2	All necessary measures outlined in the AEE or EIA are implemented in compliance with applicable laws and regulations or equivalent international standards as listed in Annex II to: • Avoid, minimise, manage and monitor pollution-related risks associated with the activity; • Ensure the proper treatment and disposal of any hazardous waste from the activity; and • Where relevant and practicable, safely remediate or manage any contamination, including legacy contamination, associated with the activity.

Transition to a circular economy DNSH

Draft criteria	Description
1. Resource use and waste are identified, minimised and managed.	Resources used and waste generated through the construction, operation and end-of-life of the activity are identified, minimised, and managed.
1.1	The following actions are implemented to enable the sustainable and efficient production and consumption of materials or other natural resources where relevant and practicable: • New installations and products are designed and manufactured to be durable, repairable, reusable and/or recyclable to the maximum extent possible based on applicable industry standards; • A Farm Environment Plan (FEP) that outlines the approach to waste management is established to support the avoidance, recycling, reuse, and recovery of materials over the lifecycle of the activity; • Product stewardship initiatives or extended producer responsibility accredited schemes are used where available; and • Retirement and dismantlement plan for plants and infrastructure related to the activity are developed based on current knowledge with provision for updating at end of life.
1.2	The activity does not result in the conversion of arable land, which is currently or recently (within the last five years) used for food production, to non-food production purposes. This includes the cultivation of crops for energy, industrial use, or other non-food biomass purposes. Agroforestry and silvopastoral are accepted within a farming system.

Generic DNSH guidance

Annex I: Climate-related physical risks

The list of climate-related hazards in this table is non-exhaustive and constitutes only an indicative list of the most globally widespread hazards that, where material to the activity, should be taken into account at a minimum in a physical climate risk assessment. Proponents should be informed by hazards and risks identified in the latest relevant IPCC assessment and national adaptation and resilience frameworks.

Hazards of particular relevance to New Zealand include storm, hail, flood, erosion, and sea level rise.

Types	Temperature-related	Wind-related	Water-related	Solid mass-related
Chronic	Changes in temperature (air, freshwater, marine water) including extremes	Changing wind patterns	Changing precipitation patterns and types (rain, hail, snow/ice)	Coastal erosion, inundation and recession
	Heat stress		Precipitation or hydrological variability	Soil degradation
	Temperature variability		Ocean acidification	Soil erosion
	Permafrost thawing		Saline intrusion	Solifluction
			Sea level rise	
			Water stress	
Acute	Heatwave	Cyclone, hurricane, typhoon	Drought and changes in aridity	Avalanche
	Cold wave/frost	Storm (including extratropical, convective, blizzards, dust and sandstorms)	Heavy precipitation (storm, rain, hail, snow/ice)	Landslide
	Bushfire, grassfire, wildfire	Tornado	Storm surges (due to cyclones and non-cyclone East Coast lows)	Subsidence
			Flood (coastal, estuarine, fluvial, pluvial, ground water)	
			Glacial lake outburst	

Annex II: Screening for environmental impact assessments

The following should be used to screen whether an environmental impact assessment (EIA) is required for a particular activity in New Zealand or another jurisdiction.

Jurisdiction	Approach	Screening requirements
New Zealand (or OECD country)	Under New Zealand legislation, an AEE is required for applications for resource consent under the Resource Management Act 1991 (RMA). An EIA is the internationally recognised term for an AEE noting that EIA's often have more prescriptive process requirements. For all activities located in New Zealand and other OECD countries, whether an AEE or EIA is required should be determined in accordance with the applicable laws of the relevant jurisdiction(s) in force at the time the activity is undertaken.	Resource Management Act 1991 (RMA) As relevant in the relevant OECD country
International (non-OECD)	If the activity is not located in New Zealand or another OECD country, an EIA must be conducted if that activity would require an AEE in NZ. The EIA should be conducted in line with the international standards set out in Annex III.	

Annex III: Environmental impact assessments – international standards and guidelines

The below table provides a list of internationally recognised standards and guidelines that should be used to conduct environmental impact assessments for activities located outside of New Zealand and other OECD countries.

Organisation	Name	Description	Link
United Nations Environment Programme (UNEP)	Guidelines for conducting integrated environmental assessments	• Provide guidance for a wide range of different types of Integrated Environmental Assessments.	UNEP guidelines for conducting EIA
International Financial Corporation (IFC)	Performance standard 1: Assessment and management of environmental and social risks and impacts	• Applies to business activities with environmental and/or social risks and/or impacts. • Key objectives are to identify and evaluate environmental and social risks and impacts to the project and to adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, affected communities, and the environment.	Performance standards of environmental and social sustainability
IFC	Environmental, health and safety (EHS) guidelines	• Set of recommendations designed to help businesses and projects manage environmental and health risks effectively. • Include strategies for reducing pollution, conserving resources and minimising environmental impact; recommendations for specific industries; and performance indicators.	Environmental management systems – requirements with guidance for use
International Association for Impact Assessment (IAIA)	Impact assessments including environmental impact assessment (EIA), social impact assessment (SIA)	• Guidance documents and best practice principles for Environmental Impact Assessment (EIA). • Guidance resources on how impact assessment systems can integrate do no significant harm.	Principles of environmental impact assessment best practice Climate change and impact assessment action plan

Annex IV: Biodiversity and ecosystem management planning – international standards and guidelines

The below table provides a list of internationally recognised standards that should be used in biodiversity and ecosystem management for activities located outside of New Zealand and other OECD countries.

Organisation	Name	Description	Link
IFC	Performance standard 6: Biodiversity conservation and sustainable management of living natural resources	The requirements set out in this Performance Standard have been guided by the Convention on Biological Diversity and its applicability is established during the environmental and social risks and impacts identification process.	Performance standards of environmental and social sustainability
Global Reporting Initiative (GRI)	GRI 304: Biodiversity	Provides specific indicators for reporting on biodiversity impacts and management.	Topic standard for biodiversity

Annex V: Water management planning – international standards and guidelines

The below table provides a list of internationally recognised standards that should be used in water management planning for activities located outside of New Zealand and other OECD countries.

Organisation	Name	Description	Link
IFC	Performance standard 3: Resource efficiency and pollution prevention	Addresses water resource management, including requirements for minimising water use and managing wastewater to protect water quality.	Performance standard 3
United Nations Environment Programme (UNEP)	Water quality monitoring and assessment of groundwater – technical guidance	Describes key features of groundwater that govern its quantity, availability and chemical quality.	Water quality monitoring and assessment of groundwater – technical guidance
	Quality assurance for freshwater quality monitoring – technical guidance	Provides an introduction to the key concepts and approaches that can be used in quality assurance and quality control.	Quality assurance for freshwater quality monitoring – technical guidance
	Introduction to freshwater quality monitoring and assessment – technical guidance	Explains the hydrological and ecological functioning of water bodies when planning a sampling and analysis programme.	Introduction to freshwater quality monitoring and assessment – technical guidance
International Organization for Standardization (ISO)	ISO 14046: 2014 (water footprint)	Offers guidelines for assessing and reporting the water footprint of products, processes, and organisations, including impacts on water quality.	ISO 14046: 2014 – environmental management – water footprint
	ISO 5667 series (water quality – sampling)	Provides guidelines for the sampling of water to ensure accurate and reliable water quality data.	ISO 5667 – 1: 2023 – water quality – sampling
GRI	GRI 303: Water and Effluents	Includes indicators and reporting requirements related to water use, wastewater and effluents, relevant for entities to disclose their water management practices.	Topic standard for water and effluents

Annex VI: Pollution prevention and control – national and international standards and guidelines

Pollution types	International conventions, standards, and guidance	Alignment with NZ laws, regulations, and guidance
Various	IFC general EHS guidelines	Resource Management Act (RMA) 1991
	International convention for the prevention of pollution from ships (MARPOL)	Maritime Transport Act 1994
Air	World Health Organization (WHO) air quality guidelines (AQGs) and estimated reference levels (RLs)	National environmental standards for air quality (NES-AQ)
	GRI standards on emissions (GRI 305 – includes air pollutants like nitrogen oxides, sulphur oxides and particulate matter) and effluents and waste (GRI 306)	Zero Carbon Act 2019
Water	ISO water quality standards	Essential freshwater package 2020
	WHO water quality guidelines, standards and health	National policy statement for freshwater management (NPS-FM)
Soil	ISO soil quality standards	
Noise	WHO guidance on environmental noise	
Chemicals / waste	Basel convention on the Control of Transboundary Movements of Hazardous Wastes and their disposal	Hazardous Substances and New Organisms Act 1996 (HSNO Act)
	Stockholm convention on persistent organic pollutants	EPA hazardous substances notices
	The minamata convention on mercury	
	The Montreal protocol on substances that deplete the ozone Layer (including the kigali amendments)	
	Rotterdam convention on the prior informed consent (PIC) Procedure for certain hazardous chemicals and pesticides in international trade	
	Global framework on chemicals – previously known as strategic approach to international chemicals management (SAICM)	
	ISO 11014: 2009(en) safety data sheet for chemical products	

Specific DNSH criteria for agriculture

A1. Livestock grazing and animal production

See section [A1](#)

Objective	Criteria
Climate change adaptation and resilience	• Apply generic criteria. • A Farm Environment Plan (FEP) that includes adaptation and resilience risks created by the activity and actions to minimise these risks, including: – Identify erosion that might be created by the activity. – Identify potential for increased soil moisture deficit. – Shading required for animal welfare.
Climate change mitigation	A management or action plan outlines how the activity will: • Prevent dependence on fossil fuels (avoiding fossil fuel lock-in). • Prohibit the conversion of high-carbon stock land for the activity or any offsets related to the activity.
Protection and restoration of biodiversity and ecosystem	• Apply generic criteria. • A Farm Environment Plan (FEP) that includes activity risks to ecosystems, biodiversity and soil health and actions to minimise these risks. The FEP should identify measures to avoid, mitigate or manage risks and impacts to ecosystems, soil health and indigenous biodiversity, including: – Identifying remnant indigenous biodiversity areas and detailing the approach to protection. – A risk assessment of erosion susceptibility and potential affected values is undertaken using the MPI NES-PF erosion susceptibility classification tool to determine potential erosion risk. On high and very high erosion risk areas, a plan is implemented to reduce the risk. This can include reduction and/or retirement of grazing or cropping and the establishment of permanent cover species.

A1. Livestock grazing and animal production (continued)

See section [A1](#)

Objective	Criteria
Sustainable use and protection of water resources and marine resources	• Apply generic criteria. • A Farm Environment Plan (FEP) or Freshwater Farm Plan if required by regulation that includes activity risks and efforts to avoid and/or mitigate adverse effects of the activity on water quality and/or aquatic ecosystems, including groundwater, wetlands and/or riparian areas, including: – Implementing riparian buffers and sediment traps. – A process is in place to avoid, mitigate and manage material risks and potential impacts associated with the activity that may lead to negative impacts to sensitive waterways, to eliminate or mitigate land-based run-off, such as nutrient, effluent, soil and chemical run-off. • A process to avoid, mitigate and manage material risks and potential impacts associated with the activity that may lead to negative impacts to sensitive waterways, to eliminate or mitigate land-based run-off, such as nutrient, animal waste, effluent, soil and chemical run-off. • Any consent conditions or other restrictions relating to water withdrawals are complied with.
Pollution prevention and control	• Apply generic criteria. • A Farm Environment Plan (FEP) that includes: – Processes that seek effective collection, storage, and treatment of animal waste and other effluent to prevent contamination of surrounding environments. – The activity has processes in place for the responsible storage, handling and disposal of antibiotics and other veterinary pharmaceuticals.
Transition to a circular economy	• Apply generic criteria.

A1. Livestock grazing and animal production (continued)

See section [A1](#)

Objective	Criteria
Animal welfare	• Animal welfare is managed in accordance with applicable laws (Animal Welfare Act 1999 and associated codes of welfare and regulation) or relevant national or international standards, including developing and maintaining (as applicable) an Animal Welfare Plan, necessary documentation of animal care practices and/or the acquisition of relevant voluntary third-party certifications. • Activities related to animal husbandry practices are conducted in accordance with applicable laws or relevant national or international standards and best practice or minimum standard guidelines, and codes of practice including developing and maintaining (as applicable) an Animal Welfare Plan, necessary documentation of animal care practices and/or the acquisition of relevant voluntary third-party certifications. • The activity follows responsible use of antibiotics in animal rearing, adhering to applicable laws, relevant national or international standards, guidelines, and codes of practice to prevent overuse and misuse. This includes a process for implementing protocols for antibiotic administration and the monitoring of antimicrobial resistance, such as utilising alternatives to antibiotics when appropriate. • Activities that involve animal rearing and handling are conducted in accordance with applicable laws or relevant national or international standards, guidelines, and codes of practice, including adherence to available guidelines for transportation of livestock and preparation of livestock for transport.

A2. Perennial and non-perennial crops

See section [A2](#)

Objective	Criteria
Climate change adaptation and resilience	• Apply generic criteria. • A Farm Environment Plan (FEP) that includes adaptation and resilience risks created by the activity and actions to minimise these risks, including: – Identify erosion that might be created by the activity. – Identify irrigation requirements. – Shading required for animal welfare.
Climate change mitigation	A management or action plan outlines how the activity will: • Prevent dependence on fossil fuels (avoiding fossil fuel lock-in). • Prohibit the conversion of high-carbon stock land for the activity or any offsets related to the activity.
Protection and restoration of biodiversity and ecosystem	• Apply generic criteria. • A Farm Environment Plan (FEP) that includes activity risks to ecosystems, biodiversity and soil health. At a minimum, this must include efforts to mitigate and manage risks and impacts to ecosystems, soil health and biodiversity, including: – Identifying remnant indigenous biodiversity areas and establishing an approach to their protection. – A risk assessment of erosion susceptibility and potential affected values is undertaken using the MPI NES-PF erosion susceptibility classification tool to determine potential erosion risk. On high and very high erosion risk areas, a plan is implemented to reduce the risk. This can include reduction and/or retirement of grazing or cropping and the establishment of permanent cover species.

A2. Perennial and non-perennial crops (continued)

See section [A2](#)

Objective	Criteria
Sustainable use and protection of water resources and marine resources	• Apply generic criteria. • A Farm Environment Plan (FEP) or Freshwater Farm Plan when required by regulation that includes activity risks and efforts to avoid and/or mitigate adverse effects of the activity on water quantity, water quality and/or aquatic ecosystems, including groundwater, wetlands and/or riparian areas, including: – Implementing riparian buffers and sediment traps. – A process is in place to avoid, mitigate and manage material risks and potential impacts associated with the activity that may lead to negative impacts to sensitive waterways, to eliminate or mitigate land-based run-off, such as nutrient, effluent, soil and chemical run-off.
Pollution prevention and control	• Apply generic criteria.
Transition to a circular economy	• Apply generic criteria.

Specific DNSH criteria for forestry

Objective	Criteria
Climate change adaptation and resilience	• Apply generic criteria. • Forest management plan prepared by an independent expert or in-house expert with ecological and/or forestry accredited professional, that includes: – A risk assessment of erosion susceptibility and potential affected values is undertaken using the MPI NES-PF erosion susceptibility classification and fish spawning indicator tool to determine potential erosion risk. – Forest Management Plans to assess and mitigate long-term climate risks, including species diversity, pest and disease resilience, and fire risk under future climate scenarios. – Identification for exclusion of afforestation in high and very high erosion risk areas with species with the intention for clear felling, or that pose a significant risk of collapse because they are shallow-rooting. – Afforestation on lands with an ESC of very high must be established with suitable species for permanent forest. – Pest control measures that avoid causing significant negative impacts on the environment, biodiversity, human health and ecosystem services. – Adaptation plan for both heavy rainfall and drought conditions.
Climate mitigation	A management or action plan outlines how the activity will: • Prevent dependence on fossil fuels (avoiding fossil fuel lock-in). • Prohibit the conversion of high-carbon stock land for the activity or any offsets related to the activity.

Specific DNSH criteria for forestry (continued)

Objective	Criteria
Protection and restoration of biodiversity and ecosystem	• Apply generic criteria. • Forest management plan prepared by an independent expert or in-house expert with ecological and/or forestry accredited professional, that includes: – At least 10% of the area of the management unit is identified, mapped, and managed as conservation areas network. Management would include protection of threatened species and management of invasive species to an extent that improves or at least does not allow the current long term survival of natural ecosystems or threatened species to deteriorate in the long term. – Strategies and actions that maintain and/or enhance areas identified as having high conservation values (HCV 1-6). – Roading/landings construction and water controls must demonstrate compliance with best practice standards in the New Zealand Forest Road Engineering Manual. – Strategies and actions to manage the spread of invasive species, including: ◦ Approach to controlling wilding on the project site and neighbouring properties/areas. ◦ Approach to controlling pest animals and invasive plants and pathogens within the property.
Sustainable use and protection of water resources and marine resources	• Apply generic criteria. • Forest management plan prepared by an independent expert or in-house expert with ecological and/or forestry accredited professional, that includes: – A risk assessment and actions to avoid negative impacts on water ecosystems, water quality and quantity and mitigate and remedy those that occur, including: ◦ Riparian zones of a minimum of 10 metres each side of the water body are identified and documented on all water bodies that have permanent water when forested. • Afforestation with exotic forestry species is prohibited within a minimum 10m riparian management zone (RMZ) from identified water bodies. • In addition to the 10 metres riparian zone, slope, soil stability and future harvest disturbance should be assessed when considering if 10m is a sufficient riparian zone to protect water quality.



Specific DNSH criteria for forestry (continued)

Objective	Criteria
Pollution prevention and control	• Apply generic criteria.
Transition to a circular economy	• Apply generic criteria.





Minimum Social Safeguards framework

What are MSS criteria?

The Minimum Social Safeguards (MSS) criteria ensure that economic activities making a substantial contribution to one of the NZ Taxonomy's environmental objectives do not result in adverse social outcomes. They do so by requiring the entities undertaking these activities to meet minimum social and/or responsible business conduct standards.

Like the Do No Significant Harm (DNSH) criteria, the MSS function as a safeguard – they are not designed to deliver net-positive social outcomes, but to prevent harm. Opportunities to support positive social change may be addressed in future through the development of the Do No Significant Harm criteria for social objectives.

Why are these criteria important?

The MSS criteria help ensure that activities are not considered taxonomy-aligned if the performing entity creates negative social impacts. This ensures the NZ Taxonomy promotes truly sustainable activities that respect both environmental and social standards.

How to use this document?

For an activity to be considered taxonomy-aligned, there are three sets of criteria to consider.

- **Substantial Contribution (SC) criteria** – The activity demonstrates it makes a substantial contribution to the environmental objective (i.e. climate change mitigation or adaptation and resilience).
- **Do No Significant Harm (DNSH) criteria** – The activity making this substantial contribution must not cause significant negative impacts on other environmental objectives.
- **Minimum Social Safeguards (MSS)** – Entities seeking NZ Taxonomy alignment should also meet minimum standards for social responsibility, including labour rights, governance and indigenous rights.

For the initial phase of NZ Taxonomy alignment, it is proposed that entities are not required to complete assessments against the DNSH and MSS framework. The intent of this transitional approach is to allow entities sufficient time to adapt their reporting systems and processes to the NZ Taxonomy framework.

In future phases, to be considered NZ Taxonomy-aligned, activities must also meet the MSS requirements. This obligation will apply to all reporting entities, except for small businesses – defined for this purpose as enterprises with fewer than 20 employees.



MSS pillars and core topics

Social pillars	Core topics
Corporate governance	Good corporate governance; taxation; anti-corruption and bribery; fair competition; consumer protection; community engagement; anti money laundering.
Human rights	Employment; labour and working conditions; occupational health and safety; modern slavery; procurement practices; gender equality; non-discrimination; equal opportunity.
Iwi/Māori rights and cultural heritage	Iwi/Māori rights; cultural heritage; data sovereignty.





MSS criteria

For the initial phase of NZ Taxonomy alignment, entities are not required to complete assessments against the MSS criteria. The intent of this transitional approach is to allow entities sufficient time to adapt their reporting systems and processes to the Taxonomy framework.

In future phases, to be considered NZ Taxonomy-aligned, activities must also meet the MSS requirements. This obligation will apply to all reporting entities, except for small businesses – defined for this purpose as enterprises with fewer than 20 employees.

Regardless of whether entities complete MSS assessments, all operations must comply with relevant legislation and regulations. The NZ Taxonomy and its users are not responsible for verifying an entity's compliance with New Zealand laws and regulations. If an entity is prosecuted for a breach of such laws or regulations, its taxonomy alignment for existing or proposed activities will be void.

Corporate governance

1. The entity demonstrates a commitment to implementing high quality corporate governance, including for environmental and social matters.
2. The board and/or management is qualified and adequately structured to oversee the entity's strategy, management and performance.
3. The entity's internal controls, systems and training are sufficient to support a culture of acting ethically and in compliance with relevant laws and regulations, including those related to anti-bribery and corruption; fair competition and taxation; money laundering; and consumer protection.
4. The entity has policies and mechanisms in place to enable effective stakeholder engagement. This includes engagement with potentially affected people in relation to potential and actual impacts to iwi/ Māori rights and cultural heritage, as discussed further below.
5. The entity discloses whether the entity, its board or management, including the board or management of any subsidiaries, has been convicted of corruption or bribery, breach of competition law, tax evasion, money laundering or tax avoidance.

Human rights

1. The entity has a public policy in place that outlines the entity's commitment to respect human rights in line with the expectations of the UN Guiding Principles on Business and Human Rights (UNGPs).
2. The entity has a human rights due diligence process or processes to identify, prevent, mitigate and account for how they address their actual and potential adverse human rights impacts through their operations and supply or value chains, that is appropriate to the entity's size, circumstances and operating context.
3. The entity has processes in place to enable the remediation of adverse human rights impacts in line with expectations of the UNGPs.

Iwi/Māori rights and responsibilities

1. The entity has processes in place to recognise the rights of iwi/Māori in line with Te Tiriti o Waitangi (the Treaty of Waitangi).
2. The entity has processes in place for Free, Prior and Informed Consent, in line with the UNDRIP principles and local guidance where available.
3. The entity has processes in place to uphold the rights of Māori to control data about their people, culture, and resources.

Cultural heritage

1. The entity has processes in place to identify and manage historic and cultural heritage sites.



Corporate governance

1. The entity demonstrates a commitment to implementing high quality corporate governance, including for environmental and social matters.

Indicators	Guidance	Alignment with existing standards and frameworks
The entity develops and applies good corporate governance principles and effective self-regulatory practices and management systems that foster a relationship of confidence and mutual trust between the entity and the societies in which it operates.	The entity publicly commits to respecting the OECD Guidelines and/or UNGPs.	OECD guidelines, chapter 2, general policies 6 and 7 UNGP 11, 12 UNGPRF A1 GRI 103-2

2. The entity's board and/or management is qualified and adequately structured to oversee the entity's strategy, management and performance.

Indicators	Guidance	Alignment with existing standards and frameworks
The entity has a board and/or management of effective composition and size with clearly delineated roles and responsibilities to adequately implement its corporate governance policies.	The entity has one or more documents setting out: A. the roles and responsibilities of its board and/or management, including in relation to the oversight of climate, environmental, and/or social issues that materially affect the entity; B. those matters expressly reserved to the board and those delegated to management; and C. its process for periodically evaluating the performance of its board and/or management. For listed entities, this document is a board charter or similar.	IFC corporate governance methodology UNGP 19 UNGPRF A2, A2.1 GRI 102-19, 102-20 NZX Corporate Governance Code

3. The entity's internal controls, systems and training are sufficient to ensure compliance with relevant laws and regulations, including those related to anti-bribery and corruption; fair competition and taxation; money laundering and consumer protection.

Indicators	Guidance	Alignment with existing standards and frameworks
The entity has developed and adopted adequate policies and procedures for preventing, detecting and addressing bribery and other forms of corruption.	The entity has an anti-bribery and corruption policy and procedures in place that are tailored and proportionate to the entity's size, operations and risk exposure and overseen by the entity's directors and/or management. The entity's anti-bribery and corruption policy can be a standalone policy or form part of its code of conduct. The policy acknowledges the serious criminal and civil penalties that may be incurred and the reputational damage that may be done if the entity is involved in bribery or corruption, and prohibits conduct that could amount to bribery or corruption. It also outlines appropriate controls around political donations and/or offering or accepting gifts; and requires breaches of the policy to be reported to the appropriate person or body within the entity. The entity's anti-bribery and corruption procedures enable it to prevent, track, investigate and respond to allegations or incidents relating to bribery and corruption, and may include risk assessment and due-diligence processes, whistleblowing mechanisms and investigative procedures, as well as regular communication and training. The entity's anti-bribery and corruption policy and procedures are periodically reviewed for effectiveness.	SASB topic: Business ethics & transparency (mining industry) EM-MM-510a.1 (description of the management system for prevention of corruption and bribery throughout the value chain). ESRS G2 28, 30 NZX Corporate Governance Code Organised Crime and Anti-corruption Legislation Bill (2014)
The entity has robust systems in place to ensure compliance with the letter and spirit of the tax law and regulations of the countries in which it operates.	The entity treats tax governance and tax compliance as important elements of its oversight and broader risk management systems. In particular, the board or senior management has tax risk management strategies and/or systems in place – including assurance processes where applicable – to ensure that the financial, regulatory and reputational risks associated with taxation are fully identified and evaluated.	OECD guidelines, chapter XI.1, XI.2 GRI 207-2 ESRS 2 31 (a)

Indicators	Guidance	Alignment with existing standards and frameworks
The entity incorporates sustainability considerations into its guidelines/criteria for sourcing goods and services, to account for significant risks associated with environmental and social externalities created by suppliers through their operational activities.	The entity has a process for screening, selecting, monitoring, and engaging with suppliers on their environmental and social impacts that is proportional to the entity's size, operations and risk exposure.	GRI 414 SASB: Labour conditions in the supply chain; raw materials sourcing
The entity regularly implements communication and training programs to raise awareness of, and support compliance with, anti-bribery, corruption and fair competition laws and policies among employees and persons or entities linked by a business relationship.	The entity delivers communication and training on anti-corruption, bribery and fair competition to its management and employees in a form and frequency that the entity deems necessary to build capacity. Training promotes employee awareness of the importance of compliance with all applicable laws and regulations and covers the entity's commitments and expectations for employees and other business relationships.	NZX Corporate Governance Code OECD guidelines, X.4 GRI 205 ESRS G3 40, 42 Organised Crime and Anti-corruption Legislation Bill (2014)
The entity protects consumer privacy by ensuring it collects and uses consumer data in a lawful manner and takes all reasonable measures to safeguard the personal data it collects, stores, processes and disseminates.	Where an entity collects or uses consumer data, the entity has a system for identifying and addressing data security risks, including regular risk assessments of its data security systems, and takes necessary actions to mitigate any identified risks. The entity also discloses any incidents of violation of customer protections that have been reported or confirmed, including the remedial action(s) taken.	OECD guidelines VIII.6 SASB topic: Data security GRI 418

4. The entity has policies and mechanisms in place to enable effective stakeholder engagement.

Indicators	Guidance	Alignment with existing standards and frameworks
The entity's board and/or management recognises that the entity is dependent on its social licence to operate and therefore relies on a range of stakeholders (including communities, consumers, suppliers, employees, governments, investors, regulators and suppliers) to operate and succeed.	The entity has clearly identified its key stakeholders and has a strategy or processes in place to engage with them and report material issues to the board and/or management.	NZX Corporate Governance Code

Indicators	Guidance	Alignment with existing standards and frameworks
The entity's board or management ensures the entity provides stakeholders with access to an operational grievance mechanism(s) or mechanisms that allows them to raise and seek resolution or remedy for grievances that may occur in relation to the entity's operations or actions.	The entity has an operational grievance mechanism(s) in place for stakeholders to address complaints and provide appropriate resolutions. The grievance mechanism(s) is legitimate, accessible, predictable, equitable, transparent, rights-compatible and a source of continuous learning in line with the UNGPs. The mechanism addresses a range of grievances, including human rights issues and whistleblowing, while ensuring access to other judicial or nonjudicial mechanisms is not impeded. Refer to the Human Rights and iwi/Māori criteria and indicators for further guidance on grievance mechanisms concerning human rights issues and iwi/Māori peoples.	UNGP guiding principle 31 OECD guidelines, chapter VIII OECD/LEGAL/-356

5. The entity discloses whether the entity, its board or management, including the board or management of any subsidiaries, has been convicted of corruption or bribery, breach of competition law, tax evasion, money laundering or tax avoidance.

Indicators	Guidance	Alignment with existing standards and frameworks
The entity discloses, without prejudice to national laws and requirements, any misconduct related to bribery and other forms of corruption, and measures adopted to address cases of suspected bribery and other forms of corruption.	The entity discloses any confirmed incidents of bribery or corruption during the relevant reporting period, including sanctions or legal cases brought against the entity, its directors or employees and the remedial steps taken by the entity including any disciplinary action taken against offending directors or employees. The entity discloses all activities it undertakes in countries that rank among the 20 lowest on Transparency International's Corruption Perception Index.	OECD guidelines GRI 205 ESRS G2 41, 43
The entity discloses any instances in which it has been found guilty of tax evasion or tax avoidance through aggressive tax planning.	The entity discloses any instances in which it has been found guilty of tax evasion or tax avoidance through aggressive tax planning. The entity discloses any instances where the entity, its directors or management are convicted of violating the tax laws of the countries in which they operate, and the remedial actions taken, including any disciplinary action taken against offending directors or employees in the last five years. The entity provides a description of the mechanisms it has in place to raise concerns about the entity's business conduct and integrity in relation to taxation.	OECD guidelines GRI 207-2 ESRS 2 7

Indicators	Guidance	Alignment with existing standards and frameworks
The entity discloses, without prejudice to national laws and requirements, any misconduct related to anti-trust and fair competition, as well as the measures adopted to address such cases.	The entity discloses any confirmed violations of competition laws where the entity or its subsidiaries were named as a participant by a legal authority during the relevant reporting period. The disclosure includes information on legal proceedings and remedial actions implemented to prevent future breaches of anti-trust and fair competition laws and policies including any disciplinary action taken against offending directors or employees.	OECD guidelines GRI 206 SASB topic: Pricing integrity & transparency ESRS G2 45, G3 47

Human rights

1. The entity has a public policy in place that outlines the entity's commitment to respect human rights in line with the expectations of the UN Guiding Principles on Business and Human Rights (UNGPs).

Indicators	Guidance	Alignment with existing standards and frameworks
The entity publicly commits to respect all internationally recognised human rights, in line with the expectations outlined in the UNGPs.	The entity publicly commits to respecting all internationally recognised human rights as outlined by the UN Declaration on Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the ILO Declaration on Fundamental Principles and Rights at Work. The entity also commits to aligning with the UNGPs. This commitment can be made in a standalone Human Rights Policy or integrated into other policy documents.	UNGP 11, 12, 16 OECD guidelines, chapter IV, commentary para 49 GRI 2 2021, disclosure 2-23 UNGC CoP G2 CHRB A1.1
The policy commitment is signed off at the most senior level of the entity.	The entity's highest governance body (e.g., Board) or most senior executive (i.e., the CEO) signs off on the policy commitment.	UNGP 16 OECD guidelines, chapter IV, commentary para 49 GRI 2 2021, disclosure 2-23 UNGC CoP G2 CHRB A.2.1
The policy commitment sets out expectations for workers, officers and directors and its business relationships.	The policy commitment clearly outlines expectations for workers, officers and directors and its business relationships (e.g., suppliers, joint venture partners, franchisees, customers) to respect human rights.	UNGP 16 OECD guidelines, chapter IV, commentary para 49 GRI 2 2021, disclosure 2-23 UNGC CoP HR2.1

2. The entity has a human rights due diligence process to identify, prevent, mitigate and account for how they address their actual and potential adverse human rights impacts through their operations and value chains, that is appropriate to the entity's size, circumstances and operating context.

Indicators	Guidance	Alignment with existing standards and frameworks
The entity identifies and assesses its actual and potential adverse human rights impacts across its operations and value chain.	The entity proactively identifies and assesses its actual and potential (i.e., risks to human rights) adverse human rights impacts across its operations and supply or value chain on an on-going basis. When identifying and assessing its actual and potential adverse human rights impacts, entities should consider all internationally recognised human rights. While not ignoring other human rights issues, entities should consider actual and potential adverse human rights impacts related to employment, labour and working conditions, occupational health and safety, modern slavery, gender equality, non-discrimination, diversity and equal opportunity, and the rights of iwi/Māori peoples when conducting human rights due diligence. Having identified the actual and potential adverse human rights impacts including considering any actual and potential adverse human rights impacts related to the core social pillars above, the entity prioritises the most salient human rights issues for action. That is, the human rights at risk of the most severe negative impact through the entity's operations and supply or value chain. Saliency is determined by considering the severity – encompassing the concepts of scale, scope and irremediability – and likelihood of an adverse human rights impact. The process to identify and assess actual and potential adverse human rights impacts should take into consideration factors such as sectoral risks, geographical risks, risks related to at risk, marginalised or vulnerable populations and the entity's business model. It should also be informed by a range of sources including internal and external expertise and meaningful consultation with potentially affected stakeholders (see indicator on stakeholder engagement for further guidance). This process considers both risk of harm to people and risks to the business, though they will often overlap. However, saliency assessments should only be based on risk to people.	UNGP 17, 18 and 24 OECD Guidelines, Chapter IV, Commentary para 50 GRI 3 2021, Disclosure 3-3 UNGC CoP G6 and G7 CHRB B.2.1 and B.2.2

3. The entity has processes in place to enable the remediation of adverse human rights impacts in line with expectations of the UNGPs.

Indicators	Guidance	Alignment with existing standards and frameworks
The entity has a grievance mechanism(s) in place that can receive human rights related complaints and makes efforts to cooperate with other legitimate grievance mechanisms and processes.	The entity has one or more mechanism(s) through which workers, communities, consumers and other stakeholders whose human rights may be adversely impacted by the entity (including by the entities' suppliers or other business partners as appropriate and in line with the UNGPs), can raise complaints or concerns in relation to human rights issues. The mechanism(s) may be managed by the company or by third parties. In order to ensure their effectiveness, the entity's grievance mechanisms should be legitimate, accessible, predictable, equitable, transparent, rights compatible, a source of continuous learning and based on engagement and dialogue (in line with the UNGPs). This includes establishing safeguards so complaints can be made without fear of retaliation or reprisal (e.g., confidentiality requirements, non-retaliation policy and the option for complaints to be made anonymously). The mechanism also does not prevent access to other judicial or non-judicial mechanisms and makes efforts to cooperate with any such legitimate grievance mechanisms or processes. Good practice also includes encouraging business partners to have their own grievance mechanism(s) in place that can receive human rights-related complaints. The entity discloses on the types of complaints made including complaints that were not processed and why, and the outcomes and follow-up activities for completed cases. This information can be aggregated and anonymised to safeguard complainants.	UNGP 22, 29, 30 and 31 OECD Guidelines Chapter IV, Commentary para 5 GRI 3 2021, Disclosure 3-3 UNGC CoP G8 and HR7 CHRB C.1, C.2 and C.4
The entity provides for or cooperates in remediation where it has identified it has caused or contributed to the adverse human rights impact.	Where it identifies it has caused or contributed to an adverse impact (in line with the UNGPs), the entity provides for or cooperates in effective remediation through legitimate processes. Remediation can be provided in a variety of forms (e.g., apology, restitution, rehabilitation, financial or non-financial compensation) and should be decided in consultation with affected stakeholders. The entity also takes actions to prevent similar adverse human rights impacts in the future. Where adverse human rights impacts have occurred that the entity has not caused or contributed to, but which are directly linked to its operations, products or services by their business relationships, the entity should seek to use its leverage to prevent and mitigate the impacts, and may choose to take a role in providing for or cooperating in remediation.	UNGP 13, 19, 22 and 31 OECD Guidelines Chapter IV, Commentary para 6 GRI 3 2021, Disclosure 3-3 UNGC CoP HR7 CHRB C.7

Iwi/Māori rights

1. The entity has processes in place to recognise the rights of iwi/Māori in line with Te Tiriti o Waitangi (Treaty of Waitangi).

Indicators	Guidance	Alignment with existing standards and frameworks
Te Tiriti o Waitangi	The United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP) can be used to provide detailed guidance and a framework for interpreting and developing processes that align with Te Tiriti o Waitangi.	The United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP) Te Tiriti o Waitangi

2. The entity has processes in place for Free, Prior and Informed Consent, inline with the UNDRIP principles and local guidance where available.

Indicators	Guidance	Alignment with existing standards and frameworks
Engagement practices are carried out in line with the UNDRIP principle of Free, Prior and Informed Consent.	Good practice protocols for iwi/Māori engagement practices include guidance on appropriately resourcing knowledge holders and iwi/Māori organisations to enable Free, Prior and Informed Consent. The entity may also explore opportunities for benefit-sharing with iwi/Māori communities where relevant.	IFC Performance Standard 7 Self-determination principle of UNDRIP
The entity adheres to measures that monitor impacts of activity on iwi/Māori and maintains compliance standards to minimise risk.	The entity conducts regular assessments to identify and evaluate potential and actual impacts on iwi/Māori communities. Iwi/Māori communities are involved in the assessment process. Assessments lead to the development of mitigation plans to address negative impacts. The entity undergoes regular independent audits to assess compliance with the criteria. There are clear mechanisms for reporting non-compliance or concerns. The entity promptly addresses any identified non-compliance issues.	IFC performance standard 7

3. The entity has processes in place to uphold the rights of Māori to control data about their people, culture, and resources.

Indicators	Guidance	Alignment with existing standards and frameworks
Data sovereignty	The entity has processes in place to uphold iwi/ Māori data sovereignty by ensuring that all data pertaining to indigenous cultural values and sites (where applicable) are the sole ownership of those that have provided it. The entity has processes to securely manage the data. The entity has processes in place to request access for any future uses of the data to the individual that provided it.	CARE principles (as a best practice guide)

Cultural heritage

1. The entity has processes in place to identify and manage historic and cultural heritage sites.

Indicators	Guidance	Alignment with existing standards and frameworks
The entity consults and collaborates with iwi/Māori to identify cultural heritage sites, artifacts and landscapes within its operations and avoids impacts on cultural heritage sites. Measures are taken to preserve sites.	The entity has processes to work with local iwi/ Māori and where available iwi management plans to identify cultural heritage sites, artifacts, and landscapes within its operations. Iwi/Māori communities are involved in the identification process to ensure cultural significance is accurately recognised. Traditional knowledge is used to inform the identification of cultural heritage sites. The entity seeks to avoid or minimise impacts on cultural heritage sites. Measures are implemented to preserve and conserve cultural heritage sites. Mitigation measures are monitored and evaluated to ensure their effectiveness.	IFC performance standard 1, 8 IRMA 3.7 cultural heritage Regional iwi management plans (available through regional councils) Cultural impact assessment guidance He Tauira – XRB voluntary reporting framework on how to articulate long-term impact for people and planet. Aotearoa New Zealand Stewardship Code
Cultural heritage	The entity has processes in place to identify and manage historic and cultural heritage sites. The entity seeks to avoid or minimise impacts on cultural heritage sites. Measures are implemented to preserve and conserve cultural heritage sites. Mitigation measures are monitored and evaluated to ensure their effectiveness.	New Zealand Heritage list/ Rāangi Kōrero