

NZ Taxonomy Technical Expert Group (TEG) meeting #9 summary minutes

12.00pm-4.00pm NZT, Tuesday 22 July 2025

Hybrid, in-person at EY Auckland and via Microsoft Teams

Thematic focus areas per TEG meeting agenda:

For information

- Summary of first public consultation feedback

For direction

- Proposed changes to the climate change mitigation criteria based on consultation feedback, including issues for the Agriculture/Forestry TAG to consider
- Final revisions to the climate change adaptation and resilience (A&R) process-based approach (PBA) and whitelist

Attendees:

TEG co-Chairs

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

TEG members

3. **Adam Coxhead**, Head of Sustainable Finance, Bank of New Zealand
4. **Amelia Sharman**, Director – Sustainability Reporting, External Reporting Board (XRB)
5. **Caroline Poujol**, Director – Sustainable Finance (NZ), ANZ
6. **David Hall**, Policy Director, Toha Network
7. **David Woods**, Independent
8. **Feng Hu**, International Specialist, United Nations Environment Programme Finance Initiative (UNEP FI); Founder and Director, silkroad.earth
9. **Greg Munford**, Senior Investment Strategist – Sustainable Investment, New Zealand Superannuation Fund
10. **James Paterson**, Head of Sustainable Finance, ASB
11. **Joanna Silver**, Head of Sustainable Finance, Westpac New Zealand
12. **Jono Broome**, Associate Director – Client Advisory APAC, Morningstar Sustainalytics
13. **Jorge Waayman**, Manager – ESG Research, Harbour Asset Management
14. **Sean Fullan**, Resilience & Recovery Manager, Insurance Council of New Zealand (ICNZ)
15. **Stefan Gray**, Manager – Strategic Climate Initiatives, Reserve Bank of New Zealand (RBNZ)

Government observers

16. **Isobel Bruun-Kiaer**, Senior Policy Advisor – Sector Policy & Finance, Ministry for the Environment (MfE)
17. **Lauren Aspoas**, Policy Advisor – Sector Policy & Finance, Ministry for the Environment, Ministry for the Environment (MfE)
18. **Mela Greenslade**, Head of Green Bonds, The Treasury – New Zealand (TSY)



Technical delivery partners

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

Centre for Sustainable Finance: Toitū Tahua (CSF)

21. **Matt Whineray**, Chair
22. **David Tikao**, Board Member
23. **Jo Kelly**, Chief Executive
24. **Jessica Desmond**, Head of Taxonomy
25. **Renzhu Zhang**, Taxonomy Manager

Apologies:

1. **Fonteyn Moses-Te Kani**, Pou Tiaki – Director Māori Strategy & Indigenous Inclusion, Westpac New Zealand
2. **Julia Langley**, Managing Director – Switzerland & New Zealand, Green Wave Advisory
3. **June McCabe**, Independent Director; Pou Tahua Representative, National Iwi Chairs Forum (NICF)

Summary minutes

Opening karakia

Welcome and opening

- Comments from CSF Board Chair
- Comments from CSF Chief Executive
- Video message from Nicole Yazbek-Martin, Executive Manager – Sustainability Standards & Practice, about the reception of the Australian Sustainable Finance Taxonomy and their next steps to support market-driven use
- Competition law reminder

Public consultation on draft criteria for climate change mitigation feedback summary

- CSF provided a summary of:
 - Respondents and analysis approach
 - Quantitative response
 - Qualitative sentiments per sector/respondent expertise
 - Approach to addressing feedback



Public consultation key issues for direction

'Green' and 'transition' classification language

- Green' and 'transition' classification language: The TEG discussed consultation feedback on the methodology and language used to describe the 'green' and 'transition' classifications – including risks related to perception, interoperability, clarity, and possible alternatives – and agreed to retain the current methodological approach and keep the 'green' and 'transition' labels unchanged

Whole-of-farm activity (WOFA) criteria development and threshold-setting considerations

- The TEG reviewed consultation feedback on thresholds for the green WOFA and the development of a transition WOFA:
 - Discussed the 1 tonne of carbon dioxide equivalent per hectare per year (tCO₂e/ha/year) threshold for the green WOFA, including which industries can meet it and associated credibility considerations
 - Agreed to explore expanding green thresholds to include product-based emissions intensity targets, if credible science-based targets exist at the product level
 - Supported developing a transition WOFA to recognise farms making substantial emissions reductions, with the feasibility of a dual performance approach and appropriate thresholds to be determined in consultation with industry stakeholders and the Agriculture/Forestry TAG

Land-use change considerations

- The TEG agreed that the NZ Taxonomy should not restrict activities from achieving alignment if land use shifts to higher emissions – they emphasised that the Taxonomy should not influence land-use decisions and noted that no other taxonomies currently address this
- The TEG also considered the impacts of arable land conversion and agreed to develop a do no significant harm (DNSH) criterion specifically for this purpose

Additional activities for inclusion

- The TEG discussed feedback on including a biomass measure, noting potential benefits, complexities, and links to a future energy sector taxonomy – and directed the Agriculture/Forestry TAG to explore its development

DNSH considerations

- The TEG discussed consultation feedback and agreed to:
 - Change use of "significant" to "material" for interoperability with Australia, with a clarification that this does not refer to "materiality" in the accounting sense
 - Note that compliance with existing industry schemes can support verification but does not automatically confirm that proponents meet NZ Taxonomy's DNSH requirements
 - Not make DNSH optional for small and medium enterprises (SMEs), emphasising that the cultural impact assessment under DNSH provides important protection should minimum social safeguards (MSS) be made optional

MSS considerations

- The TEG agreed to make MSS optional for SMEs initially (but full compliance required for larger entities)
- The TEG agreed that SME users are required to comply with all legislation and regulations in these areas, and that breaches would void taxonomy-alignment
- The TEG supported developing post-implementation guidelines for SMEs in the future



Discussion of A&R criteria feedback

PBA

- Definitions and language: The TEG agreed on key definitions and clarifications, including wording to avoid implying that adaptation is static, confirming that the Taxonomy applies to the cost of adaptations, and improving risk assessment language
- Scenario and guidance for users: The TEG endorsed CBI's proposal for PBA scenarios and guidance with minor edits, emphasising that guidance should be optional ('a way' not 'the way') and include advice on what constitutes credible scientific models
- Simplification for SMEs: The TEG supported a streamlined PBA for SMEs, and highlighted the importance of archiving all guidance and updating it routinely as part of the NZ Taxonomy review process

Whitelist

- Addressing co-use of resources between A&R and other functions: The TEG agreed that the whitelist should clarify that its intent is to prioritise investments that primarily support climate change A&R, while not excluding measures with additional benefits
- Consistency and usability:
 - The TEG supported reviewing the whitelist for consistency, identifying main (non-exclusionary) hazards, and improved usability
 - They also directed Agriculture/Forestry TAG for an appropriate level of collapse, noting the need to balance between clarity and not inadvertently excluding measures

Next steps and closing karakia

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