



## Taxonomy Technical Expert Group Charter

### 1. Purpose of the TTEG Charter

- 1.1. This Charter sets out guidelines for the operation and conduct of the Taxonomy Technical Expert Group (TTEG). It supplements the TTEG Terms of Reference.
- 1.2. TTEG members are responsible for familiarising themselves with both the TTEG Charter and the TTEG Terms of Reference.
- 1.3. If there is a conflict between this Charter and the Terms of Reference, the Terms of Reference will take precedence unless specifically stated otherwise.

### 2. Role of the TTEG

- 2.1. The TTEG has been established to provide input into and endorsement of key deliverables of the initial phase of taxonomy development, which are set out in clause 3.1 below.

### 3. Role of ASFI

- 3.1. As outlined in the Grant Agreement between the Australian Sustainable Finance Institute (ASFI) and Australian Government represented by the Department of Treasury, and the Terms of Reference between ASFI and the Council of Financial Regulators' Climate Working Group (CWG), ASFI is responsible for ensuring the delivery of the key deliverables for the initial development of the Australian taxonomy. The key deliverables are:
  - 3.1.1. developing technical screening criteria for at least three sectors against the objective of climate mitigation;
  - 3.1.2. identifying requirements to ensure usability and practicality for participants within the financial sector as well as those outside of it;
  - 3.1.3. developing a methodology for assessing and incorporating transitional activities into the taxonomy;
  - 3.1.4. providing advice on how the taxonomy can effectively be utilised as a market tool to mobilise financial flows and facilitate Australia's transition to net zero in line with Government policy objectives;

- 3.1.5. providing an assessment on data needs and gaps;
  - 3.1.6. developing an initial Australian approach to Do No Significant Harm criteria and Minimum Social Safeguards; and
  - 3.1.7. identifying pathways and options to expand the scope of the taxonomy to other sustainability goals; and providing recommendations on global alignment and interoperability.
- 3.2. To progress the initial phase of the taxonomy’s development, ASFI is required to:
- 3.2.1. establish, convene and manage the TTEG;
  - 3.2.2. provide secretariat services to the TTEG, including preparing technical deliverables such as reports, research and associated outputs for TTEG input and endorsement by the CWG;
  - 3.2.3. prepare and present deliverables considered and recommend for endorsement by the TTEG to the CWG for consideration;
  - 3.2.4. contract experts to carry out the technical work, organise meetings and all project communications and stakeholder engagement, coordination and management; and
  - 3.2.5. liaise with industry and garnering their engagement in this phase of work.

#### **4. Role of the TTEG Co-chairs**

- 4.1. The primary roles of the Taxonomy Technical Expert Group (TTEG) co-chairs are to:
- 4.1.1. ensure the TTEG effectively executes on its responsibilities as outlined in Terms of Reference and this Charter;
  - 4.1.2. facilitate effective meetings by ensuring the agenda is followed and enabling fair and open discussion; and
  - 4.1.3. be the spokespeople for the TTEG, in accordance with this Charter.
- 4.2. The Australian Sustainable Finance Institute (ASFI) will consult with the co-chairs on draft TTEG meeting agendas at least two weeks prior to the meeting.
- 4.3. Co-chairs will jointly preside over TTEG meetings.
- 4.4. Co-chairs may be required on occasion to attend meetings between the CWG Taxonomy Subgroup and ASFI to discuss decisions of the TTEG.
- 4.5. Co-chairs may also be required to attend meetings with ASFI and its ASFI’s technical partners where doing so is essential to success of the initial development phase of the taxonomy.

#### **5. TTEG Workstreams and Committees**

- 5.1. Under the TTEG, workstreams for Do No Significant Harm criteria (DNSH), Minimum Social Safeguards (MMS) and Data and Interoperability (DI) will be established to help streamline deliverables and decision-making and ensure members' expertise is being utilised effectively.
- 5.2. These workstreams will operate within the TTEG's existing mandate and meeting schedule and be managed by informal committees. The DNSH and MMS committees will comprise at least three and no more than five TTEG members. The DI committee will comprise at least five and no more than eight TTEG members.
- 5.2.1. ASFI retains the right to constitute the informal committees and may propose additional committees if it identifies a need.
- 5.2.1.1. Members with demonstrated knowledge, expertise and experience in these fields will be prioritised for participation. A lead representative for each committee will also be selected (committee lead).
- 5.3. The TTEG committees will be expected to concentrate on and apply their expertise to these areas of the taxonomy's development and prepare recommendations for the full TTEG membership from the technical work prepared by ASFI and its technical partners in accordance with the work plan set out by ASFI.
- 5.3.1. In doing so, the committees are to have regard to the advice of the relevant stakeholder advisory groups.
- 5.3.1.1. Committee leads may be asked to:
- 5.3.1.1.1. attend the relevant stakeholder advisory group meetings; and
- 5.3.1.1.2. meet with other committee leads and the TTEG-co-chairs prior to certain meetings of the full TTEG.

## **6. Code of Conduct**

- 6.1. As a member of the TTEG, you are expected to:
- 6.1.1. act with honesty and integrity, including by being transparent and ensuring that any possible conflict of interest is disclosed and actively managed and avoided;
- 6.1.2. exercise due care, diligence and skill in executing your responsibilities as a TTEG member, including by way of proper preparation for and engagement in TTEG meetings;
- 6.1.3. act in good faith and in accordance with the core taxonomy principles, set out in the TTEG Terms of Reference;
- 6.1.4. act fairly and impartially, including by conducting yourself in a collaborative manner and demonstrating respect for the views and opinions of other TTEG members;
- 6.1.5. use information appropriately by ensuring it is applied to proper purposes within the scope of your duties as a TTEG member and kept confidential in accordance with the Terms of Reference

and the Confidentiality and Compliance Undertaking you signed on acceptance of your position;  
and

- 6.1.6. use your position appropriately at all times and do not misuse your position as a member of the TTEG to seek an undue advantage for yourself or your organisation.

## **7. Process for Decision-making**

- 7.1. The quorum for the TTEG is at least half of the members (13 out of 25).
- 7.2. All members commit to providing their technical and expert advice, input and recommendations for endorsement on taxonomy reports and deliverables in a respectful and collegial manner.
- 7.3. Members should strive to make recommendations on key issues, including on the taxonomy project reports and outputs, by consensus.
  - 7.3.1. Where genuine attempts to reach consensus have failed, members will vote on the issue at hand, with a super-majority vote (75 per cent) required for approval and endorsement of all outputs.
  - 7.3.2. If a product is not endorsed by the TTEG, it may be sent back to the ASFI team for reworking after which it will be resubmitted to the TTEG for consideration and endorsement.

## **8. TTEG Meeting Protocols**

- 8.1. TTEG meeting agendas will be informed by the workplan set out in the Grant Agreement between ASFI and the Australian Government and developed in consultation with the TTEG co-chairs at least two weeks prior to the set date of the meeting.
  - 8.1.1. If a TTEG member wishes to propose an agenda item, they should do so at a meeting for the following meeting.
- 8.2. Standing items for TTEG meetings will include approval of previous meeting minutes, and updates to the Register of Interests and Stakeholder Engagement Register.
- 8.3. Meeting papers will be circulated no less than five business days before a meeting is scheduled to occur.
- 8.4. Minutes from the previous meeting will be agreed at the start of each meeting and published on ASFI's website within five business days from the time of agreement.
- 8.5. External participants, such as members of ASFI's technical team and Government observers, will be invited to participate in and present at TTEG meetings where doing so would support the TTEG in the fulfillment of its duties as set out in its Terms of Reference.

## **9. Attendance Policy**

- 9.1. Regular attendance at TTEG meetings is essential in order to maintain continuity and cohesion in the management and governance of the Australian Sustainable Finance Taxonomy's development.

- 9.2. TTEG members are expected to demonstrate their commitment to the work through unbroken attendance at TTEG meetings, except when prevented by unforeseeable events.
- 9.3. ASFI will notify TTEG members of forthcoming meetings no sooner than 15 working days before the set date of the meeting and will endeavour to provide additional notice where possible.
- 9.4. Where TTEG members are prevented from attending a TTEG meeting, they should notify ASFI and the co-chairs of their intended absence at their earliest convenience. It is the responsibility of ASFI to monitor the attendance of each member.
- 9.5. If a TTEG member is unable to attend a TTEG meeting, they may elect someone from their organisation to attend in their place as an observer. Observers do not have voting rights.
- 9.5.1. If an absent member wishes to nominate a proxy to vote on their behalf, they may nominate one of the two TTEG co-chairs.
- 9.6. If a TTEG member is absent for two consecutive meetings without first notifying ASFI and the co-chairs of their absence, or if a TTEG member is absent for three consecutive meetings having notified ASFI and the co-chairs of their absence, that member will be considered in breach of their obligations under the TTEG Terms of Reference and is liable to be removed from the TTEG.

## **10. Representation and External Engagement**

- 10.1. As an express exception to the TTEG Terms of Reference, the TTEG co-chairs are permitted to act as spokespersons for the TTEG and may make public representations on behalf of the TTEG.
- 10.2. All other TTEG members are not permitted to represent or act as spokesperson for the TTEG and may not make public representations or express opinions on its behalf.
- 10.3. Deliberations and day-to-day operations, including meetings and draft documents of the TTEG, should be treated as confidential unless otherwise advised.
- 10.4. Members must not use confidential information, other than for the purpose of performing their functions as a member of the TTEG.
- 10.5. All public expressions of opinion in relation to this taxonomy project or related matter should only be made in TTEG members' personal or organisational capacity, not in their capacity as a TTEG member.
- 10.5.1. Subject to clause 10.6 below, TTEG members are not prevented from meeting with individuals and organisations outside of official ASFI stakeholder engagement processes to discuss the taxonomy.
- 10.6. Where a TTEG member has an ad hoc meeting on the taxonomy outside of formal ASFI taxonomy stakeholder engagement processes, and the content of that meeting extends beyond the provision of publicly available information about the taxonomy project, the meeting should be recorded in the **Taxonomy Stakeholder Engagement Register**.
- 10.7. The purpose of the Stakeholder Engagement Register is to document interested stakeholders and manage their input, needs, concerns or influence in a transparent and effective manner. TTEG

members are asked to use their best judgement in determining whether a meeting should be recorded in the Register considering this purpose.

- 10.7.1. The Stakeholder Engagement Register will identify the relevant TTEG member and stakeholder organisation; the purpose/nature of the meeting (e.g., technical, general, relationship building, other) and a brief description of the meeting focus (e.g., transition methodology, taxonomy credibility; Do No Significant Harm framework).
- 10.7.2. ASFI staff and board members will also be required to utilise the Stakeholder Engagement Register.
- 10.7.3. The Stakeholder Engagement Register will be a standing item on the TTEG meeting agenda and will be published on ASFI's website on a quarterly basis.

## 11. External Communications

- 11.1. As set out in the TTEG Terms of Reference, ASFI reserves the right to publish updates and high-level summaries of TTEG activities.
- 11.2. ASFI will not publicly attribute any specific advice to individual TTEG Members. ASFI will only attribute published materials to the TTEG once it has been approved and endorsed by the TTEG.
- 11.3. All reports and technical outputs approved and endorsed by the TTEG will be shared with the CWG Taxonomy Subgroup and the Treasury and will be made available on the ASFI website.

## 12. Confidentiality

- 12.1. As set out in the TTEG Terms of Reference, to encourage open participation, discussions during TTEG meetings are intended to be confidential, unless otherwise stipulated or agreed by all TTEG Members.
- 12.2. All members are required to sign a **Confidentiality and Compliance Undertaking** and adhere to its provisions prior to the first meeting of the TTEG.

## 13. Protecting Competitively Sensitive Information

- 13.1. Members commit to ensuring full compliance with the *Competition and Consumer Act 2010 (Cth)* (CCA) in the execution of their role on the TTEG, including not engaging in concerted practices or sharing competitively sensitive information (as defined by the CCA).
- 13.2. The following rules apply to all interactions between TTEG members and include ASFI staff where relevant:
  - 13.2.1. only share or exchange information and engage in discussions to the extent that is reasonably necessary for the execution of TTEG functions;
  - 13.2.2. be mindful of email chains and consider the content before forwarding;
  - 13.2.3. do not share competitively sensitive information, which is non-public information that impacts a party's competitive position; and

13.2.4. document all meetings, including through minute-taking with accurate records of attendees.

13.3. Meeting communications procedures will, if possible, be reviewed specifically to ensure there are no discussions that create a risk under the CCA.

#### **14. Grievance Procedure**

14.1. If a TTEG member(s) has a concern relating to the development of the taxonomy:

14.1.1. at first instance, the TTEG member is directed to raise their concern with the ASFI Taxonomy Project Team;

14.1.2. if unresolved within 10 working days, the concern will be escalated to the ASFI Chief Executive Officer for assessment and, if appropriate, investigation and action.

14.1.2.1. This could include escalation to the ASFI Board if the concerns raised warrant ASFI Board oversight and engagement.

14.2. If the complainant is not satisfied with the way the grievance was resolved and the ongoing grievance is determined to be a project risk, ASFI will notify the CWG of the grievance for consideration and advice on resolution.

14.3. ASFI will keep a record of any concerns raised and steps taken to resolve the issue raised.

14.4. If an external stakeholder raises a concern about the taxonomy project, the same approach as above will be followed.

#### **15. Amendments, Variations and Disqualification of TTEG membership**

15.1. As set out in the Terms of Reference, ASFI reserves the right, in consultation with the CWG, to disqualify an individual's TTEG membership, for one or more of the following reasons:

15.1.1. breaching the governance arrangements set out in the TTEG Terms of Reference and Charter, including any agreed confidentiality and non-disclosure commitments;

15.1.2. if a member's employment or professional affiliation changes in such a way that the member no longer represents or possesses the expertise required for the TTEG;

15.1.3. if a member fails to attend consecutive TTEG meetings in the manner outlined above.

#### **16. Amendments to this Charter**

16.1.1. ASFI and the TTEG co-chairs may propose amendments to this charter. Amendments can only be made by a supermajority (75 per cent) of TTEG members present and voting at a meeting.