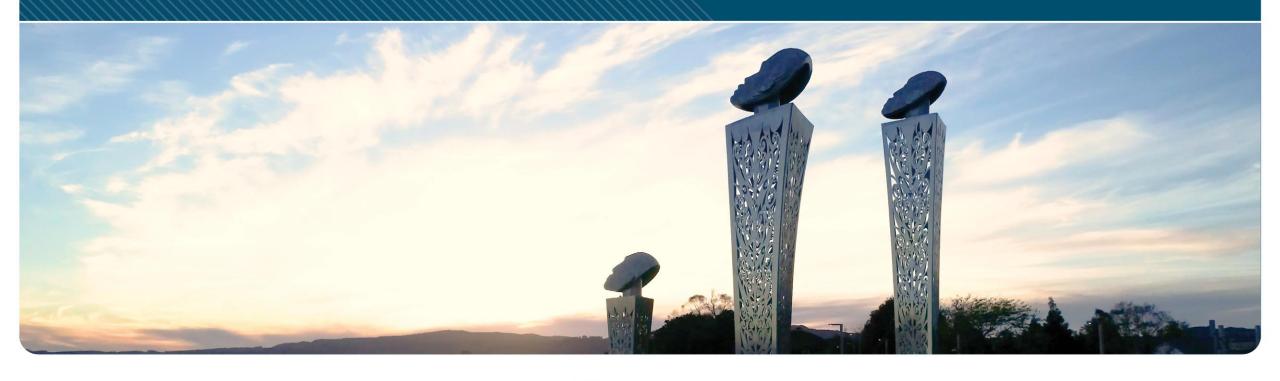
Sustainable Financing Allocation Report

30 November 2023





SUSTAINABLE FINANCE AT LGFA - HISTORY



April 2021 Head of Sustainability appointed

June 2021 Toitū Envirocare carbonzero certification

September 2021 Sustainability Committee established

October 2021 Green, Social And Sustainability Lending Programme established

December 2022 Climate Action Loans Programme established

March 2023 Sustainable Financing Bond Framework established

April 2023 Inaugural 15 May 2030 Sustainable Financing Bond issued under the Framework

Sustainable Financing Bond Framework

(Enables issuance of Sustainable Financing Bonds by LGFA with net proceeds notionally allocated to GSS loans and CALs)

Green Social and Sustainable (GSS) Loans by LGFA to councils and CCO borrowers

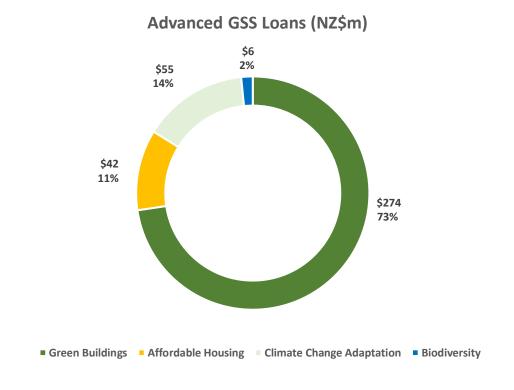
Climate Action Loans (CALs) by LGFA to councils and CCO borrowers

SUSTAINABLE FINANCING - GSS LOANS



LGFA Green, Social and Sustainability (GSS) lending programme*:

- To qualify as a GSS Loan, the loan must finance projects that meet one or more green or social loan categories.
- NZ\$377.2 million of GSS Loans advanced to date.



Green Loan Categories

- 1: Energy Efficiency
- 2: Green Buildings
- **3: Clean Transportation**
- 4: Sustainable Water & Wastewater Management
- 5: Renewable Energy
- **6: Pollution Prevention & Control**
- 7: Environmentally Sustainable Management of Living Natural Resources & Land Use
- 8: Climate Change Adaptation
- 9: Terrestrial & Aquatic Biodiversity Conservation

Social Loan Categories

- 1: Affordable Basic Infrastructure
- 2: Access to Essential Services
- 3: Affordable Housing

As at 30 November 2023 Source: LGFA

^{*} GSS Loans are documented as debt securities under LGFA's Multi-Issuer Deed.

SUSTAINABLE FINANCING – CLIMATE ACTION LOANS



- To qualify for a CAL, a council or CCO borrower (Borrower) must have the following*:
 - Emission Reduction Plan (ERP) setting out Emissions Reduction Targets including:
 - The Borrower's intended pathway to reduce its "Scope 1" and "Scope 2" Greenhouse Gas (GHG) emissions in line with the science-based trajectory (i.e. to support limiting global warming to no greater that 1.5 degrees Celsius above pre-industrial levels and net zero by 2050); 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).
 - 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.
- Progress to date:
 - Four Borrowers approved as eligible for CALs
 - NZ\$1,110.7 million of CALs advanced to date
 - LGFA is working with a further 5 Borrowers on their CAL applications

Source: LGFA

^{*} CALs are documented as debt securities under LGFA's Multi-Issuer Deed.

LGFA ALLOCATION REPORTING

As at 30 November 2023



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
Total	1,600		

	NZ\$ million		
Total Value of GSS Loans*	377.2		
Total Value of CALs*	1,110.7		
Total Value of Sustainable Loan Asset Pool*	1,487.9		
Total principal amount of Sustainable Financing Bonds on Issue	1,600		
Surplus Sustainable Loan Assets	(112.1)		
Sustainable Loan Ratio (x)	0.93x		

The net proceeds of the Sustainable Financing Bond will be notionally allocated to Sustainable Loans 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 invested in line with the Framework pending notional allocation to GSS loans and CALs.

Source: LGFA

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

LGFA ALLOCATION REPORTING

As at 30 November 2023



Sustainable Loans - 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 Advanced to date (NZ\$ million)	Allocation to Sustainable Loan Asset Pool under Framework (NZ\$ million)
Green Buildings	Wellington City Council	14 October 2021	Takina, 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	35	35
Green Buildings	Whangarei District Council	19 August 2022	Whangārei Civic Centre	Green Loan	59	59	59
Total Green Buildings Loans				280	274	274	
Climate Change Adaptation	Greater Wellington Regional Council	2 December 2021	RiverLink Project	Green Loan	227	55	55
Total Climate Change Adaptation Loans				227	55	55	
Biodiversity Conservation	Tauranga City Council	10 October 2023	Kopurererua Valley Stream Realignment	Green Loan	10.3	6.0	6.0
Biodiversity Conservation				10.3	6.0	6.0	
Affordable Housing	Christchurch City Council	17 November 2022	OCHT Social Housing	Social Loan	55	42.2	42.2
Total Social Loans				55	42.2	42.2	
Total	5 Borrowers				572.3	377.2	377.2

^{*}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.

Source: LGFA

6

LGFA ALLOCATION REPORTING

As at 30 November 2023



<u>Sustainable Loans – Climate Action Loans (CALs)</u>

Borrower	Maturity Date Range of CALs	Principal Amount Advanced to date (NZ\$ million)	Allocated to Sustainable Loan Asset Pool under Framework (NZ\$ million)
Auckland Council	May 2030 to April 2033	600	600
Dunedin City Treasury Limited	February 2030 to May 2031	250	250
Hutt City Council	October 2026 to September 2030	170.7	170.7
Kapiti Coast District Council	May 2026 to October 2030	90.0	90.0
Total		1,110.7	1,110.7

Source: LGFA