



# Aotearoa New Zealand Sustainable Finance Taxonomy (NZ Taxonomy) first public consultation

Full name \*

First name

Last name

Email address \*

You may be contacted in relation to your submission, or to receive updates on this consultation and process.

Do you represent your organisation's collective view or your personal view? \*

- I represent my organisation's collective view
- I represent my personal view

Organisation \*

## Position held

Which components of the Taxonomy would you like to comment on? Please select all that apply. \*

- Methods for defining green and transition categorisation for climate change mitigation
- Substantial contribution (SC) criteria for climate change mitigation
- Do no significant harm (DNSH) criteria
- Minimum social safeguards (MSS) criteria
- Taxonomy use and next steps

Please select the area(s) that best match your expertise. \*

- Finance (including sustainable finance)
- Insurance
- Agriculture
- Forestry
- Other Land Use
- Environmental NGO
- Academia
- Legal
- Government
- Other

## Methods for defining green and transition categorisation for climate change mitigation

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*This section considers the underlying methodological approach to determining eligible activities and defining green/transition categories for climate change mitigation, and associated conceptual decisions.*

*[These materials](#) should be reviewed in order to appropriately respond to these questions.*

Do you support that all activities which have a credible path to Paris-alignment (i.e. a path to operate at materially lower/near-zero emissions and likely demand in 2050, given current and credibly predicted future conditions), should have the opportunity to be NZ Taxonomy-aligned, if they meet all technical screening criteria?

Yes

No

Do you agree with the proposed definitions for green and transition in the context of climate change mitigation and the overall purpose and objectives of the Taxonomy?

Yes

No

Do you agree with the principles for transition activities on page 13 of the click-through slides?

Yes

No

*Comparison between alternative uses of land is not a mechanism in taxonomies generally. That is, taxonomies consider what the nature of the activity taking place is, rather than comparing other possible activities that could be undertaken (see details on page 22 of the click-through slides [here](#)). However, the TEG is considering a proposal to provide some protection against perverse land-use change – please consider the below.*

Should proponents who have NZ Taxonomy alignment for one activity, who then seek to undertake a new activity which is higher emissions than the previous one, be excluded from NZ Taxonomy alignment for that new activity regardless of if it would be otherwise NZ Taxonomy-aligned?

Yes

No

## Agriculture, Forestry and Other Land Use (AFOLU) substantial contribution criteria for climate change mitigation

*The 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.*

*Please review the draft criteria and associated materials [here](#), and the Taxonomy's methods for defining green and transition categorisation for climate change mitigation [here](#).*

Are there any activities that do not substantially contribute to climate change mitigation, or meet the NZ Taxonomy's methods for defining green and transition categorisation for climate change mitigation, which should be removed?

Yes

No

Are there any additional activities that meet the NZ Taxonomy's methods for defining green and transition categorisation for climate change mitigation, which haven't been included and should be?

Yes

No

Please specify which activities and provide supporting evidence for their inclusion.

For silvopastoral, agroforestry, afforestation and reforestation, rehabilitation, forest management, conservation forestry, ecosystem restoration and ecosystem conservation, please include fencing to exclude livestock where applicable, setting up and maintaining weed and pest control, and establishing monitoring systems. These should be listed as eligible practices under the listed activities.

Do you agree with the proposed list of activity categories which have been classified as green for Agriculture, Forestry, and Other Land Use?

- Yes  
 No

Do you agree with the proposed list of activity categories that have been classified as transition for Agriculture, Forestry, and Other Land Use?

- Yes  
 No

Are the proposed definitions for forestry and deforestation robust, practical, verifiable, locally relevant, and internationally interoperable?

- Yes  
 No

Please specify which definition or aspect of definition you disagree with and suggest an alternative.

The definitions of forest vary through the document, recommend aligning with FAO definition as discussed with forestry sub-group, with exception for mangroves and native vegetation for height requirements. Probably need to define forests at one point in the document early on and then just reference back to it. Will need to align these definitions with the adaptation work as well - let's agree it once and not change for subsequent activities or it will lead to confusion.

Are the proposed definitions for land conversion robust, practical, locally relevant, and internationally interoperable?

- Yes
- No

Please explain and suggest alternative definitions.

This could use some clarification, suggest clarity around agricultural land conversion into forests, both exotic and native, no conversation from native vegetation to exotic land use types. In TAG sessions I reference regional council guidance on this.

*The NZ Taxonomy is proposing the inclusion of a 'whole-of-farm' activity (criteria A.O).  
The next 3 questions relate to the design of that criteria.*

Is the threshold of whole-of-farm emissions that are at or below 1 tonne of carbon dioxide equivalent (CO<sub>2</sub>e) per hectare per year appropriate to align with the green whole-of-farm activity?

- Yes
- No

Should the green whole-of-farm activity also require a percentage reduction on emissions year-on-year?

- Yes
- No

Please suggest your alternative with justifying evidence.

Consideration is being given to the development of a transition whole-of-farm activity as well, would you support the inclusion of this in the NZ Taxonomy?

- Yes – I think the NZ Taxonomy should be focused on incentivising progress of substantial emissions reductions regardless of a farm’s starting point
- No – I think the NZ Taxonomy alignment for whole-of-farm activities should only be achievable for proponents demonstrating the highest levels of ambition and progress

If yes, how should the target for transition be set? Select your preferred option.

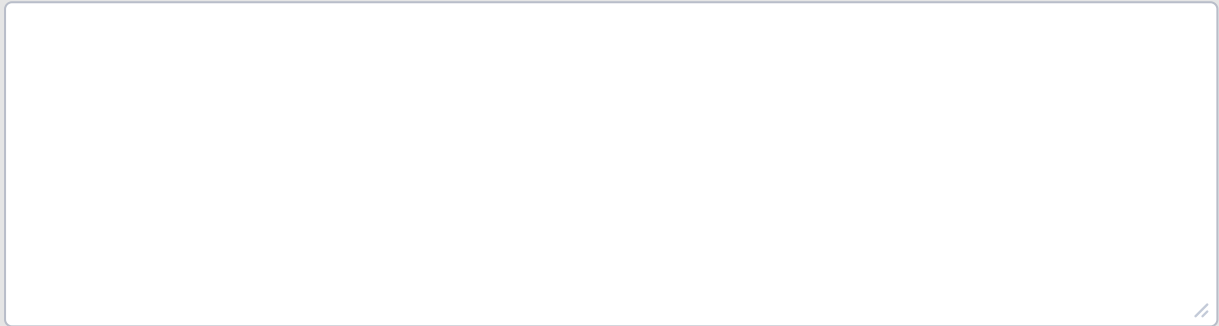
- Achievement of a commodity-specific absolute emissions intensity threshold set by sector best practice, followed by a year-on-year reduction in emissions – this requires proponents to demonstrate emissions alignment with commodity best practice and ongoing reductions to remain aligned with the NZ Taxonomy
- Establish a baseline and plan to align with an industry emissions reduction pathway beyond business-as-usual, then demonstrate achievement of that plan – this allows proponents to set a plan to join an industry reduction pathway to low- or zero-emissions without meeting any initial emissions threshold; they must still demonstrate achievement of that plan to remain aligned with the NZ Taxonomy
- A percentage emissions reduction on baseline – this allows proponents to start from any baseline and demonstrate a year-on-year emissions reduction in order to remain NZ Taxonomy-aligned, regardless of their absolute level of emissions intensity
- Something else

If you selected this option, please provide feedback on the possible commodity thresholds.

Recommend refer to relevant sectors/academic experts.

For example: i) Dairy: 0.71 kg CO<sub>2</sub>e per kilogram of fat- and protein-corrected milk (FPCM); ii) Beef: XXX kg CO<sub>2</sub>e per kilogram of beef meat; iii) Sheep: XXX kg CO<sub>2</sub>e per kilogram of sheep meat; iv) Perennial horticulture: Less than XXX kg CO<sub>2</sub>e per kilogram of fruit; v) Non-perennial horticulture: XXX kg CO<sub>2</sub>e per kilogram of product. Please note that ii)-v) are indicative only and we are seeking expert input. The principle for a transition category is that it represents a step-change beyond business-as-usual. We are aware of sector average emissions having been identified for various sectors, e.g. 20.90 kg CO<sub>2</sub>e per kilogram meat for beef, [etc]. Please share any relevant industry/sector frameworks that you believe provide sector best practice assurance beyond those sector averages, and/or state the percentage reduction below the sector average that you would consider as a step-change beyond business-as-usual.

Please provide specific feedback you have on any activities' substantial contribution criteria and included eligible practices. When responding, please specify the activity you are commenting on using the following format: A. Agriculture > A.1 livestock grazing and animal production > A.1.1 nutrient management.



You may want to give consideration to whether the criteria are clear, usable, credibly making a substantial contribution, appropriately drawing on existing frameworks, if any other eligible practices should be included, etc.

## Do no significant harm (DNSH) criteria

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*The Generic DNSH criteria provide protection against perverse environmental outcomes from the focus on achieving one of the environmental goals. A key challenge in developing generic criteria that are more ambitious than the law is finding credible and usable frameworks and criteria to measure performance against. The approach taken here is consistent with the approach taken by other taxonomies internationally. Consideration has also been given to drawing on industry commitment programmes.*

*Please review the draft criteria and materials relevant to their development [here](#).*

## Generic DNSH criteria

*The generic DNSH criteria apply to all sectors and activities classified under the NZ Taxonomy (i.e. the Agriculture and Forestry Sectors, and all subsequent sectors).*

Please provide any feedback you have on any of the generic DNSH criteria. If your feedback relates to a specific environmental objective, please mention which one (e.g. EO.1 climate change mitigation).

A1. Livestock grazing and animal production  
Protection and restoration of biodiversity and ecosystem  
○ Identifying remnant indigenous biodiversity areas and detailing the approach to protection.  
Consider also including - fencing to exclude livestock, and setting up and maintaining weed and pest (browser and predator) control where needed.  
A2. Perennial and non-perennial crops

You may want to give consideration to: i) Whether the criteria are appropriately drawing on existing legislation and protections; ii) Any gaps in these protections and suggestions of established credible good practices; iii) Industry commitments or other established frameworks to fill these gaps; iv) Issues of relevance; v) Usability and clarity, etc.

Are there any gaps in the combined generic DNSH criteria that mean there are unaddressed significant risks of environmental harm? Please give consideration to whether activity-specific DNSH criteria have already addressed these.

Yes

No

## Activity-specific DNSH criteria

*Activity-specific DNSH criteria provide extra protections for environmental risks that may emerge from a specific activity. The activity-specific DNSH criteria have been developed for the Agriculture and Forestry sectors, with additional sets of criteria to be developed for future sectors if/when they are developed.*

Please provide any feedback you have on any of the activity-specific DNSH criteria. When responding, please specify the relevant environmental objective and activity in the following format: EO.1 climate change mitigation > A. Agriculture.

The following bullet point has misleading info -

- 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 like *Pinus radiata*, is not permitted under the taxonomy.

Radiata pine is not necessarily shallow rooting - root depth of radiata pine (like most other tree species) is dependent on the soil structure and the soil

You may want to give consideration to: i) Whether the criteria are appropriately drawing on existing legislation and protections; ii) Any gaps in these protections and suggestions of established credible good practice; iii) Industry commitments or other established frameworks to fill these gaps; iv) Issues of relevance; v) Usability and clarity, etc.

Are there any other activities contained in the substantial contribution criteria that require additional activity-specific DNSH criteria to be developed for – i.e. activities that pose risks of causing significant environmental harm not currently covered by the generic or specific DNSH criteria?

Yes

No

Please specify the activity, the associated risks, and propose criteria to address.

For all kinds of afforestation in highly erodible catchments, need to look at role of downstream infrastructure protection - essentially probably need a landslide management plan for certain soil types.

Please provide any additional feedback on the proposed DNSH framework, with supporting evidence where possible.

## Minimum social safeguards (MSS) criteria

*The MSS criteria ensure that economic activities making a substantial contribution to one of the 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. The approach taken here is consistent with the approach taken by other taxonomies internationally. Consideration has also been given to the development of appropriate protections of iwi/Māori rights.*

Please review the draft criteria and materials relevant to their development [here](#).

Do you agree with the three MSS pillars and the associated key topics?

- Yes  
 No

Are the proposed MSS criteria, indicators, and guidance clear and usable?

- Yes  
 No

It has been proposed that full MSS alignment will be required for larger companies, while applying a light-touch, proportionate approach for SMEs and family-farms. Would you agree with this approach?

- Yes  
 No

If smaller organisations are not required to align with the full MSS criteria, what MSS should they instead align to? Select as many as apply.

- The ten principles of the UN Global Compact  
 OECD guidelines on responsible business conduct and human rights  
 Other

Should the MSS criteria for iwi/Māori rights and cultural heritage include explicit references to the following? Select all that apply.

- Reference Cultural Impact Assessment (CIA), to ensure local relevance
- Reference Free, Prior and Informed Consent (FPIC), to ensure international interoperability
- There are additional frameworks that should be referenced
- Reference neither

How else might an entity consider iwi/Māori rights and cultural heritage in its practices?

Consultation with iwi/Maori at place.

Should data sovereignty be emphasised across all MSS pillars, rather than being limited only to iwi/Māori rights?

- Yes
- No

With respect to data sovereignty, are we referencing the most appropriate standards and frameworks? Do these frameworks support usability, practicality, and a low compliance burden?

- Yes
- No

Please provide any additional feedback on the proposed MSS framework, with supporting evidence where possible.

## Taxonomy use and next steps

*The following section pertains to issues of further development for the NZ Taxonomy, both in terms of use and sector/environmental objective expansion.*

Extensive stakeholder feedback has called for the expansion of the NZ Taxonomy into other environmental objectives and sectors. Would you prioritise focusing on implementation of the existing Taxonomy, or expanding the scope of the NZ Taxonomy (i.e. to additional sectors or environmental objectives) in the short-term (i.e. 2026/27)?

- Focus on implementation and use
- Expand scope

Would additional guidance for SMEs on a proportionate approach to aligning with the Taxonomy's substantial contribution, DNSH, and/or MSS criteria be useful? Select all that apply.

- Yes – additional guidance for substantial contribution should be developed for SMEs
- Yes – additional guidance for DNSH should be developed for SMEs
- Yes – additional guidance for MSS should be developed for SMEs
- No

Taxonomies are meant to be living documents, with regular reviews and updates. What considerations should be given to the process for updating the NZ Taxonomy in the future?

Would support a similar process with TEG/TAG, followed by public consultation for updates to ensure appropriate technical input, including consultation with iwi/hapu/Maori.

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