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Its views, and the content of this document, do not represent government policy.***

## **Green Technical Advisory Group (GTAG)**

### **Meeting 5: 22<sup>nd</sup> February 2022**

#### **Meeting Notes**

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#### **Participants:**

<b>Attendee</b>	<b>Organisation</b>	<b>Attendee</b>	<b>Organisation</b>
Ingrid Holmes (Chair)	GFI	Paul Fisher	CISL
Faith Ward	IIGCC	Theodor Cojoianu	University of Edinburgh
James Alexander	UKSIF	Rhian-Mari Thomas	TNFD
Elizabeth Gillam	IRSG	Nick Robins	Grantham Institute/LSE
Nick Molho	Aldersgate Group	Kate Levick	E3G
Rain Newton-Smith	CBI	Karen Ellis	WWF
Margarita Pirovska	PRI	Ryan Jude	GFI
Prashant Vaze	Climate Bonds Initiative	Charlotte Love	GFI
Lily Dai	FTSE Russell/LSEG	Adam Standage	GFI
Nadia Humphreys	Bloomberg	Jonathan Heybrock	GFI
Katie Spooner	Environment Agency		

***Government observers from HMT, BEIS, FCA, DEFRA and DWP***

***Apologies: Ben Caldecott (CGFI) and Mike Thompson (CCC)***

#### **1. Welcome and introduction to the day**

The Chair welcomed members to the meeting, provided apologies for members unable to attend the meeting and introduced two new members of GTAG. The Chair outlined the day's agenda and then provided an overview of GTAG work since its inception. An outline of key events during 2022 for the UK taxonomy was provided, alongside areas of focus for GTAG this year. GTAG is engaged with other government initiatives with some members are also involved in the Transition Plans Taskforce and the FCA's Disclosures and Labelling Group.

#### **2. GTAG Updates**

GFI set out the current GTAG Delivery Plan for 2022 and other ongoing work, including support for government consultation preparations. The operational landscape for communication was described, including increased attention on and scrutiny of taxonomies globally. The role of the Transition Plan Taskforce was outlined, alongside expected overlap with GTAG workstreams.

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### **3. Plenary 1: HMT Consultation Discussion**

HMG described their approach to the consultation that was flagged in the Greening Finance Roadmap and will cover the first two environmental objectives (climate change mitigation and climate change adaptation). HMG expressed their interest in receiving feedback from GTAG members and their respective organisations following publication of the consultation.

### **4. Plenary 2: GTAG Publishing Advice**

An introduction to the topic was provided by the Chair, including the rationale for GTAG advice being published. Members were supportive. The topic of whether GTAG should provide a combined response to the consultation was also discussed.

### **5. Breakout Room Discussion: WS2: Usability and Data – approaches to Do No Significant Harm (DNSH)**

The group discussed the advantages and disadvantages of specific approaches to DNSH, including approaches taken by other countries. Some challenges and issues with DNSH were highlighted, and the sequencing of the EU's approach to DNSH was also covered.

### **6. Breakout Room Discussion: WS3: Policy Links – policy areas for consideration**

Discussion centred around how the taxonomy could support policymaking as the UK aims for Net Zero by 2050. Members agreed there was a role for both public and private investment, and discussed the merits of specific potential areas where the taxonomy could apply, in addition to its current expected application.

### **7. Breakout Room Discussion: WS1: Addressing UK-specific Needs – taxonomy coverage**

Initially, the conversation focussed on existing published and unpublished datasets that examine taxonomy coverage and priority areas for the UK to meet Net Zero by 2050. The group then discussed sectors and activities that may not be covered by the taxonomy, and the impact of their inclusion/exclusion.

### **8. Breakout Room Discussion: WS5: International Interoperability – approaches to international interoperability**

The group discussed features of international interoperability for taxonomies. This included comments on mandatory vs voluntary reporting, equivalence and flexible trade-offs, emerging markets, and challenges for reporting and disclosures.

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### **9. Plenary 3: WS1d: Adaptation**

GTAG members provided comment on advice relating to adaptation. Other aspects of discussion covered general ambition on adaptation, desired outcomes and intermediate targets, and anticipated challenges within the UK and globally.

### **10. Plenary 4: Approach to disclosure: balancing proportionality with information to market**

The conversation examined implications of the taxonomy and the importance of a proportionate burden on business, while having a rigorous and science-based taxonomy. Some key challenges were explored, including requirements for corporates, balancing usefulness of disclosure information with cost to business, and taxonomy eligibility vs. alignment. Additionally, GTAG members commented on sequencing of disclosure regimes.

### **11. Final Plenary: Roundup and Breakout Rooms Feedback**

The GTAG Chair summarised the day, with WS Chairs providing an overview of topics discussed during the breakout sessions.