2025 Annual Impact Report

GREEN, SOCIAL AND SUSTAINABILITY LOANS AND CLIMATE ACTION LOANS FINANCED WITH SUSTAINABLE FINANCING BONDS

30 SEPTEMBER 2025

LGFA

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

Contents

Summary

Current Sustainable Finance Bond Framework: LGFA Sustainable Financing Bond Framework dated 17 September 2025.

Reporting period: Financial year end to 30 June 2025. The LGFA Annual Impact Report summarises GSS projects and CALs from the start of each lending programme (October 2021 and December 2022, respectively).

Impact reporting period: The impacts are reported for the financial year ending 30 June 2024.

Date of publication: 30 September 2025

Reporting approach:

- the current value of the GSS Loans included within the Sustainable Loan Asset Pool, which is based on the principal amount of the relevant loan advanced to the Borrower;
- the current value of CALs included within the Sustainable Loan Asset Pool, which is based on the principal amount of the relevant loan advanced to the Borrower;
- the notional allocation of net proceeds from the Sustainable Financing Bonds against the GSS Loans and CALs included in the Sustainable Loan Asset Pool; and
- disclosure of any unallocated net proceeds from the Sustainable Financing Bonds.

External review: Sustainalytics has undertaken a review of this Annual Impact Report, including that: the Sustainable Loans in the Sustainable Loan Register meet the CAL Criteria and the GSS Loan Criteria and comply with the Framework; and the impact reporting metrics have been fairly and accurately represented.

Executive Summary

New Zealand Local Government Funding Agency Limited (LGFA) is a Council Controlled Organisation (CCO) operating under the Local Government Act 2002. LGFA shareholders comprise the New Zealand Government with 20% of paid-up capital and 30 New Zealand local authorities (Councils) with 80% of paid-up capital. LGFA governance structure comprises the LGFA Shareholders Council and the LGFA Board of Directors (Board).

LGFA operates with the primary objective to optimise the terms and conditions of the debt funding it provides to participating borrowers. Participating councils and Council-controlled organisations are collectively referred to as LGFA members (Members). LGFA was incorporated as a limited liability company under the Companies Act 1993 on 1 December 2011, following the enactment of the Local Government Borrowing Act 2011.

As at 30 June 2025, LGFA has been assigned AAA and AA+ local currency credit ratings respectively from S&P Global Ratings Australia Pty Limited and Fitch Australia Pty Limited.

LGFA lends to councils and CCOs and over the year, market share of the local government debt market remained high at around 80%. LGFA is the sixth largest financial lending institution in New Zealand by assets after the five major banks.

Over the past five years LGFA has undertaken several innovative and successful initiatives including bespoke lending, short term lending, standby facilities, and sustainable finance lending programmes to CCOs.

LGFA issued its inaugural NZ$1.1 billion May 2030 in April 2023, the first Sustainable Financing Bond (SFB) issuance under our Sustainable Financing Bond Framework. As at 30 June 2025, the total outstanding in this maturity stood at NZ$2.26 billion. In October 2024, LGFA issued a second line of SFBs with a NZ$800 million bond maturing in May 2032. As at 30 June 2025, the total outstanding in this maturity stood at NZ$1 billion.

The Sustainable Financing Bond issuance continues to be well received by global and domestic investors who are looking for these types of sustainable finance investments for their portfolios. Our sustainable financing bond is backed by our sustainable asset pool comprising Green, Social and Sustainability Loans and Climate Action Loans to members.

The success of LGFA's SFBs has been recognised and in April 2024, the LGFA NZ$1.1bn Sustainable Financing Bond was named **"Sustainability Bond of the Year – Supranational"** at Environmental Finance's Sustainable Debt Awards 2024.

Over the past financial year, LGFA received the KangaNews Awards for the New Zealand Dollar Rates Deal and the New Zealand Sustainability Deal of the year for the 2032 Sustainable Financing Bond.

Environmental Finance
Sustainable Debt Awards 2024
Winner
Sustainability bond of the year – supranational

KANGANEWS AWARDS 2024
NEW ZEALAND DOLLAR RATES BOND DEAL OF THE YEAR
New Zealand Local Government Funding Agency
NZ$800 MILLION 4.50% MAY 2032 SUSTAINABLE FINANCING BOND
LEAD MANAGERS:
ANZ, BNZ, Commonwealth Bank of Australia, Westpac Banking Corporation New Zealand Branch

KANGANEWS AWARDS 2024
NEW ZEALAND SUSTAINABILITY BOND DEAL OF THE YEAR
New Zealand Local Government Funding Agency
NZ$800 MILLION 4.50% MAY 2032 SUSTAINABLE FINANCING BOND
LEAD MANAGERS:
ANZ, BNZ, Commonwealth Bank of Australia, Westpac Banking Corporation New Zealand Branch

This report provides information about the allocation of proceeds from LGFA's Sustainable Financing Bond issuance as at 30 June 2025. All proceeds are allocated against eligible GSS and CALs.

WE WELCOME YOUR FEEDBACK

As sustainable finance markets continue to evolve, so too will LGFA's approach as we respond to changing investor and market expectations. We strive for continuous improvement and welcome your feedback.

Back to contents

Message from the Chief Executive

In 2024-25, LGFA delivered many positive financial and non-financial outcomes whilst continuing to focus on meeting funding requirements for the local government sector, and extending our suite of funding products, achieving several key milestones:

- We have widened our funding base by introducing new products including establishing a European Medium-Term Notes (EMTN) Programme and NZD Bond repurchase programme to join our existing AUD Bond and NZD Bond programmes;
- Negotiating a refreshed Crown Liquidity Facility which will be upsized and extended in tenor;
- We have received an upgrade of two notches to our S&P credit rating;
- We have announced more flexible funding for our higher growth councils and to enable more flexible lending to the new water CCOs.

Over the past year, we also approved three new CCO members: Far North Holdings Limited, Timaru District Holdings Limited and Christchurch City Holdings Limited, bringing total CCO membership to eight. Our 77 council members represent all councils, except for Chatham Islands District Council.

These achievements mean we are well positioned to continue to offer efficient financing to the local government sector, including sustainable lending.

The statement of service performance provides a summary of LGFA's performance against the objectives and performance targets set out in the LGFA Statement of Intent 2024-27 (SOI). Our performance against our environmental and social responsibility objectives over the year to June 2025 saw the following outcomes:

- approved one new GSS loan to Tauranga City Council for the NZ$103 million Te Manawataki o Te Papa green building project. As at June 2025, we have approved seven GSS loans with a combined approved value of NZ$675.3 million of which NZ$453.9 million has been advanced.
- advanced a further NZ$923 million under our CAL lending programme. As at June 2025, seven councils have been approved for CAL loans with combined qualifying loans totalling NZ$3.7 billion.

In addition, we increased the capacity of our sustainability team to support the growth of our sustainable lending programmes which includes the development of a sustainable financing option for the new water CCOs which will be established under the Local Water Done Well Programme. The Local Government (Water Services) Bill established the enduring settings for New Zealand's new water services system. In August 2024, as part of Central Government's Local Water Done Well Programme, LGFA announced that financially supported water CCOs would be able to join LGFA and access competitive financing through our range of lending products. LGFA has been actively engaging with its council members and their advisors over the past 12 months to provide information on how it will be able to assist councils with the financing of their water operations.

Stakeholder engagement remains a key priority and over the 2024-25 year, LGFA held over one hundred meetings with our council and CCO members—many of which included discussions with members on how LGFA can support councils with sustainability financing.

In March 2025, LGFA hosted the inaugural LGFA Sustainable Finance Series which attracted up to 180 attendees from 54 councils. The objective of the series was to:

- Provide guidance to councils on accessing climate-related funding and green, social, and sustainable financing instruments;
- Assist in building capability to effectively source climate-related funding;
- Highlight useful data and tools (development, collection and communication of risk information).

LGFA is committed to continue this initiative along with others that deliver on LGFA's objectives to:

- Assist the local government sector in achieving their sustainability and climate change objectives;
- Improve sustainability outcomes within LGFA.

Back to contents

Sustainability at LGFA

Sustainability at LGFA means being responsible with our finances, our people, our stakeholders (which includes our council and CCO members) and our environment.

LGFA recognises it has a critical role in supporting its members to take action to achieve the greenhouse gas (GHG) emissions reduction and broader sustainability goals of New Zealand. By incentivising decarbonisation and directing capital towards the development of environmental and social assets through our sustainable lending programmes, LGFA can assist members to do their part to accelerate the transition to an inclusive, resilient, and net zero GHG emissions society in New Zealand.

Our sustainability approach is driven by the risks and opportunities we face as a lender, issuer and investor over a long-term horizon. Our approach includes improving sustainability outcomes within the company, as well as assisting the local government sector achieve their sustainability objectives within their communities.

The purpose of LGFA's Sustainability Strategy is to achieve the following:

- be financially resilient;
- manage our exposure to sustainability-related risks;
- allow us to benefit from sustainability-related opportunities;
- improve behaviour and decision-making in relation to sustainability across all areas of our operations;
- show leadership, support and enable the local government sector to improve their sustainable practices;
- help us prepare for any changes in national sustainability programmes.

As the primary lender to the local government sector, council and CCO member investments form an important element of LGFA's sustainability context. LGFA finances their core investments into improving New Zealand's infrastructure and services to residents and visitors and supports investment in projects that enable more sustainable and resilient communities.

LGFA is exposed to the climate-related risks that face the local government sector and is committed to support its council and CCO members to manage these risks whilst delivering broader sustainable outcomes for local communities.

LGFA's other foundation objectives are to conduct our affairs in accordance with sound business practice, exhibit social and environmental responsibility by having regard to the interests of the community and to be a good employer.

Evolution of Sustainability at LGFA

Apr 2021 — Head of Sustainability appointed

Jun 2021 — Toitū Envirocare net carbonzero certification

Sep 2021 — Sustainability Committee established

Oct 2021 — Green, Social And Sustainability Lending Programme launch

Dec 2021 — First GSS Loans approved

Dec 2022 — Climate Action Loans Lending Programme launch

Mar 2023 — Sustainable Financing Bond Framework established

Mar 2023 — First Climate Action Loans approved

Apr 2023 — $1.1 billion Inaugural 2030 Sustainable Financing Bond issued

Oct 2023 — Climate Action Loans surpass $1 billion

Apr 2024 — Environmental Finance 2024 Sustainability bond of the year – supranational

Aug 2024 — Climate Action Loans surpass $3 billion

Inaugural Climate-related disclosures released

Oct 2024 — $800 million 2032 Sustainable Financing Bond issued

Nov 2024 — Senior Manager Sustainable Finance Appointed

Jan 2025 — Total Sustainable Financing Bond issuance reaches $3 billion

Mar 2025 — Sustainable Finance Workshop Series

Jun 2025 — Combined Sustainable Loan Asset Pool reaches $4.1 billion

Back to contents

Governance of our Sustainable Finance Programme

LGFA's Board has ultimate oversight of LGFA's sustainability strategy and sustainable finance programme which includes the Sustainable Financing Bond Framework.

Given the broad range of sustainability initiatives being undertaken by borrowers, the LGFA Sustainability Committee was established in 2021 to assist LGFA achieve its sustainability objectives in alignment with best practice.

The purpose of the Sustainability Committee is to advise the CE on sustainability issues and opportunities within LGFA, across its operating, borrowing and lending activities. The Sustainability Committee also reviews applications for GSS Loans and CALs.

The Committee comprises a minimum of six members, including a representative of the Board as Committee Chair, three LGFA employees, and a minimum of two external appointees. The committee currently has four external members who have extensive climate and sustainability experience and were selected by LGFA to provide expert insights.

Alison Howard

Chris Thurston

David Woods

Erica Miles

The key responsibilities of the Committee are to:

- Provide input into the governance and oversight process of the GSS Programme, CAL Programme and Sustainable Financing Bond issuance, as well as LGFA's plans to continually manage and reduce its own emissions and grow the data collection relating to financed emissions.
- Review and make recommendations to the CE as to the introduction of new sustainability (including sustainable finance) initiatives that meet LGFA's sustainability strategic ambition and legislative obligations.
- Recommend to the CE approval of applications in relation to GSS loan and CAL applications following review by the Committee.

LGFA's management team first assess applications for GSS loans and CALs, followed by the Sustainability Committee's review who then provide a recommendation to the CE as to whether to accept each GSS loan and CAL application. If approved by the CE, these loans may be advanced and can be considered for inclusion within the Sustainable Loan Asset Pool.

Before the issue of a Sustainable Financing Bond, LGFA management will review and provide to the Board a recommendation regarding the Sustainable Loan Asset Pool.

LGFA management is also responsible for:

- the reporting and external review requirements under its Sustainable Financing Bond Framework and the CAL Criteria and GSS Loan Criteria; and
- the notional allocation of the net proceeds of Sustainable Financing Bonds to the Sustainable Loan Asset Pool.

Back to contents

Sustainable Financing Bond Framework

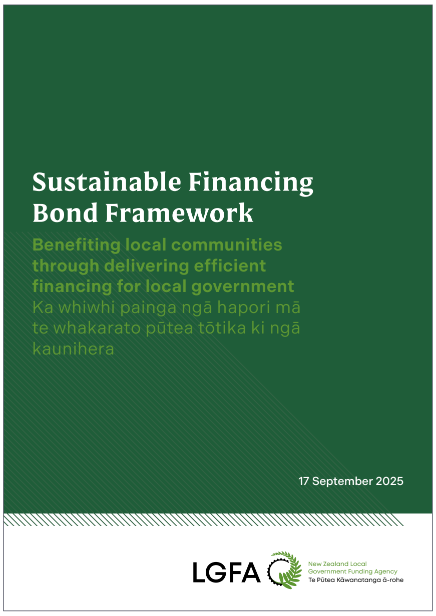
LGFA's Sustainable Financing Bond Framework is the governing document for LGFA's Sustainable Financing Bond programme.

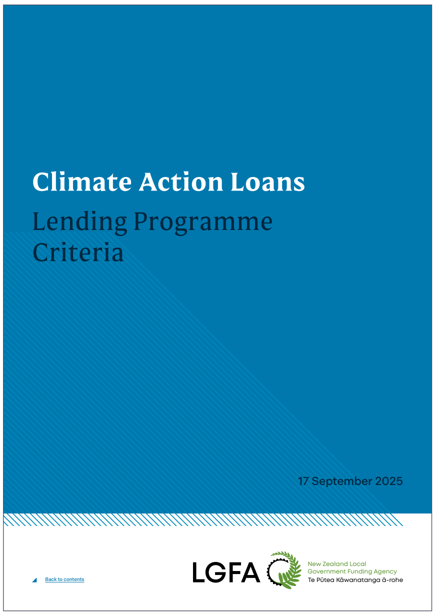
LGFA's Criteria Documents for GSS Loans and CALs

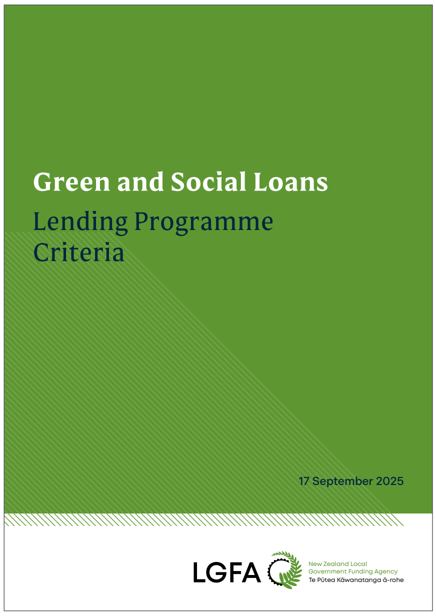
The Sustainable Financing Bond Framework is supplemented by LGFA's two Criteria documents for Sustainable Loans:

- Green, Social and Sustainability Lending Programme – Criteria dated 31 March 2023; and
- Climate Action Loans Programme Criteria dated 31 March 2023.

The criteria documents were updated and the new criteria has been in place since 17 September 2025 (the GSS Loans – Lending Programme Criteria have been renamed Green and Social Loans – Lending Programme Criteria). Any assets added to LGFA's eligible asset pool after 17 September 2025 will need to meet the new criteria.







Back to contents

Sustainable Financing Bond Framework

LGFA's Sustainable Financing Bond Framework was developed to:

- recognise LGFA's commitment to support Borrowers to fund environmental and social projects, assets and activities, and incentivise GHG emission measurement and reductions for a Borrower's operational emissions;
- enable LGFA to issue bonds that are notionally allocated to the Sustainable Loans on LGFA's balance sheet; and
- advance the market for sustainable finance by providing an innovative and holistic opportunity for investors to support Borrowers to achieve their sustainability aspirations.

The Framework is the governing document for LGFA's Sustainable Financing Bond programme and outlines the process by which LGFA intends to issue and manage sustainable financing bonds, the net proceeds of which will be notionally allocated to a pool of Sustainable Loans (the pool may comprise either GSS Loans, CALs or both) that meet the eligibility criteria set out in the Framework. It also describes the processes for evaluating and approving Sustainable Loans, and how the funds raised are managed.

In September 2025, LGFA updated its Sustainable Financing Bond Framework to reflect evolving market standards.

The Framework, dated 17 September 2025, is informed by:

- International Capital Markets Association's (ICMA) Green Bond Principles (GBP) and Social Bond Principles (SBP); and
- Asia-Pacific Loan Market Association's (APLMA) Green Loan Principles (GLP), Social Loan Principles (SLP), and Sustainability-Linked Loan Principles (SLLP);
- (together, the Market Standards).

The Framework follows the "proceeds-based" pillars of the Market Standards (particularly the GBP, the SBP and the SBG), and is underpinned by the GS Loan Criteria and the CAL Criteria (dated 17 September 2025).

Important note: LGFA is not claiming direct alignment with the Market Standards. Any bonds that LGFA may choose to issue under the Framework will not be Green, Social or Sustainability Bonds*, and nor will they be Sustainability-Linked Bonds**.

* Given the nature of the Sustainable Loan Asset Pool, which comprises both GSS Loans and CALs together in the same pool, Sustainable Financing Bonds do not meet the "Use of proceeds" requirement under the GBP or the SBP.

** This is because the bonds will not include sustainability targets for LGFA or have variable coupons or redemptions.

Use of Proceeds

The proceeds of LGFA's Sustainable Financing Bonds have been allocated to projects, assets and activities that deliver environmental and/or social benefits, and member Councils and CCOs (Borrowers) who have been incentivised to achieve greenhouse gas emission reductions. Both conform to the eligibility criteria set out in LGFA's Criteria Documents for Green, Social and Sustainability Loans (GSS Loans) (revised as at 17 September 2025 to Green and Social Loans (GS Loans) and Climate Action Loans (CALs).

The Lending Programme Criteria documents dated 17 September 2025, each have their individual components outlined below.

Climate Actions Loans

LGFA's CAL lending product was launched in December 2022 and has since been updated in September 2025. CALs provide a discounted loan margin for members who are measuring their greenhouse gas (GHG) emissions annually, have an approved GHG emission reduction plan in place and are meeting their GHG emission reduction targets. The proceeds of CALs are used for general funding purposes and can be used to refinance a members existing borrowing or for new borrowing through LGFA.

LGFA's approach to developing CALs has been undertaken with reference to the Sustainability-Linked Loan Principles, 2025[1], with some exceptions to suit the LGFA lending model for a CAL.

The four applicable components of these principles used to set the Criteria are:

- Selection of predefined key performance indicators;
- Calibration of predefined sustainability performance targets;
- Reporting; and
- Verification.

During the financial year, the amount allocated under this initiative has increased by NZ$923 million, with loans of NZ$3.67 billion outstanding to seven councils as at 30 June 2025.

Green, Social and Sustainability Loans

The GSS lending programme, launched in October 2021 and since updated in September 2025, is now defined as LGFA's Green and Social Lending Programme Criteria but will be referred to as GSS Loans throughout the remainder of this report as the new criteria was not in place during the reporting period that this annual impact report covers.

GSS Loans provide funding for LGFA members across nine green project categories (updated to ten in the September 2025 criteria) and three social project categories. The purpose of GSS Loans is to directly finance new Projects that deliver demonstratable environmental and/or social benefits.

LGFA's approach to providing GSS Loans has been undertaken in alignment with the Green Loan Principles[2] (GLP) and the Social Loan Principles[3] (SLP).

1 www.lsta.org/content/sustainability-linked-loan-principles-sllp/

2 APLMA / LMA / LSTA - Green Loan Principles (March 2025).

3 APLMA / LMA / LSTA – Social Loan Principles (March 2025).

Back to contents

LGFA's GS Lending Programme aligns to the core components of these principles, including:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting.

During the financial year, members borrowed NZ$77 million under our Green, Social and Sustainability (GSS) lending product, taking outstanding GSS Loans allocated to NZ$454 million to six members as at 30 June 2025.

Back to contents

Overview of Sustainable Financing Bond issuance

In April 2023, LGFA issued a Sustainable Financing Bond, NZ$1.1 billion of a 4.5% 15 May 2030 bond through a syndication process. This was LGFA's inaugural Sustainable Financing Bond and followed the release of LGFA's Sustainable Financing Bond Framework (Framework) on 31 March 2023.

LGFA's Framework was market leading, combining two sustainable loan programmes into the same 'Sustainable Loan Asset Pool'. This includes the Green, Social and Sustainability Lending Programme and the Climate Action Loans Lending Programme. An amount equal to the proceeds of the Sustainable Financing Bonds has been notionally allocated to the Sustainable Loan Asset Pool.

The framework since been updated to reflect the latest policy and science in the sustainable finance market standards. Sustainalytics was engaged to provide a Second Party Opinion on the Framework which can be found here – www.lgfa.co.nz/sites/default/files/2025-09/LGFA%20Sustainable%20Financing%20Bond%20Framework%20Second%20Party%20Opinion%202025.pdf.

Inaugural Sustainable Financing Bond terms

- **Framework:** New Zealand Local Government Funding Agency Sustainable Financing Bond
- **Issuer:** New Zealand Local Government Funding Agency
- **Issue Rating:** AAA/AA+ (S&P/Fitch)
- **Instrument:** Unsecured, unsubordinated fixed rate sustainable financing bonds.
- **Issue Date:** 12 April 2023
- **Maturity Date:** 15 May 2030
- **Issue amount:** NZ$1.1 billion
- **Sustainability Coordinator:** Westpac New Zealand
- **Arranger:** Westpac Banking Corporation New Zealand Branch
- **Joint Lead Managers:** ANZ, BNZ, Commonwealth Bank of Australia, and Westpac Banking Corporation New Zealand Branch
- **Coupon:** 4.50%
- **NZX Code:** LGF170
- **NZX Instrument Type:** Sustainable Financing Bond
- **Amount on issue as at 30 June 2025:** NZ$2.26 billion

Sustainable Financing Bond issuance during the 2025 financial year

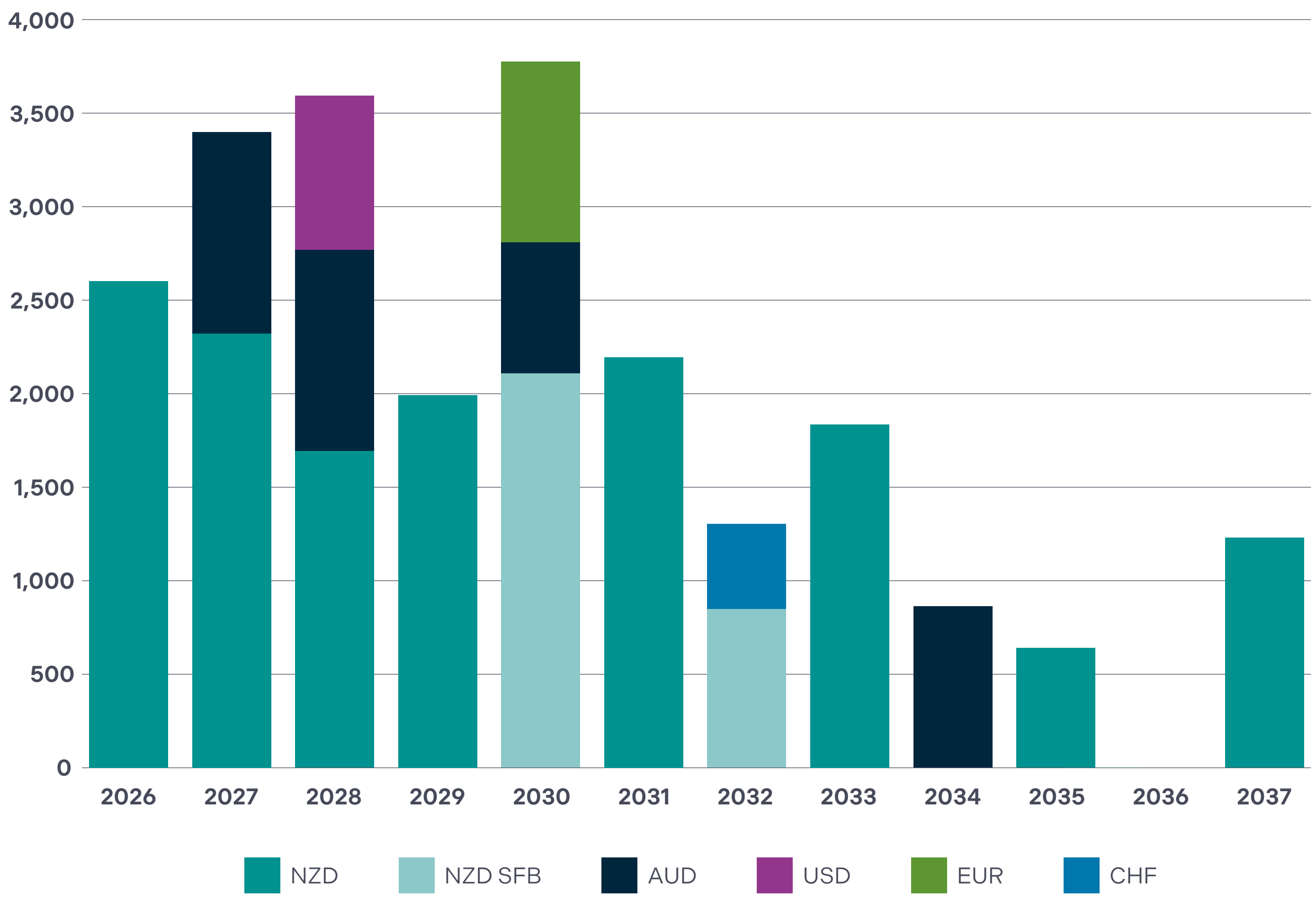
In October 2024, LGFA issued a second line of Sustainable Financing Bonds with a NZ$800 million bond maturing in May 2032. Further tender increases of both the 2030 and 2032 Sustainable Financing Bonds were undertaken during the year resulting in outstandings as at 30 June 2025 of NZ$2.26 billion and NZ$1 billion respectively.

Second Sustainable Financing Bond terms

- **Framework:** New Zealand Local Government Funding Agency Sustainable Financing Bond
- **Issuer:** New Zealand Local Government Funding Agency
- **Issue Rating:** AAA/AA+ (S&P/Fitch)
- **Instrument:** Unsecured, unsubordinated fixed rate sustainable financing bonds.
- **Issue Date:** 8 October 2024
- **Maturity Date:** 14 May 2032
- **Issue amount:** NZ$800 million
- **Arranger:** Westpac Banking Corporation New Zealand Branch
- **Joint Lead Managers:** ANZ, BNZ, Commonwealth Bank of Australia, and Westpac Banking Corporation New Zealand Branch
- **Coupon:** 4.50%
- **NZX Code:** LGF180
- **NZX Instrument Type:** Sustainable Financing Bond
- **Amount on issue as at 30 June 2025:** NZ$1 billion

LGFA bonds on issue

NZD millions as at 30 June 2025, excluding treasury stock



Back to contents

Allocation Reporting

LGFA will 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.

Sustainable Financing Bonds Summary and Sustainable Loan Asset Pool (as at 30 June 2025)

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	14/05/32
LGF170	50	16/12/24	15/05/30
LGF180	50	28/01/25	14/05/32
LGF170	50	28/01/25	15/05/30
LGF180	50	17/02/25	14/05/32
LGF170	50	17/03/25	15/05/30
LGF180	50	15/04/25	14/05/32
LGF180	50	12/05/25	14/05/32
LGF170	50	09/06/25	15/05/30
Total	**3,260**		

	NZ$ million
Total Value of GSS Loans*	453.90
Total Value of CALs*	3,669.45
Total Value of Sustainable Loan Asset Pool*	**4,123.35**
Total principal amount of Sustainable Financing Bonds on Issue	3,260.00
Surplus Sustainable Loan Assets	**863.35**
Sustainable Loan Ratio (x)	**1.26x**

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

Back to contents

Summary of Impacts

This summary of the eligible asset pool details the headline impact and approved loan limits for GSS Loans, and drawn amounts for CALs.

Green, Social and Sustainability Loans

GREEN BUILDINGS

- Tākina, Wellington Convention and Exhibition Centre
  - 5 green-star rated
  - NZ$180 million
- Te Ngaengae Pool and Fitness Centre
  - 5 green-star rated
  - NZ$41 million
- Te Iwitahi - Whangarei Civic Centre
  - Targeting a 4-star NABERSNZ rating
  - NZ$59 million
- Te Manawataki o Te Papa
  - Targeting 6 green-star rating
  - NZ$103 million

CLIMATE CHANGE ADAPTATION

- Te Wai Takamori o Te Awa Kairangi - RiverLink Project
  - Protecting Lower Hutt city centre from flooding
  - NZ$227 million

TERRESTRIAL AND AQUATIC BIODIVERSITY CONSERVATION

- Kopurererua Valley Stream Realignment
  - Recreating fish and bird habitats
  - NZ$10.3 million

AFFORDABLE HOUSING

- Ōtautahi Community Housing Trust Social Housing
  - Providing low-cost community housing
  - NZ$55 million

Climate Action Loans

AUCKLAND COUNCIL

- NZ$1,100million

DUNEDIN CITY TREASURY LIMITED

- NZ$420 million

GREATER WELLINGTON REGIONAL COUNCIL

- NZ$427 million

HUTT CITY COUNCIL

- NZ$350.7 million

KAPITI COAST DISTRICT COUNCIL

- NZ$220 million

TAURANGA CITY COUNCIL

- N$395.25 million

WELLINGTON CITY COUNCIL

- NZ$756.5 million

Back to contents

Impact Reporting

Green, Social snd Sustainability Loans

LGFA acknowledges the importance of financing projects that promote environmental and social wellbeing in New Zealand, and which fund eligible green and/or social projects. To qualify as a GSS Loan, the loan must finance projects that meet one or more green or social loan categories[4].

GREEN LOAN CATEGORIES

1. Energy Efficiency
2. Green Buildings
3. Clean Transportation
4. Sustainable Water and Wastewater Management
5. Renewable Energy
6. Pollution Prevention and Control
7. Environmentally Sustainable Management of Living Natural Resources and Land Use
8. Climate Change Resilience and Adaptation
9. Terrestrial and Aquatic Biodiversity Restoration, Conservation and Enhancement
10. Circular Economy Adapted Products, Production Technologies, Processes and Business Models[5]

SOCIAL LOAN CATEGORIES

1. Affordable Basic Infrastructure
2. Access to Essential Services
3. Affordable or Social Housing

Projects that have been financed through a GSS loan are detailed in the following section. We have reported the qualitative impacts and quantitative impacts, where available.

Green Buildings

TĀKINA WELLINGTON CONVENTION AND EXHIBITION CENTRE, WELLINGTON CITY COUNCIL

Tākina is Wellington's largest infrastructure investment since the Wellington Regional Stadium two decades ago. Tākina offers a powerful combination of facilities across three floors and 18,000 sqm that is drawing visitors to Wellington to learn, meet and be inspired. Opened in June 2023, Tākina has been awarded a **5-star Green Star rating by the New Zealand Green Building Council** for a design that reduces energy use by 60% and carbon emissions by 66% when benchmarked against comparable new builds. The building's features include a rainwater harvesting system, smart air conditioning and enhanced thermal insulation.

4 Green and Social Loan categoriy titles reflect those titles updated in the Green and Social Loans – Lending Programme Criteria.

5 New project category added in September 2025.

Back to contents

Benefits

The use of sustainable materials, initiatives to reduce energy and water use, and the inclusion of renewable energy capability make Tākina a landmark for Wellington's sustainable future. Sustainable features include:

- Enhanced thermal insulation and high-performance double glazing using SEFAR technology, for improved thermal comfort and energy efficiency;
- Rainwater harvesting system (30,000 litres) for toilet flushing and evaporative cooling to reduce water consumption by 30%;
- Adaptable and demand-controlled air conditioning system reducing energy use;
- Predominantly heat pump heating to reduce reliance on fossil fuels;
- Post-occupancy energy optimisation systems to monitor and fine tune energy usage;
- Future proofing to accommodate on-site renewable energy generation via solar array;
- The use of environmentally preferable materials for improved indoor air quality. Timber materials sourced from sustainable forestry; and
- Display screens communicating real-time building sustainability metrics such as water and energy consumption, as well as carbon emissions.

In addition, Tākina is expected to supply 372 direct jobs and bring in and protect business worth around NZ$45 million a year in GDP to Wellington's economy, including money spent in hotels, restaurants, bars and shops.

Tākina was named the **2024 Wellington Architecture Awards Winner** and has been internationally recognised with a highly respectable **runner-up spot in the 2025 World-Architects 'Building of the Year' awards**.

Impact Measures

Wellington City Council has measured the energy and water usage for Tākina during the financial year ending 30 June 2024. Actual performance has been compared against conservative forecast performances. Wellington City Council has undertaken building commissioning and tuning where they continue to identify and implement further energy efficiency opportunities, with the objective of achieving an optimistic benchmark and as reported, are close to achieving the conservative benchmark. The team are focused on reducing gas consumptions without materially increasing electricity consumption which is currently trending downwards and expected to continue.

- Electricity usage
  - 2,003,489 kWh compared to a conservative annual forecast performance of 1,940,000 kWh
- Gas usage
  - 1,756,129 kWh compared to a conservative annual forecast performance of 1,530,000 kWh
- Water consumption
  - 8,362 m3 compared to an annual forecast of 8,367 m3

As mentioned earlier, Wellington City Council has undertaken a building commissioning and tuning for Takina, which was a two-year process and is now complete. The impact of this work will be reflected in future years energy data.

TE NGAENGAE POOL + FITNESS, HUTT CITY COUNCIL

New Zealand's first green-star rated pool and fitness centre opened in December 2024. Te Ngaengae Pool + Fitness has a 50m Olympic pool with 10 lanes and two moveable bulkheads and pool floor so it can be used for different activities at the same time. A second leisure pool has a shallow section for family fun, and a deep section with ramp access, seating and hydro jets for maximum accessibility. The new swimming pool is 65% bigger than the old pool and will be much more energy efficient with up to 53% reduction on energy use. The project has been strongly community-led and is using local suppliers and contractors to benefit the local community. It is New Zealand's **first 5-star Green Star rated aquatic centre** and will reduce emissions of the old pool by more than 50%.

Design Features and Benefits

The following features have been included in the Ngaengae pool project:

- Highly insulated building fabric;
- High performance window glazing with low emissivity coating;
- Independent Commissioning Agent and 12-months building tuning;
- Climate Adaptation Plan;
- Electrical and water metering and BMS monitoring systems;
- High quality indoor environment with a focus on ventilation rates, acoustics, lighting and thermal comfort;
- High water quality due to pool water circulation rates and filtration;
- Energy efficient heating and cooling systems (air source heat pumps and chillers), demand-controlled ventilation, LED lighting, high efficiency fans;
- Water efficient design of pool and domestic water systems;
- Responsible and sustainable product selections, prioritising products with third-party accreditation (eco-labels);
- Improving ecological value of the site;
- Managing emissions from site including stormwater, light pollution, and refrigerants;
- Over 70% of the workforce were sourced from local suppliers delivering economic benefits to the Hutt Valley.

Te Ngaengae Pool + Fitness has a strong cultural connection:

The name Te Ngaengae was proposed by Te Rūnanganui o Te Āti Awa[6] and approved by Council. It reflects the original Māori name of the suburb and is a tribute to the rivers that shaped the land. Te Rūnanganui o Te Āti Awa gifted the project a cultural history to inform design and is reflected in the architecture of Te Ngaengae.

The building's roof is reimagined as an upturned waka (a traditional Maori canoe), and the entrance features a roof canopy that appears as the bow of a waka supported by a 5.5 m "pou whenua", standing like Tāne, God of the forest.

The community has also contributed to the design in the form of individual woven stars captured on digital film, "Nga Whetu". There is a weaving pattern to the changing room tiles and "Ara Moana" pattern to the pillars that support the main pool roof.

The Ngaengae Pool and Fitness Centre received the **Infrastructure Decarbonisation Award** at the 2025 Infrastructure New Zealand's Building Nations Impact Awards and won the **Environmental Sustainability Award** at the New Zealand Sport and Recreation Awards in July 2025.

Projected Impacts

- Modelling indicated an 84% reduction in operational GHG emissions for the financial year ending 30 June 2024, when the proposed project model was compared with a hypothetical benchmark model.
- Modelling indicated a 79% reduction in total operational energy for the financial year ending 30 June 2024, when the proposed project model was compared with a hypothetical reference model.

Operational GHG emissions and energy consumption will be reported in next year's annual impact report.

TE IWITAHI – WHANGAREI CIVIC CENTRE, WHANGAREI DISTRICT COUNCIL

Designed to provide a welcoming, inclusive and easily accessible customer experience. The 8,000m² building opened in June 2023 and has been designed to be sustainable and to strongly reflect Whangarei's cultural identity and heritage. Te Iwitahi is an extremely efficient, sustainability-focused, fully accessible building, designed for high functionality now and into the future, and **earned the Supreme Award** for **projects costing over NZ$10 million at the New Zealand Commercial Project Awards 2024**.

6 **Te Runanganui O Te Atiawa** is the mandated iwi authority for the peoples of the tribe Te Atiawa.

Benefits

Te Iwitahi has several sustainability features, including:

- Method bins are situated throughout the building to sort waste into various streams (landfill, paper, glass, mixed recycling and compost);
- 112 solar panels, generating up to 50.96 kWp per hour of sunlight;
- Water collection tanks which provide water for flushing the ground floor toilets;
- Climate-friendly building materials;
- A Building Management System to effectively monitor and manage utilities;
- Outside the building are 6 electric and hybrid vehicle charging stations, 4 e-bike chargers and secure parking for 36 bikes and scooters – initiatives to encourage people to be more active, leaving vehicles at home in an effort to improve well-being and help the environment.

The design has been influenced by the creation narrative of Māoridom which can be seen throughout the building.

Each floor of Te Iwitahi reflects a journey through the natural world: starting at the ground level with earth, then the physical environment, then water, and finally the celestial realm on level 3, shown through colours, patterns, textures and room names.

This has also guided the design elements of the surrounding landscaping, with features such as a kāpehu (compass) inlaid into the entrance path, pointing out significant landmarks in the area, night-illuminated celestial screens on the ātea (courtyard), showing constellations visible from the South Pacific and further afield. The living walls of the building's external stairwells are also planted with a critically threatened leafy vine.

Above the entrance to Te Iwitahi, visitors are welcomed with greetings from a wide array of languages. This was developed in close partnership with the Whangarei Multi-Ethnic Collective, and pays homage to the multi-cultural diversity of ethnicities within the Whangarei District.

Impact Measures

The following impact measures do not have any comparatives as they represent the first full financial year in operation, ending 30 June 2024. Comparatives will be provided in future reporting.

- Water consumption
  - 4,459KL
- Energy usage
  - 687,324.48 kWh

TE MANAWATAKI O TE PAPA, CIVIC PRECINCT – THE HEARTBEAT OF TE PAPA, TAURANGA CITY COUNCIL

Te Manawataki o Te Papa, the heartbeat of Te Papa is Tauranga's new civic precinct that will foster widespread benefits reaching out to the entire region and offering a city centre that celebrates and reflects the unique cultural heritage of Tauranga.

Te Manawataki o Te Papa will feature a library and community hub, civic whare (public meeting house), museum, and an exhibition gallery. Upgrades to a local Community and Art Centre and Tauranga's Art Gallery are also part of the redevelopment programme, complemented by extensive beautification and landscaping of the area to create a space for shared storytelling, cultural connection, and community engagement.

The civic precinct will be an inclusive space for the entire community and will create a legacy for future generations, not only for the community space it will provide, but also the footprint it will leave. Tauranga City Council have committed to putting sustainability at the forefront of design, targeting a **NZGBC 6-star Green Star Design** which reflects world leadership in sustainability. To achieve that aspiration, a mass timber hybrid structure has been adopted to minimise the buildings' carbon impact and help create a better environment for our future.

Mātauranga Māori design influence shines through in the structures, with the project team working closely with mana whenua to develop a series of cultural design outcomes, which will feature across the civic precinct and help tell the story of the city's rich past to all those who visit.

Projected Benefits

Projections indicate that as early as 2035, the new civic precinct could see triple the number of people visiting Tauranga's city centre, with visits to the new civic precinct averaging 5,500 people a day.

Economists have also predicted that over the lifetime of the development, the civic precinct will significantly contribute to city centre GDP and deliver wider economic benefits, generating up to more than NZ$1 billion in estimated quantified benefits over the next 60 years.

Te Manawataki o Te Papa could also see thousands more people moving into homes built in and around the city centre, and hundreds more businesses opening in the central and inner area of the city, adding to the vibrancy of the city centre.

Climate Change Adaptation

TE WAI TAKAMORI O TE AWA KAIRANGI – RIVERLINK PROJECT, GREATER WELLINGTON REGIONAL COUNCIL

Lower Hutt is the most densely populated flood plain in New Zealand. It has a history of flooding that led to the construction of the existing stopbanks on either side of the Hutt River. Te Wai Takamori o Te Awa Kairangi-Riverlink project involves upgrading the stopbanks as well as deepening and widening the river channel to protect Lower Hutt city centre from a one in 440-year flood event (which has a 0.2% chance of occurring in any year), at the same time enhancing the ecological health of the river. The new stopbank will be largely in the same location of the existing stopbank but will be approximately 1.5 metres higher, allowing more water to pass safely during floods. It will also provide flood protection during the subsequent construction of new bridges as part of the wider Te Awa Kairangi project.

Te Wai Takamori o Te Awa Kairangi programme of works is being delivered through a partnership between Greater Wellington, Hutt City Council and Waka Kotahi NZ Transport Agency, working together with Mana Whenua partners – Ngāti Toa Rangatira and Taranaki Whānui ki te Upoko o te Ika.

Projected Benefits

- Expected to safeguard residents from large flood events that could affect up to 3,000 homes, 5 schools and 600 businesses, with the potential to cause an estimated NZ$1.1 billion worth of damage across the community;
- The height of the stopbanks will be increased to strengthen flood defences and improve resilience;
- The river channel will be widened giving more room for it to flow naturally. A wide channel will help a higher volume of water to pass during floods;
- As well as improving flood protection, Te Awa Kairangi project will develop better transport connections in central Lower Hutt and create a new riverside area. Plans include improved walking, cycling, and public transport options which will bring development without increasing congestion and greenhouse gas emissions.

This project is expected to be completed in 2032.

Terrestrial and Aquatic Biodiversity Conservation

KOPURERERUA VALLEY STREAM REALIGNMENT, TAURANGA CITY COUNCIL

The Kopurererua Valley Stream Realignment project will realign and restore the Kopurererua River, along with the creation of a new cycle path and a new wetland at the Kopurererua Valley Reserve. Kōpūrererua Valley Reserve is situated between residential neighbourhoods in Tauranga and is the only inner-city reserve in Tauranga, covering 364 hectares.

Projected Benefits

In partnership with Ngāi Tamarāwaho and Bay of Plenty Regional Council, Tauranga City Council will deliver the following benefits through this project:

- The realignment of the river channel, and the subsequent creation of a wetland will slow the flow of the water, improving water quality, assisting in flood control, and ultimately providing climate change resilience;

- The realignment of the river will recreate fish and bird habitats and help to restore the mauri that has been lost over time;
- Community access and connection to the reserve will significantly increase;
- A transport thoroughfare with a cycle-friendly green route.

This project is now complete and water quality and fish survey results will be reported every five years.

Affordable or Social Housing

ŌTAUTAHI COMMUNITY HOUSING TRUST AFFORDABLE HOUSING PROJECT, CHRISTCHURCH CITY COUNCIL

Christchurch City Council (CCC) will borrow up to NZ$55 million to provide finance to Ōtautahi Community Housing Trust (ŌCHT). ŌCHT was formed in 2016 out of CCC's objective for a financially sustainable model for its social housing portfolio. ŌCHT provides low-cost community housing, supported by a government subsidy, where possible. ŌCHT is the second largest Community Housing Provider in New Zealand and it manages approximately 2,428 houses, which include a combination of CCC leased properties, homes owned by ŌCHT, and private rentals. Part of ŌCHT's programme is to build at least 366 units to replace those lost due to the Canterbury earthquakes and the GSS Loan is to finance the build of these properties.

Impact Measures

As at 30 June 2025, ŌCHT has built 312 of 366 homes, comprising social, affordable, and progressive home ownership homes to Christchurch; more of the homes are multi-bedroom, which replace previous single bedroom homes, with ŌCHT adding 496 bedrooms to community housing to Christchurch.

Climate Action Loans

LGFA's Climate Action Loan (CAL) lending programme, launched in December 2022, rewards a borrower through a lending margin discount if they have adopted an Emission Reduction Plan setting out specific Emissions Reduction Targets for their operational greenhouse gas emissions at member council or CCO level. The CAL Lending Programme criteria was updated in September 2025 to reflect the evolving nature of carbon accounting.

To qualify for a CAL, a borrower must have the following:

- Produce an annual assured GHG Emissions Inventory for its organisational emissions;
- Set science-aligned targets for its organisational emission (ERTs); and
- Have an approved Emissions Reduction Plan (ERP) that sets out how and those targets will be achieved.

As at 30 June 2025, there are seven LGFA borrowers approved as eligible for CALs. A summary of each borrower's GHG emission reduction targets and their progress against these targets as at 30 June 2024, has been provided below. Additional information related to the Borrower's Emission Reduction Plan and emission sources has also been provided. Each borrower has measured their GHG emissions in accordance with either the Greenhouse Gas Protocol and/or ISO 14064-1:2018 and have been verified by an approved, third-party assurance provider.

AUCKLAND COUNCIL

In July 2020, Auckland Council adopted "Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan" which sets goals to halve regional GHG emissions by 2030 (against a 2016 base year) and achieve net zero GHG emissions by 2050. The council has confirmed its intention to take action to support achievement of these regional goals.

The main sources of Auckland Council's scope 1 GHG emissions are:

- natural gas combustion for heating the buildings it operates, with most GHG emissions being from buildings which provide services to the community, such as the aquatic centres
- fuel combustion in the corporate vehicle fleet
- enteric fermentation from cattle and sheep and fertiliser use in its farming operations.

Back to contents

The council's scope 2 GHG emissions are from electricity consumption in buildings operated by the council.

Auckland Council's GHG emissions for the financial year ending 30 June 2024 reflect a reduction of 20.78% compared to a base year ending 30 June 2017. The majority of this reduction is driven by a decrease in GHG emissions from stationary combustion due to a decrease in natural gas and LPG consumption.

Auckland Council remains committed to supporting the regional GHG emissions reduction goals and in June 2025 it developed an emissions reduction plan for its scope 1 and 2 GHG emissions. This plan incorporates a GHG emissions reduction trajectory to net zero by 2050. It aligns with the regional 2030 50% GHG emission reduction goal and sets out the actions the council intends to take for scope 1 and 2 GHG emissions reductions.

DUNEDIN CITY TREASURY LIMITED

Dunedin City Council has committed to a 30% reduction in annual GHG emissions by FY27 and a 42% reduction in annual GHG emissions by 2031. Both targets have been set from a base year of FY19. Dunedin City Treasury Limited (DCTL) is a subsidiary of Dunedin City Holdings Limited which is a Council Controlled Organisation owned by Dunedin City Council. DCTL provides funding and financial services to the Dunedin City Council Group and is a member of LGFA. DCTL have been approved as a CAL borrower however, because DCTL GHG emissions are immaterial, the requirements of the CAL have been applied to Dunedin City Council (DCC).

DCC's current Emissions Management and Reduction Plan was adopted in June 2024 and sets out how DCC intends to reduce its emissions over the period 2023/24 to 2030/31. DCC's own emissions are significant at the city scale. As of 2021/22, emissions from open and closed landfills and wastewater treatment, which were responsible for more than three quarters of the DCC's emissions in 2021/22, also constituted approximately six percent of Dunedin city's emissions. Addressing DCC's emissions is therefore an important contribution to city-wide emissions reduction efforts.

DCC's scope 1 and 2 GHG emissions are derived from a number of different sources including wastewater treatment processes, waste to landfill and closed landfills, stationary LPG and diesel consumption, refrigerant leakage, fleet fuel and electricity. As at 30 June 2024, DDC's GHG emissions have decreased by 33.15% against a base year ending 30 June 2019. This reduction has largely been driven by a decrease in waste to landfill emissions which have reduced by 50% since 2019. Major reductions have also been achieved in electricity usage, refrigerant leakage, air travel and fertiliser usage.

GREATER WELLINGTON REGIONAL COUNCIL

Greater Wellington Regional Council (GWRC) has adopted targets to achieve a reduction in its gross scope 1 and 2 GHG emissions of 50% in FY30 (from FY19), and to be climate positive (have a rate of carbon removal greater than its gross GHG emissions) from FY45. It has also endorsed a target of reducing its total gross GHG emissions by 84% in FY40 from FY19. GWRC's Emissions Management and Reduction Plan, published in May 2024, sets out how it will achieve these targets.

Overall GWRC is on track to achieve its 2030 target and has achieved a 25% reduction from FY19 to date. GWRC's largest emission sources under scope 1 and 2 are generated from purchased electricity and grazing animals from land use.

Grazing animals from land use licensees on Council owned land and in regional parks generated the majority of the councils scope 1 emissions. Significant improvements have been made in data quality related to grazing and fertilizer reporting and further grazing related emissions reductions can be expected over coming years as contract renewals arise. Land use change has also been identified as an area for emissions reductions, and this will need to happen for GWRC to meet its emissions reduction targets.

Purchased electricity is used across the Greater Wellington Group offices, operations, and service delivery. The Council has direct control over a limited portion of total Group electricity use. Council manages and controls electricity in its main offices and many small sites, such as public transport stations and parks network facilities, and environmental monitoring stations. A significant proportion of electrical energy is consumed by Council Organisations Wellington Water and Centre Port, particularly to pump water from water catchments for municipal distribution. These entities have separate governance and management and are not under the direct management of Greater Wellington, who is a shareholder. A large proportion of electrical energy is also consumed by public transport electric trains and increasingly in electric bus charging as the council increases its electric bus fleet.

HUTT CITY COUNCIL

Hutt City Council (HCC) is working to reduce its gross GHG emissions by 50% by 2030 and achieve net zero by 2050. HCC's Carbon Reduction and Resilience Plan 2021-31 sets out how it will achieve emission reductions out to 2031, and it has some sub-sectoral targets, such as reducing energy-related emissions (gas and electricity) by 30% by 2024 and 50% by 2030 and fully electrifying its vehicle fleet.

HCC's scope 1 emissions sources include stationary combustion from gas use in council owned and operated facilities, emissions associated with the Seaview Wastewater Treatment plant, open and closed landfill fugitive emissions, and LPG and standard diesel consumed at HCC's Seaview Marina. Scope 2 emissions include indirect emissions from purchased electricity.

HCC has made significant progress on reducing its energy-related emissions, reducing emissions associated with powering its facilities by 26% as at June 2024 compared to FY 2016/17. This is the result of its gas phase out programme for its facilities, with emissions associated with gas reducing by 31%. Equally, emissions associated with its vehicle fleet reduced by 72% compared to FY 2016/17, as a result of Council's commitment to electrification.

However, overall emissions have increased compared to HCC's baseline and also compared to the previous year, mainly due to increased emissions at its open and closed landfills. For Silverstream landfill, the overall amount of waste contained in the landfill increased (and hence emissions continue to increase). The site was also adversely affected by a temporary reduction in the amount of gas that was able to be destroyed, as a result of engines being replaced in April 2024, despite the flare operating as expected. For HCC's closed landfill at Silverstream, it is becoming more difficult to extract gas.

KAPITI COAST DISTRICT COUNCIL

Kapiti Coast District Council (KCDC) has adopted a long-term aspirational target of net zero emissions by 2040 and a mid-term 'further reductions' target for scope 1 and 2 emissions, to reduce these GHG emissions another 15.5% (from FY22) by 2032; this extra 15.5% is in addition to the 64% emissions reduction the council had already achieved between 2010 and 2022[7].

KCDC has measured and verified its emissions since 2009/10 and was the first local authority in New Zealand certified under Enviro-Mark's Carbon Emissions Measurement and Reduction Scheme in 2012 (now known as Toitū Carbon Reduce).

Given KCDC's significant reductions since 2010, the council is focused on meeting its new emission reduction targets through a commitment to continuous improvement in line with best practice. Emissions from Water and Wastewater treatment is the largest contributor to KCDC's gross emissions and they have undertaken several improvements to wastewater processing which has led to a reduction in the amount of biosolid and emissions generated from their wastewater treatment plants.

For the year ending 30 June 2024, KCDC reduced its scope 1 and 2 emissions by 24.64% (compared to the 2022 baseline) which means KCDC has met the 15.5% 'further' emissions reduction target. This progress has been driven by the improvements to wastewater treatment noted above, as well as a reduction in emissions from electricity consumption, a reduction in petrol use and refrigerant leakage, and refining how KCDC calculates its emissions from sludge to landfill. KCDC has identified further emission reduction projects to 'lock in' this progress and continue towards its aspirational net zero 2040 goal.

TAURANGA CITY COUNCIL

Tauranga City Council (TCC) is targeting to reduce its Scope 1 and 2 gross GHG emissions by 42.6% by 2030 (from FY19) and achieve net zero by 2050 (from FY19). TCC's first Emissions Reduction Plan was adopted in 2023 and has recently been updated to include City Waters[8] emissions that were previously excluded due to

7 In 2009/10, KCDC set a target to reduce its operational GHG emissions by 80% by July 2022 (measured against baseline year 2009/10). At that time, emissions from wastewater processing were excluded. In 2019, KCDC was required to include wastewater processing emissions into its inventory which significantly increased its GHG emissions footprint. Had those emissions not been included, KCDC would have reduced emissions by 77% by 21/22. In the 2019/20 and 20/21 inventories, wastewater emissions were estimated and included for the first time, significantly increasing KCDC's gross total emissions. As a result of backdating these wastewater emission estimates to 2009/10, KCDC has reduced its emissions 64% between 2009/10 and 21/22.

8 An organisational unit within Tauranga City Council.

Back to contents

data gaps and methodology issues. These have now been addressed and further emissions reduction projects for City Waters have been added to TCC's Emission Reduction Plan which was adopted in June 2025.

TCC has undertaken several projects contributing to emission reduction targets over the last few years. Some of the major projects include LED and HVAC upgrades at various assets and facilities, fleet electrification and solar panel installations.

Between FY19 and FY24, TCC saw a 145.36% increase in Scope 1 and 2 emissions (excluding forestry emissions and removals). This increase was mainly due to a 58% increase in Scope 1 and 2 emissions during the 2023/24 financial year as a result of to a one-off sludge removal activity of a wastewater pond where the waste was deposited at a TCC landfill, representing over two thirds of emissions in FY24. Due to improvements in the wastewater treatment process in FY25, desludging is no longer needed, and the landfill has been closed. Over the next few years, TCC expects a significant reduction in Scope 1 and 2 emissions from the base year. Upcoming emissions reductions projects include continued renewable energy generation such as small-scale hydro turbines and geothermal, improvements to wastewater treatment processes, phasing out natural gas, and dimming of streetlights in the city during certain hours.

Going forward, TCC is also working on measuring its Scope 3 emissions with a special focus on embodied emissions in capital projects, for reporting to LGFA in 2026.

WELLINGTON CITY COUNCIL

The Wellington City Council (WCC) has a target to reduce Scope 1 and 2 gross GHG emissions by 57% between FY21 and FY30 and is targeting net zero GHG emissions by 2050. In addition, the council has an engagement target for Scope 3 emissions, to ensure 2/3 of Scope 3 GHG emissions are from suppliers who have set science-based targets, by FY28.

WCC's scope 1 emission sources include enteric fermentation (for animals at Wellington Zoo), mobile and stationary combustion, refrigerants, and emissions from waste to landfill and wastewater processes. Scope 2 emissions are indirect emissions from electricity consumption.

WCC emissions have reduced 44.24% between a base year ending 30 June 2021 and the year ending 30 June 2024. A reduction in indirect electricity consumption and waste to landfill (specifically city landfilled waste), due to better methane capture and destruction are the main drivers of WCC's emission reductions. WCC is on track to achieve its target of reducing scope 1 and 2 emissions by 57% by FY30.

A summary of the CAL approved borrowers base year and financial year 2023/24 Scope 1 and 2 GHG emissions have been provided in the following table.

Borrower	Base year	Base year		2023/2024		Combined Scope 1 and 2 (% reduction/ increase from Base year)
		Scope 1	Scope 2	Scope 1	Scope 2	
Auckland Council	2016/2017	15,735	5,787	14,004	3,045	-20.78%
Dunedin City Treasury Limited	2018/2019	72,097	3,682	48,553	2,109	-33.15%
Greater Wellington Regional Council	2018/2019	11,268	806	8,368	643	-25.37%
Hutt City Council	2016/2017	57,805	2,383	60,138	1,821	+2.94%
Kapiti Coast District Council	2021/2022	3,156	1,226	2,534	768	-24.64%
Tauranga City Council	2018/2019	14,770	3,515	42,521	2,345	+145.36%
Wellington City Council	2020/2021	87,882	3,421	48,827	2,083	-44.24%

Appendix A – Value of Eligible GSS Loan Assets (as at 30 June 2025)

Green, Social and Sustainability 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	Te Ngaengae Pool and Fitness Centre	Green Loan	41	41	41
Green Buildings	Whangarei District Council	19 August 2022	Te Iwitahi – Whangarei Civic Centre	Green Loan	59	59	59
Green Buildings	Tauranga City Council	15 March 2025	Te Manawataki o Te Papa – Building 1 – Library and Community Hub Building 2 – Civic Whare, Exhibition & Museum	Green Loan	103	50	50
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	8.7	8.7
Total Green Loans					**620.3**	**411.7**	**411.7**
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	**7 Borrowers**				**675.3**	**453.9**	**453.9**

*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.

Appendix B – Value of Eligible CAL Assets (as at 30 June 2025)

Climate Action Loans

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 2035	420.0	420.0
Greater Wellington Regional Council	August 2026 to September 2033	427.0	427.0
Hutt City Council	October 2026 to July 2031	350.7	350.7
Kapiti Coast District Council	May 2026 to October 2030	220.0	220.0
Tauranga City Council	April 2027 to May 2031	395.25	395.25
Wellington City Council	July 2027 to November 2032	756.5	756.5
Total		**3,669.45**	**3,669.45**

Contacts

Mark Butcher
Chief Executive
Ph: +64 (04) 974 6744
Email: mark.butcher@lgfa.co.nz

Sumitha Kaluarachi
Manager Treasury and External Relationships
Ph: +64 (09) 218 7906
Email: sumitha.kaluarachi@lgfa.co.nz

Helen Mahoney
Senior Manager Sustainable Finance
Ph: +64 21 220 2015
Email: helen.mahoney@lgfa.co.nz

Andrew Michl
Senior Manager Credit & Client Relations
Ph: +64 (04) 974 6743
Email: andrew.michl@lgfa.co.nz

Nick Howell
Head of Sustainability
Ph: +64 21 227 3738
Email: nick.howell@lgfa.co.nz

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

Auckland Level 7, The Shortland Centre, 55 Shortland Street
Wellington Level 11, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145
+64 4 974 6530 **www.lgfa.co.nz**