

Sustainable Financing Allocation Report

31 January 2025

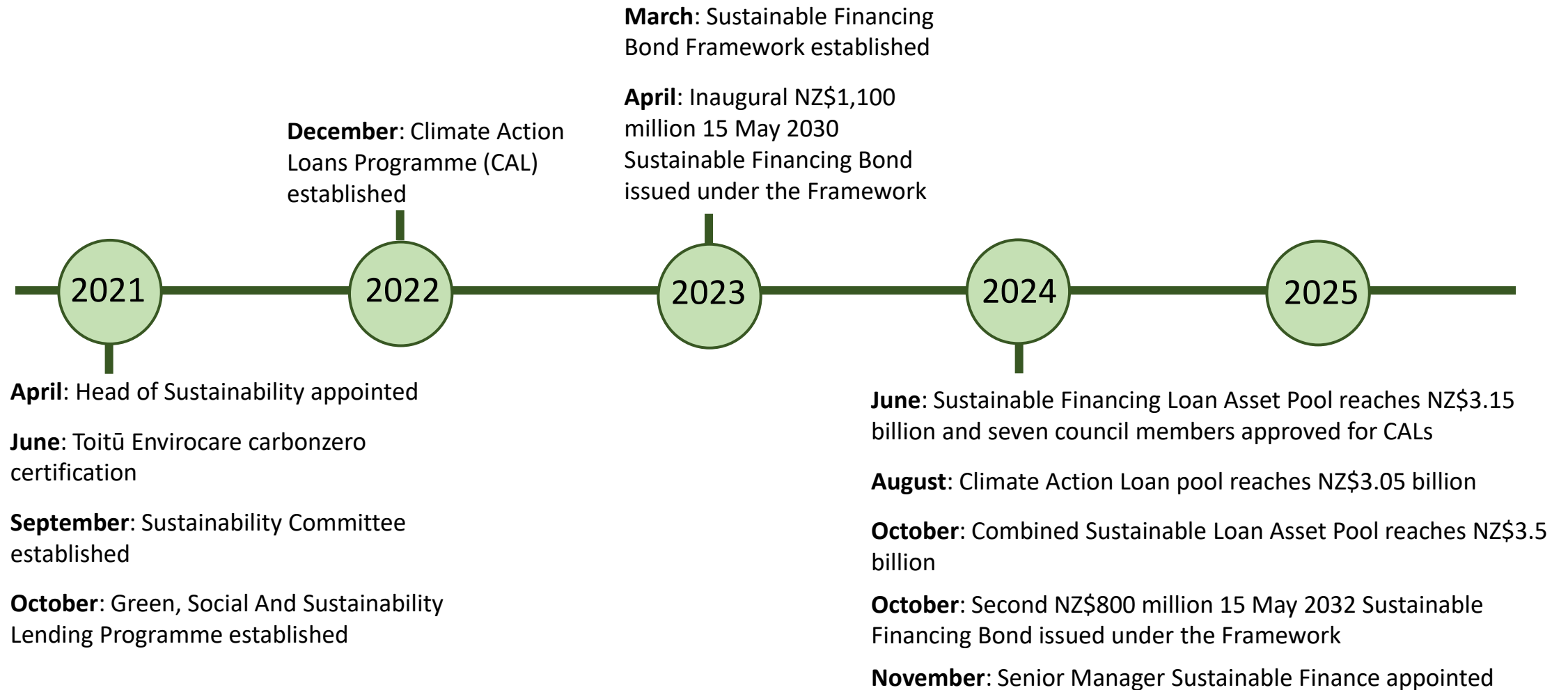


LGFA

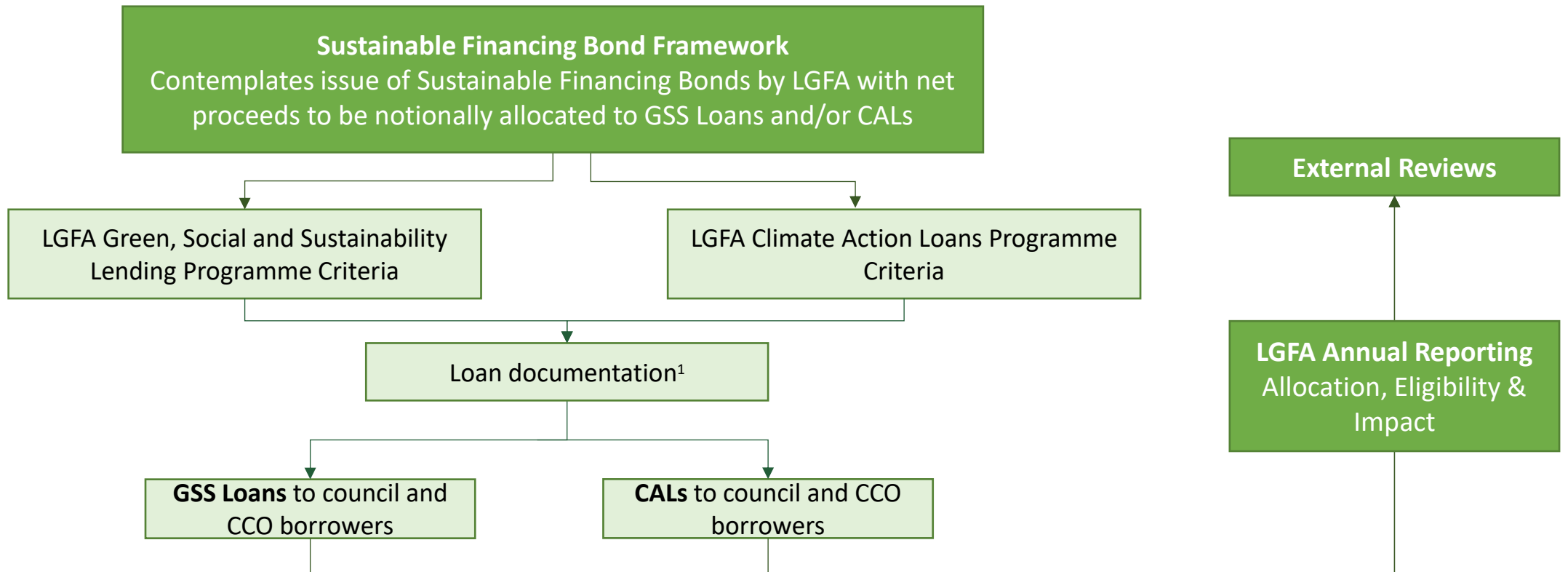


New Zealand Local
Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

SUSTAINABLE FINANCE AT LGFA - HISTORY



LGFA has set up a transparent and integrated documentation hierarchy for the Sustainable Financing Bond Programme



¹Sustainable Loans are documented as debt securities under LGFA's Multi-Issuer Deed.

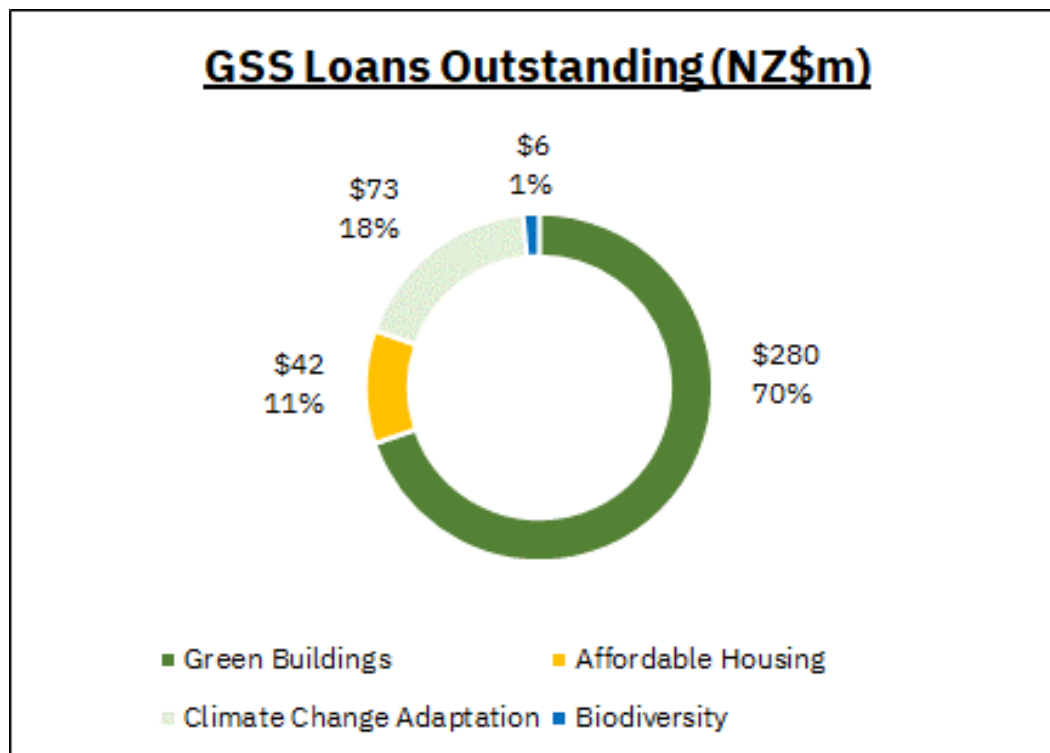
SUSTAINABLE FINANCING – GREEN, SOCIAL AND SUSTAINABILITY (GSS) LOANS

LGFA GSS lending programme*

To qualify as a GSS Loan, the loan must finance assets, projects or activities that meet the criteria set out in at least one of the nine green loan categories or one of the three social loan categories. A full list of the GSS categories and criteria can be found [here](#).

Progress to date:

- Six GSS Loans have been approved as eligible
- **NZ\$401.2 million** of GSS Loans Outstanding as at 31 January 2025



LGFA CAL lending programme*

To qualify for a CAL, a council or CCO borrower (Borrower) must have the following:

1. **Emission Reduction Plan (ERP)** that sets out Emissions Reduction Targets and must include:
 - The Borrower’s intended pathway to reduce its scope 1 and scope 2 Greenhouse Gas (GHG) emissions in line with a science-based trajectory; and
 - Annual GHG targets (for scope 1 and 2 GHG emissions) covering short-term periods and medium-term targets that ultimately support the Borrower to achieve its long-term goal of net zero by 2050 (or sooner) and an alignment to the science-based trajectory).
2. Borrowers must **obtain external verification** (by a credible provider) of their GHG emissions inventory to verify its report is in alignment with the guidelines outlined in the CAL criteria and that must be provided to LGFA annually by 30 November.

You can find out more about the CAL programme and criteria [here](#).

Progress to date:

- Seven Borrowers approved as eligible for CALs
- **NZ\$3,267.95 million** of CALs outstanding as at 31 January 2025
- LGFA is working with a further 3 Borrowers on their CAL applications

* CALs are documented as debt securities under LGFA’s Multi-Issuer Deed.

LGFA ALLOCATION REPORTING

As at 31 January 2025

Sustainable Financing Bonds Summary and Sustainable Loan Asset Pool

Sustainable Financing Bond (NZX ticker)	Sustainable Financing Bond (NZ\$ million)	Issue Date	Maturity Date
LGF170	1,100	17/04/23	15/05/30
LGF170	500	12/09/23	15/05/30
LGF170	50	11/03/24	15/05/30
LGF170	50	06/05/24	15/05/30
LGF170	60	04/06/24	15/05/30
LGF170	70	08/07/24	15/05/30
LGF170	80	14/08/24	15/05/30
LGF170	150	09/09/24	15/05/30
LGF180	800	08/10/24	15/05/32
LGF170	50	16/12/24	15/05/30
LGF180	50	28/01/25	15/05/32
LGF170	50	28/01/25	15/05/30
Total	3,010		

	NZ\$ million
Total Value of GSS Loans*	401.20
Total Value of CALs*	3,267.95
Total Value of Sustainable Loan Asset Pool*	3,669.15
Total principal amount of Sustainable Financing Bonds on Issue	3,010.0
Surplus Sustainable Loan Assets	659.15
Sustainable Loan Ratio (x)	1.22x

* Based on principal amount advanced under the relevant GSS Loans or CALs (as applicable).

The net proceeds of the Sustainable Financing Bonds will be notionally allocated to Sustainable Loans being GSS Loans and CALs in accordance with the Framework.

LGFA intends to notionally allocate an amount equal to the net proceeds of Sustainable Financing Bonds to GSS Loans and CALs within 24 months of the issue date of the relevant Sustainable Financing Bonds.

If the Surplus Sustainable Loan Assets amount is negative (and the Sustainable Loan Ratio is less than 1.0), it means that the amount of Sustainable Financing Bonds that have been issued is greater than the amount of Sustainable Loan Assets held. In this instance the net proceeds will be invested in line with the Framework pending notional allocation to GSS Loans and CALs.

LGFA ALLOCATION REPORTING

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Green, Social and Sustainability (GSS) Loans

GSS Category	Borrower	Date Sustainable Loan Approved*	Project Description	Sustainable Loan Type	Approved Amount for Project* (NZ\$ million)	Principal Amount Outstanding (NZ\$ million)	Allocation to Sustainable Loan Asset Pool under Framework (NZ\$ million)
Green Buildings	Wellington City Council	14 October 2021	Tākina, Wellington Convention and Exhibition Centre	Green Loan	180	180	180
Green Buildings	Hutt City Council	28 June 2022	Naenae Pool and Fitness Centre	Green Loan	41	41	41
Green Buildings	Whangarei District Council	19 August 2022	Te Iwitahi - Whangārei Civic Centre	Green Loan	59	59	59
Climate Change Adaptation	Greater Wellington Regional Council	2 December 2021	Te Wai Takamori o Te Awa Kairangi - RiverLink Project	Green Loan	227	73	73
Biodiversity Conservation	Tauranga City Council	10 October 2023	Kopurererua Valley Stream Realignment	Green Loan	10.3	6.0	6.0
Total Green Loans					517.3	359	359
Affordable Housing	Christchurch City Council	17 November 2022	ŌCHT Social Housing	Social Loan	55	42.2	42.2
Total Social Loans					55	42.2	42.2
Total Loans	6 Borrowers				572.3	401.2	401.2

*Where a GSS Loan is “approved”, LGFA is not committed to provide those funds. Rather, LGFA has indicated to the relevant Borrower that, subject to satisfaction of conditions precedent, LGFA intends to advance the relevant amount as GSS Loan(s) when the Borrower makes a request under LGFA’s Multi-Issuer Deed.

LGFA ALLOCATION REPORTING

As at 31 January 2025

Climate Action Loans (CALs)

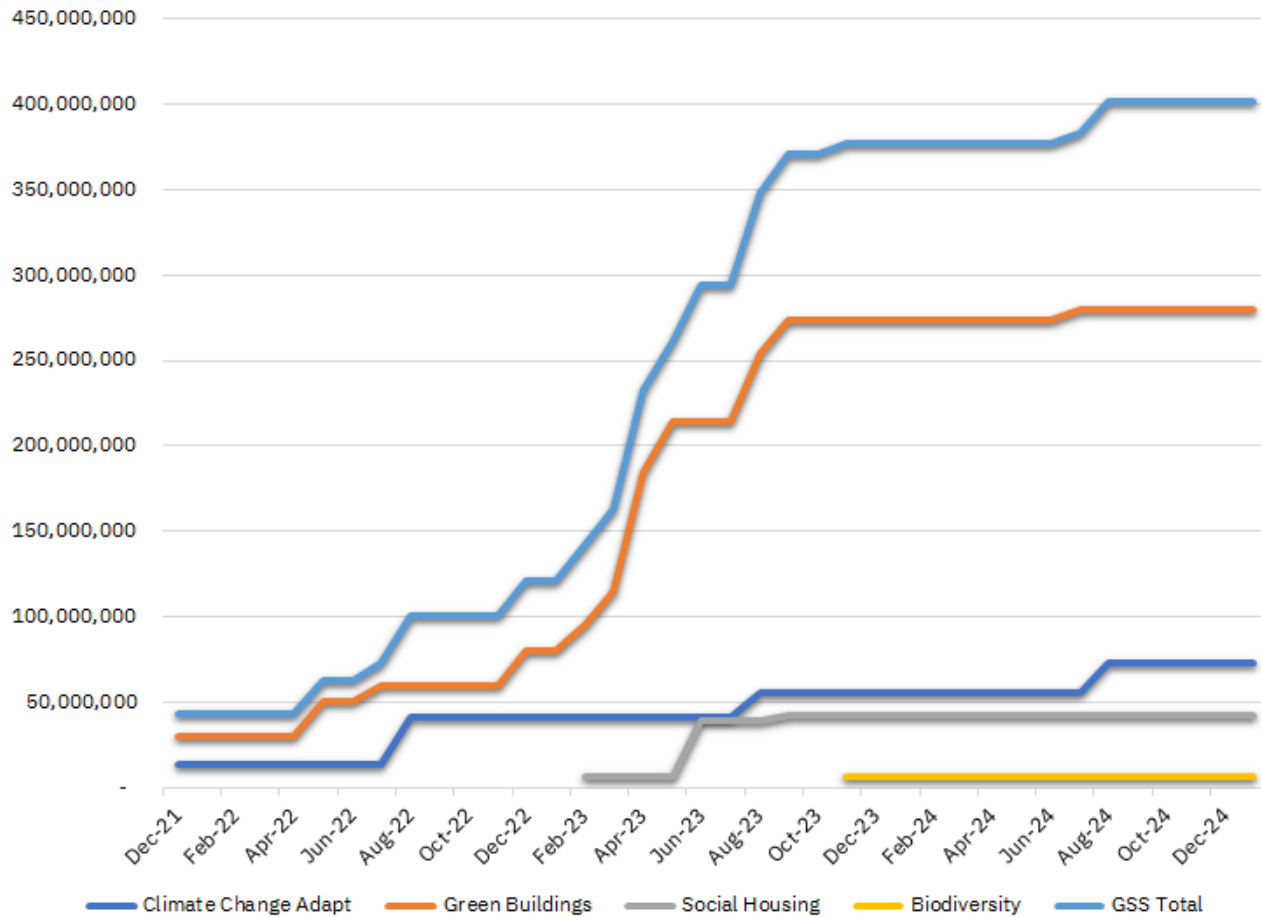
Borrowers	Maturity Date Range of CALs	Principal Amount Outstanding (NZ\$ million)	Allocated to Sustainable Loan Asset Pool under Framework (NZ\$ million)
Auckland Council	May 2028 to April 2033	1,100.0	1,100.0
Dunedin City Treasury Limited	February 2030 to April 2033	300.0	300.0
Greater Wellington Regional Council	August 2026 to August 2033	402.0	402.0
Hutt City Council	October 2026 to July 2031	350.7	350.7
Kapiti Coast District Council	May 2026 to October 2030	185.0	185.0
Tauranga City Council	April 2027 to May 2031	395.25	395.25
Wellington City Council	July 2027 to May 2031	535.0	535.0
Total		3,267.95	3,267.95



GSS AND CALs HISTORICAL OUTSTANDINGS

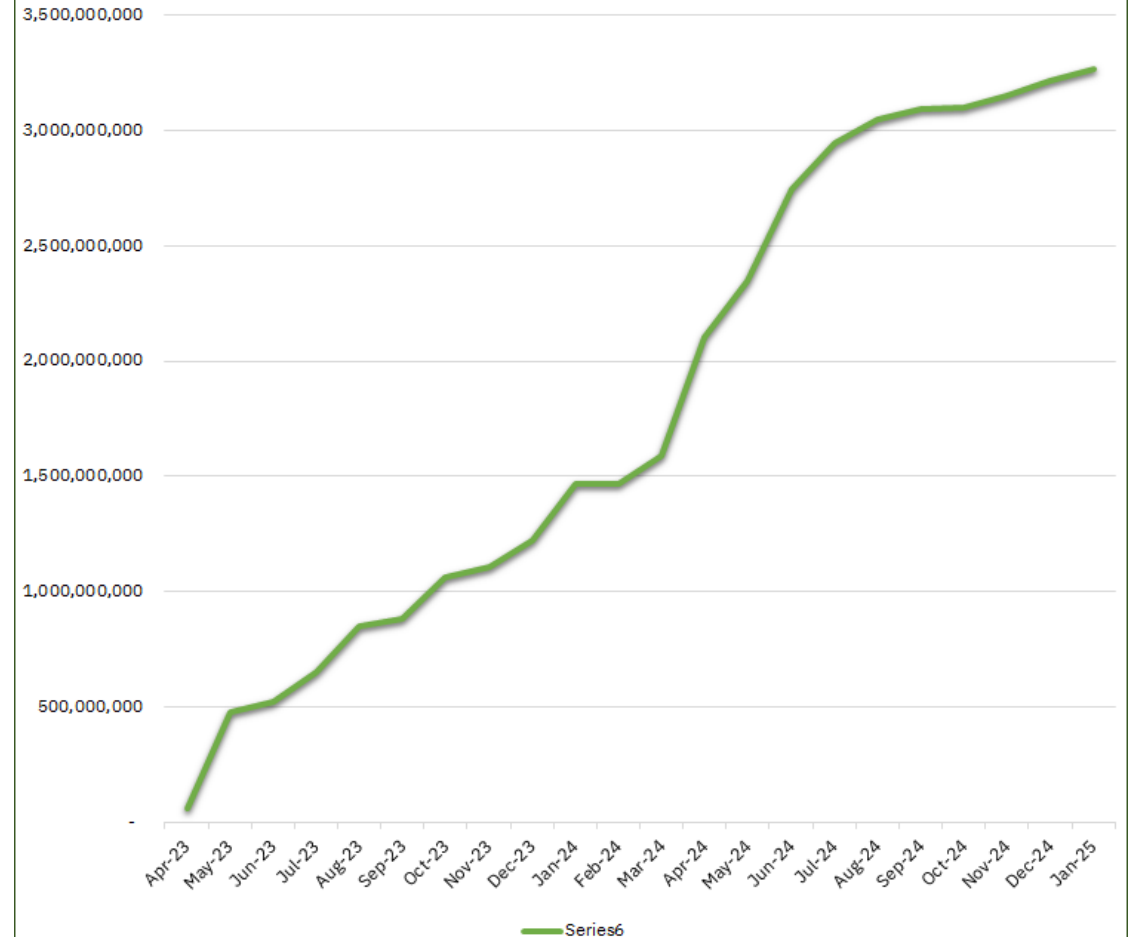
As at 31 January 2025

GSS Loans Outstanding



First GSS loans advanced in December 2021

Climate Action Loans Outstanding



First CALs advanced in April 2023