

NZ Taxonomy Technical Expert Group (TEG) meeting #11 summary minutes

7.00pm-9.00pm NZT, Tuesday 4 November 2025

Via Microsoft Teams

Thematic focus areas per TEG meeting agenda:

For information

- Summary of second public consultation feedback

For direction

- Proposed changes to the climate change mitigation, adaptation and resilience (A&R) criteria based on consultation feedback

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 Pujol**, Director – Climate Transition (NZ), ANZ
6. **David Woods**, Independent
7. **Feng Hu**, Founder and Director, silkroad.earth
8. **Fonteyn Moses-Te Kani**, Pou Tiaki – Director Māori Strategy & Indigenous Inclusion, Westpac New Zealand
9. **James Paterson**, Head of Sustainable Finance, ASB
10. **Joanna Silver**, Executive Director and Head of Sustainable Economic Development, Westpac New Zealand
11. **Jono Broome**, Associate Director – Client Advisory APAC, Morningstar Sustainalytics
12. **Jorge Waayman**, Manager – ESG Research, Harbour Asset Management
13. **June McCabe**, Independent Director; Pou Tahua Representative, National Iwi Chairs Forum (NICF)
14. **Sean Fullan**, Resilience & Recovery Manager, Insurance Council of New Zealand (ICNZ)
15. **Stefan Gray**, Manager – Strategic Climate Initiatives, Reserve Bank of New Zealand (RBNZ)

Government observers

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

Technical delivery partners

18. **Caline Tang**, Taxonomy Manager, Climate Bonds Initiative
19. **Matteo Bigoni**, Head of Taxonomies, Climate Bonds Initiative



20. **Pip Band**, Director, Band Consulting

Centre for Sustainable Finance: Toitū Tahua (CSF)

21. **Jessica Desmond**, Head of Taxonomy

22. **Renzhu Zhang**, Taxonomy Manager

Apologies:

1. **David Hall**, Co-Founder and Executive Director, Toha Network
2. **Greg Munford**, Senior Investment Strategist – Sustainable Investment, New Zealand Superannuation Fund

Summary minutes

Opening karakia

Welcome and opening

- Competition law reminder
- Overview of meeting agenda and outcomes

Public consultation feedback summary

- CSF provided high-level summary of feedback received from stakeholders (TEG received detailed materials in advance) – with a focus on the key consultation topics:
 - So named “whole-of-farm activity” (WOFA)
 - Phased implementation and size-based exemption for Do No Significant Harm (DNSH) and Minimum Social Safeguards (MSS)
 - Newly developed climate change A&R criteria
- CSF reminded the TEG of the NZ Taxonomy’s purpose and design principles, as outlined in the [Independent Technical Advisory Group \(ITAG\) recommendations report](#), as well as the definition of “substantial contribution”

TEG discussed feedback on the WOFA including:

Name of activity

- TEG agreed to change the WOFA name to reflect the activity’s emissions-only focus
- TEG directed CSF/CBI to align the Transition measures’ language with this naming – for example, by using “emissions reduction measures” as the title

Mixed-farming – basis for split

- TEG agreed to retain revenue as the basis for splitting commodities in mixed-farming reporting for usability reasons



Reporting requirements for new farms/those with insufficient historical data

- TEG agreed to reduce the rolling average period from five years to three years to address consultation feedback

Green threshold

- TEG reviewed and discussed Green activity threshold (1 tonne of carbon dioxide equivalent per hectare per year) in response to consultation feedback
- TEG noted that creating a Green-alignment option specifically for intensive livestock activities would be inconsistent with the previously agreed methodology
- TEG discussed that commodity-specific thresholds could be an alternative approach to setting Green thresholds; however, the lack of appropriate data/thresholds that are demonstrably consistent with the underpinning methodological principles precludes this at this stage
- TEG, with one exception, agreed to keep the 1 tCO₂e/ha/year threshold in Version 1 of the NZ Taxonomy

Transition WOFA, Option B – 2% annual emissions reduction target

- TEG reviewed the threshold (2% annual emissions reduction) in response to consultation feedback – noting feedback was received that it was both too ambitious and unambitious
- TEG agreed to CBI’s proposal to retain the 2% target, taking into account the observed average baseline emissions intensity improvements in the industry, but noted that this could be revisited in the future if baseline trends change or other data indicate a need to adjust the threshold

Drained peatlands exclusion clause

- TEG agreed to retain the restriction due to peatlands’ disproportionately high impact for NZ and the inclusion of re-wetting options
- It was noted that the clause was adapted from the Sustainable Agriculture Finance Initiative (SAFI) but is less prohibitive – it’s primarily aimed at preventing the drainage of previously undrained peatlands, and allows the use of already degraded peatlands if restoration (re-wetting) accompanies production

Clarifications

- TEG directed CSF/CBI to:
 - Make activity boundary explicit in the climate change mitigation Substantial Contribution (SC) criteria
 - Clarify that both Green and Transition WOFA are considered NZ Taxonomy-aligned, including how transition-aligned activities/measures are considered in relation to green finance internationally, and that transition funds now represent a growing share of global sustainable investment
 - Clearly communicate that for Transition WOFA Option A, benchmarking systems are not currently available, and that the intention of this option is to encourage industry bodies to systematically collect and make such data available

Low-emissions fertiliser clarifications

- TEG accepted CBI’s proposed definition for “low-emissions fertilisers”

Livestock management – feed-source and erosion protection requirements

- Feed-source requirement: TEG agreed with CBI’s proposal to:
 - Retain the requirement, clarifying that it applies only to grass-fed systems



- Rename the measure to “ruminant livestock management” for clarity
- Erosion protection: TEG agreed to include clauses, similar to those used in the forestry criteria, to prevent grazing on steep and very steep land

Removal of the “application of biochar to agricultural lands” measure from the climate change mitigation criteria

- TEG acknowledged that while evidence on biochar’s impact on soil carbon dynamics and nitrous oxide (N₂O) emission is limited, the carbon contained within biochar is stable and long-lasting
- TEG directed CBI to seek further technical input offline before deciding whether to remove the measure or provide additional qualifiers to its inclusion

Recognition of non-human verification methods

- TEG agreed that, for Version 1 of the NZ Taxonomy, verification should continue to require qualified human experts – while non-human methods show potential, they are not yet ready for inclusion and can be considered in future iterations

Rolling average calculations at harvest

- TEG agreed with CBI’s proposed clarification on calculating rolling averages at harvest

Conservation versus restoration – combining F2 with F4 and O1 with O2

- TEG agreed with CBI’s proposal to keep these activities separate for interoperability, but to clearly articulate the distinctions between them in the technical document

DNSH/MSS – phased implementation and size-based exemption

- TEG shared consultation respondents’ concerns about making DNSH/MSS optional, but agreed it is necessary to support usability and adoption in the initial phase, while reiterating its expectation that it would become mandatory in the future
- TEG agreed to consider defining “small businesses” based on both employee numbers and annual turnover and directed CBI to develop language to capture this
- TEG supported a proportionality approach to DNSH/MSS implementation – applying requirements according to the nature, size, and inherent risks of each business and activity/measure
- TEG agreed entities choosing not to assess against DNSH/MSS in Version 1 should disclose this clearly; if material DNSH/MSS issues exist, proponents should be encouraged to report on those aspects voluntarily
- TEG agreed **not** to apply a materiality lens when assessing legal breaches under MSS, as defining “materiality” would be difficult and the approach is neither practical nor likely to address respondents’ concerns effectively

Arable land conversion DNSH – recognising different types of conversion

- TEG agreed to replace the term “arable land” with “highly productive land” as defined under the National Policy Statement for Highly Productive Land (NPS-HPL)



- TEG noted concerns about making the provision overly stringent and directed CBI to seek further technical input offline before finalising the proposal

Animal welfare DNSH

- TEG agreed that, in the absence of DNSH being required, animal welfare protections should be incorporated into the climate change mitigation SC criteria for relevant activities/measures
- TEG agreed that any violation of the Animal Welfare Act would render the activity/measure non-aligned with the NZ Taxonomy
- TEG directed CSF/CBI to develop a general clause clarifying that any legal breaches or regulatory violations relevant to any DNSH criteria by an entity would void NZ Taxonomy alignment for its existing or proposed activities/measures
- TEG agreed **not** to extend animal welfare requirements beyond current legislation, to minimise compliance burden on proponents

Process-based approach (PBA) to climate change A&R

- TEG agreed that climate risk assessments prepared under the Aotearoa New Zealand Climate Standards (NZ CS) are allowed, provided proponents disclose how they intend to follow the adaptation process
 - It was noted that the NZ CS does not include guidance on climate projections, nor does it prescribe how entities should conduct risk assessments; it only requires entities to disclose their approach – some variation in how proponents carry out assessments is expected but considered acceptable by the TEG
- TEG agreed that physical climate risk assessments should be updated at least every five years, or more frequently if there are significant changes to the business or the assumptions underpinning the assessment – for example, when prompted by evidence from extreme climate events
- TEG agreed to prioritise nature-based solutions (NbS) but decided **not** to require robust independent assessments, to avoid unnecessary compliance burdens
- TEG agreed to more explicitly seek to prevent maladaptation, recognising that unintended negative outcomes may only become apparent in hindsight
- TEG agree **not** to impose the requirement for verification by qualified independent experts for all climate risk and vulnerability assessments
- TEG agreed **not** to specifically address high-impact, low-probability (HILP) events, but directed CBI to adjust the language to signal more strongly that assessments should not focus solely on the most likely events and that risk reflects both probability and consequence

Next steps and closing karakia

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