Sustainable Financing Allocation Report

31 July 2026

LGFA

New Zealand Local Government Funding Agency

Te Pūtea Kāwanatanga ā-rohe

SUSTAINABLE FINANCE AT LGFA - HISTORY

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

2021

April: Head of Sustainability appointed

June: Toitū Envirocare carbonzero certification

September: Sustainability Committee established

October: Green, Social And Sustainability Lending Programme established

2022

December: Climate Action Loans Programme (CAL) established

2023

March: Sustainable Financing Bond Framework established

April: Inaugural NZ$1,100 million 15 May 2030 Sustainable Financing Bond issued under the Framework

2024

October: Second NZ$800 million 15 May 2032 Sustainable Financing Bond issued under the Framework

November: Senior Manager Sustainable Finance appointed

2025

March: Sustainable Finance Workshop Series

September: SFB Framework, GS Lending Criteria and CAL Lending Criteria updated

September: First Clean Transportation and Renewable Energy projects approved under GS Lending Criteria

December: Approved GS projects reach NZ$1.32 billion with NZ$600 million advanced

2026

March: Second Sustainable Finance Workshop Series

March: First Sustainable Water and Wastewater Management project approved under GS Lending Criteria

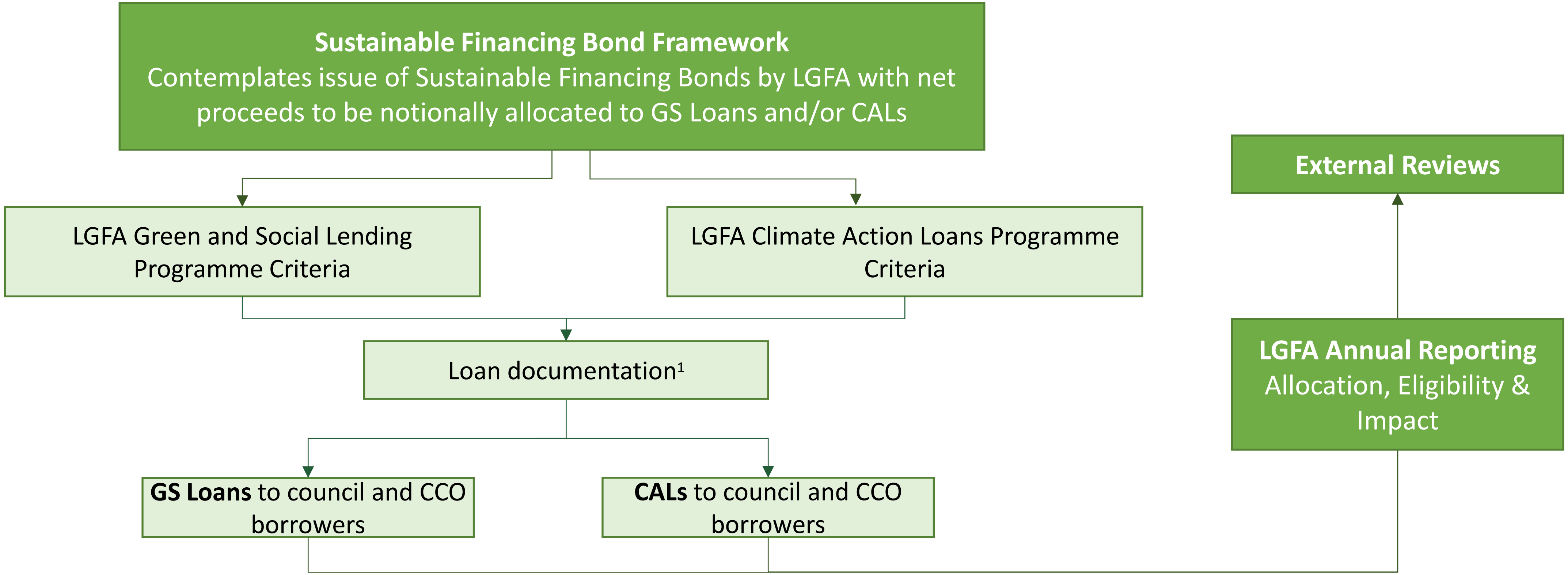
April: Third NZ$850 million 15 May 2034 Sustainable Financing Bond issued under the Framework and total SFB issuance reaches NZ$4.5 billion

July: Sustainable Water Action Loans Programme (SWALe) established

Source: LGFA

STRUCTURE OF SUSTAINABLE FINANCING BOND PROGRAMME

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



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

Source: LGFA

SUSTAINABLE FINANCING – GREEN AND SOCIAL (GS) LOANS

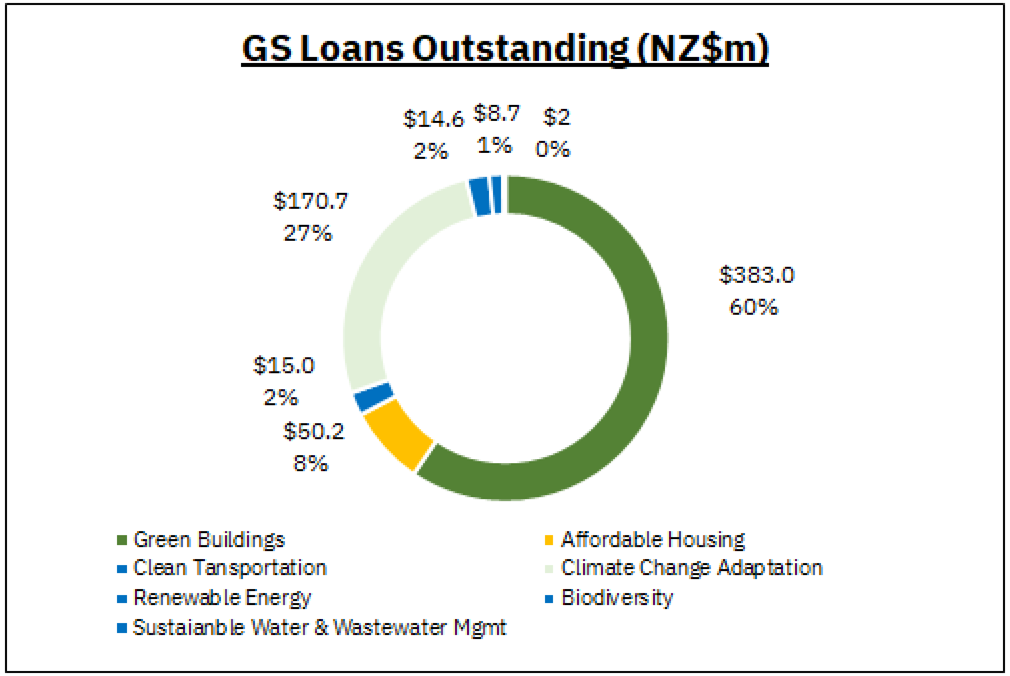
LGFA New Zealand Local Government Funding Agency Te Pūtea Kāwanatanga ā-rohe

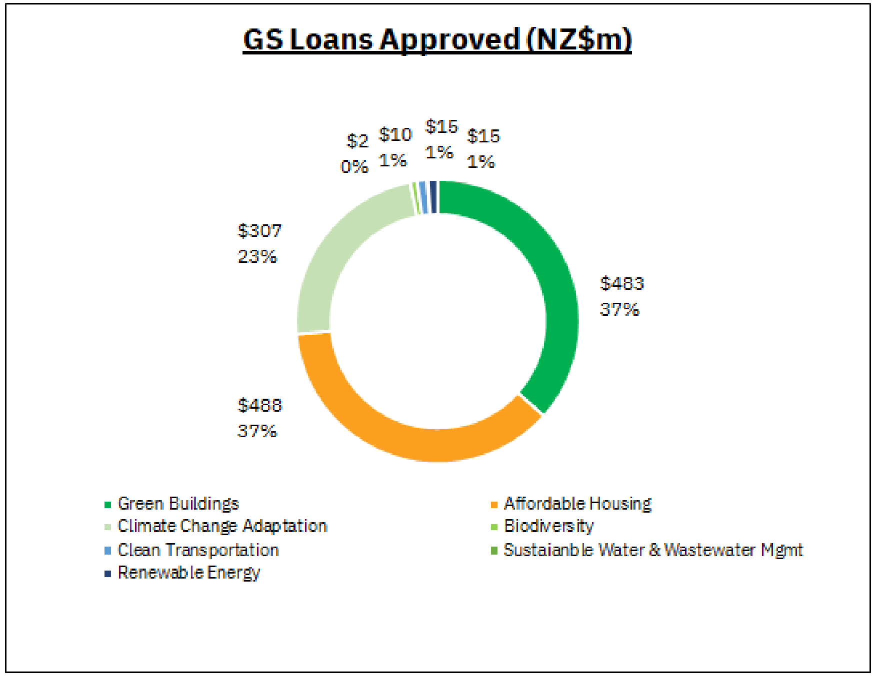
LGFA GS lending programme*

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

Progress to date:

- **Fifteen** GS Loans have been approved as eligible
- **NZ$1.32 billion** of GS Loans Approved as at 31 July 2026
- **NZ$643.9 million** of GS Loans Outstanding as at 31 July 2026





Source: LGFA

* GS Loans are documented as debt securities under LGFA's Multi-Issuer Deed.

SUSTAINABLE FINANCING – CLIMATE ACTION LOANS (CALs)

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

LGFA CAL lending programme*

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

1. A **GHG Emissions Inventory** for both the current year and an established Base Year, that have received third-party assurance. The assurance engagement should, at a minimum, be a limited assurance engagement and be completed by using the current and relevant assurance standard and expectations set by the External Reporting Board.
    - The borrower must provide statement of intent to broaden the GHG Emissions Inventory to capture Scope 3 Emissions across the Borrower's full value chain within two years from when the Borrower is first approved by LGFA to enter into CALs, if Scope 3 Emissions are not already captured.
2. Science-aligned gross absolute short-term, medium-term and long-term **Emission Reduction Targets** (ERT's) for Scope 1 and 2 Emissions.
    - A statement of intent to adopt science-aligned Scope 3 ERT across the Borrower's full value chain within two years from when the Borrower is first approved by LGFA to enter into CALs (if Scope 3 Emissions are not already adopted).
3. An approved **Emissions Reduction Plan** that articulates a plausible strategy to achieve the borrowers short-term ERT's covering Scope 1 and 2 ERT's, and Scope 3 ERT within one year from when the Scope 3 ERT is adopted.

Borrowers must prepare a GHG Emissions Inventory and obtain a third-party assurance report for their inventory on an annual basis. This must be provided to LGFA by 30 November each year.

You can find out more about the CAL programme and criteria here.

Progress to date:

- Eight Borrowers approved as eligible for CALs
- **NZ$4.095 billion** of CALs outstanding as at 31 July 2026

Source: LGFA

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

LGFA ALLOCATION REPORTING

As at 31 July 2026

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

Sustainable Financing Bonds Summary and Sustainable Loan Asset Pool

Sustainable Financing Bond (NZX ticker)	Sustainable Financing Bond (NZ$ million)	Issuance Period	Issue Date	Maturity Date
LGF170	1,100	FY to 30 June 2023	17/04/23	15/05/30
LGF170	660	FY to 30 June 2024	various	15/05/30
LGF170	500	FY to 30 June 2025	various	15/05/30
LGF180	1,000	FY to 30 June 2025	various	14/05/32
LGF170	200	FY to 30 June 2026	various	15/05/30
LGF180	250	FY to 30 June 2026	various	14/05/32
LGF190	900	FY to 30 June 2026	various	15/05/34
LGF190	50		13/07/26	15/05/34
Total	**4,660**			

	NZ$ million
Total Value of GS Loans*	643.9
Total Value of CALs*	4,094.65
Total Value of Sustainable Loan Asset Pool*	**4,738.55**
Total principal amount of Sustainable Financing Bonds on Issue	4,660.0
Surplus Sustainable Loan Assets	**78.55**
Sustainable Loan Ratio (x)	**1.02x**

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

The net proceeds of the Sustainable Financing Bonds will be notionally allocated to Sustainable Loans being GS 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 GS 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 GS Loans and CALs.

Source: LGFA

LGFA ALLOCATION REPORTING

As at 31 July 2026

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

Green and Social (GS) Loans – Green Buildings

GS Category	Borrower	Date Sustainable Loan Approved*	GS Loan Criteria Version **	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	2023	Tākina, Wellington Convention and Exhibition Centre	Green Loan	180	165	165
Green Buildings	Hutt City Council	28 June 2022	2023	Ngaengae Pool + Fitness Centre	Green Loan	41	31	31
Green Buildings	Whangarei District Council	19 August 2022	2023	Te Iwitahi - Whangārei Civic Centre	Green Loan	59	59	59
Green Buildings	Tauranga City Council	15 March 2025	2023	Te Manawataki o Te Papa – Building 1 - Library and Community Hub Building 2 - Civic Whare, Exhibition & Museum	Green Loan	103	103	103
Green Buildings	Napier City Council	17 September 2025	2025	Maranga (Council offices) and Te Aka (Library and Civic Precinct) Project	Green Loan	100	25	25

*Where a GS 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 GS Loan(s) when the Borrower makes a request under LGFA's Multi-Issuer Deed. **GS Loan Lending Programme Criteria that the GS project was approved against.

Source: LGFA

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

Green and Social (GS) Loans – Climate Change Adaptation and Resilience

GS Category	Borrower	Date Sustainable Loan Approved*	GS Loan Criteria Version **	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)
Climate Change Adaptation and Resilience	Greater Wellington Regional Council	2 December 2021	2023	Te Wai Takamori o Te Awa Kairangi - RiverLink Project	Green Loan	227	151	151
Climate Change Adaptation and Resilience	Tauranga City Council	31 August 2025	2023	Strand Seawall “Living Seawall”	Green Loan	7	3.2	3.2
Climate Change Adaptation and Resilience	Hurunui District Council	28 August 2025	2023	Amberley Beach Proactive Relocation	Green Loan	23.6	5.5	5.5
Climate Change Adaptation and Resilience	Hawke’s Bay Regional Council	3 November 2025	2025	Infrastructure Resilience Programme (NIWE)	Green Loan	49.8	11	11

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Source: LGFA

LGFA ALLOCATION REPORTING

As at 31 July 2026

New Zealand Local Government Funding Agency
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Green and Social (GS) Loans – Biodiversity Conservation*, Clean Transportation, Renewable Energy

GS Category	Borrower	Date Sustainable Loan Approved**	GS Loan Criteria Version ***	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)
Biodiversity Conservation*	Tauranga City Council	10 October 2023	2023	Kopurererua Valley Stream Realignment	Green Loan	10.3	8.7	8.7
Clean Transportation	Infrastructure Holdings Ltd	23 September 2025	2025	Container Crane Procurement	Green Loan	15	15	15
Renewable Energy	New Plymouth District Council	23 September 2025	2025	Papa Rererangi i Puketapu (PRIP) Solar Farm	Green Loan	14.6	14.6	14.6
Sustainable Water & Wastewater Management	Stratford District Council	23 March 2026	2025	Universal Smart Metering Project	Green Loan	1.6	1.6	1.6
Total Green Loans						**831.9**	**593.7**	**593.7**

*Terrestrial and Aquatic Biodiversity Restoration, Conservation and Enhancement

**Where a GS 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 GS Loan(s) when the Borrower makes a request under LGFA's Multi-Issuer Deed.

***GS Loan Lending Programme Criteria that the GS project was approved against.

Source: LGFA

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

Green and Social (GS) Loans – Affordable or Social Housing

GS Category	Borrower	Date Sustainable Loan Approved*	GS Loan Criteria Version **	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)
Affordable or Social Housing	Christchurch City Council	17 November 2022	2023	ŌCHT Social Housing	Social Loan	55	40.2	40.2
Affordable or Social Housing	Wellington City Council	28 August 2025	2023	Housing Upgrade Programme Phase 2 (HUP2)	Social Loan	432.5	10	10
Total Social Loans						**487.5**	**50.2**	**50.2**
Total Loans	**11 Borrowers**					**1,319.4**	**643.9**	**643.9**

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Source: LGFA

LGFA ALLOCATION REPORTING

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Climate Action Loans (CALs)

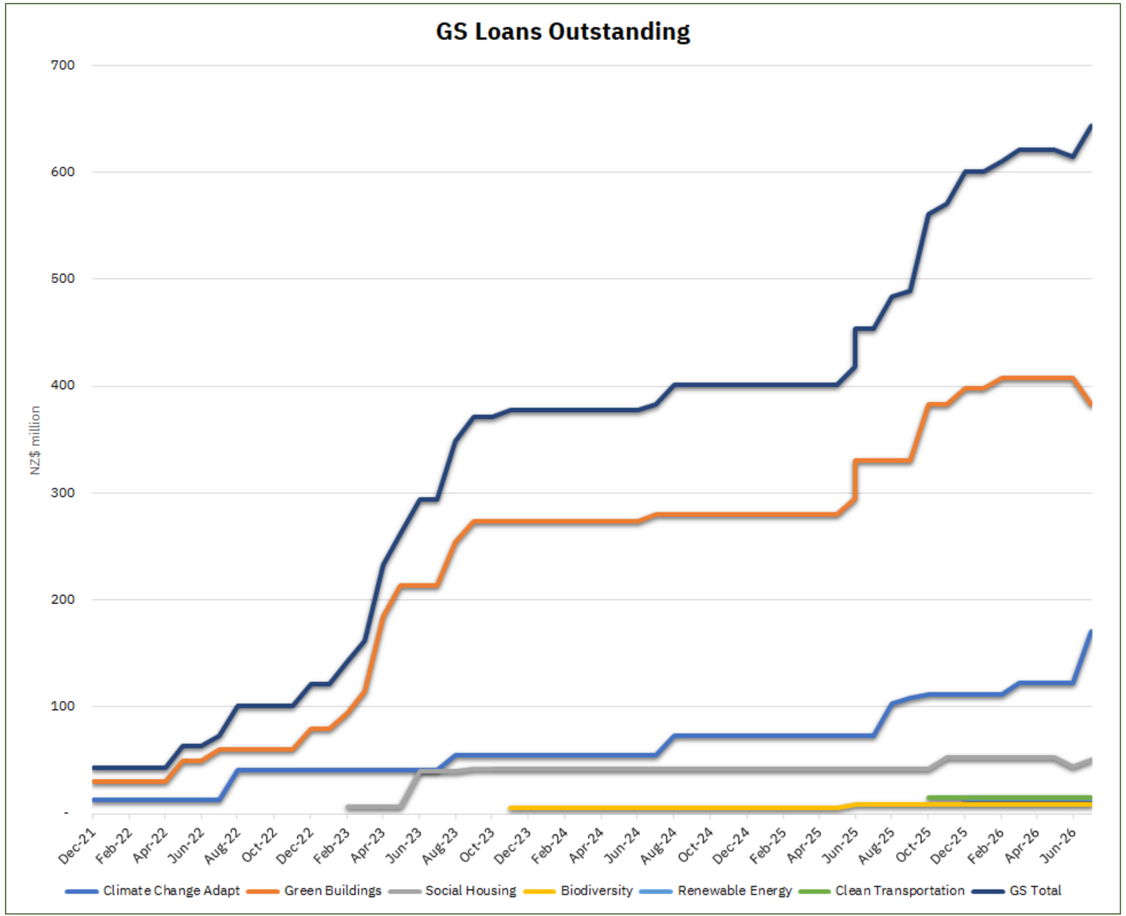
Borrowers	CAL Criteria Version*	Maturity Date Range of CALs	Principal Amount Outstanding (NZ$ million)	Allocated to Sustainable Loan Asset Pool under Framework (NZ$ million)
Auckland Council	2023	May 2028 to April 2033	1,100.0	1,100.0
Dunedin City Treasury Limited	2023	October 2029 to May 2035	730.0	730.0
Greater Wellington Regional Council	2023	August 2026 to November 2034	310.0	310.0
Hutt City Council	2023	October 2026 to May 2032	320.7	320.7
Kapiti Coast District Council	2023	October 2026 to October 2030	305.0	305.0
Tauranga City Council	2023	April 2027 to April 2033	633.95	633.95
Wellington City Council	2023	July 2027 to November 2033	660.0	660.0
Napier City Council	2025	April 2029 to May 2034	35.0	35.0
Total			**4,094.65**	**4,094.65**

*CAL Lending Programme Criteria that the CAL Borrower was approved against.

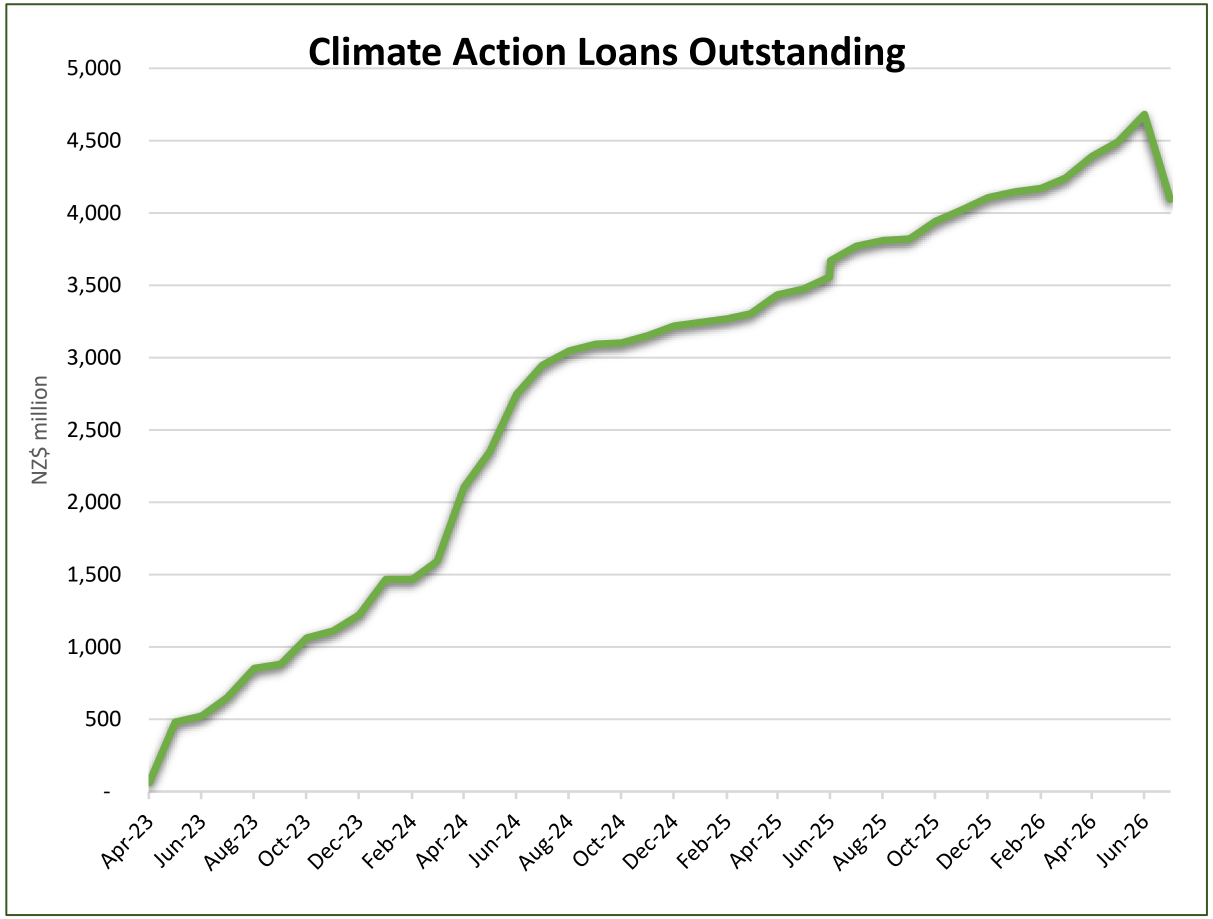
Source: LGFA

GS AND CALs HISTORICAL OUTSTANDINGS
As at 31 July 2026

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



First GS loans advanced in December 2021



First CALs advanced in April 2023

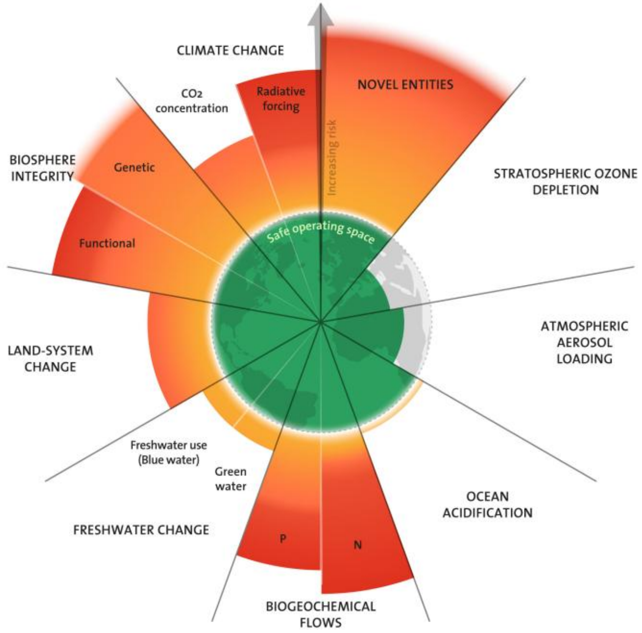
Three existing CAL approved borrowers novated existing CAL loans associated with water assets to their newly established Water CCOs on 1st July.

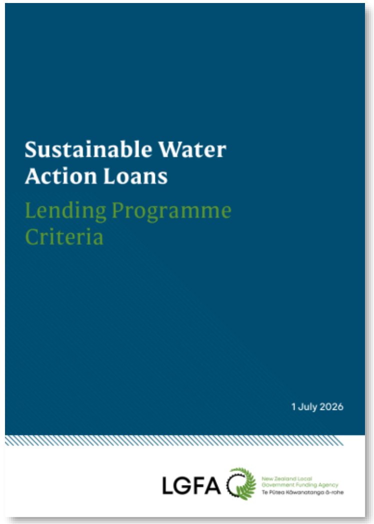
Source: LGFA

On 1st July 2026, LGFA launched a third Sustainable Finance lending programme.

Sustainable Water Action Loans (SWALes) are "general purposes" loans with a pricing incentive for Water CCO Borrowers who commit to adopting and achieving targets using a science-based approach in line with the Planetary Boundaries.

- SWALes are available to all Water CCO borrowers, including those who may not have any eligible projects to access GS Loans.
- To qualify for a SWALe, a Borrower must report against and meet two KPIs:
  - A compulsory Nitrogen & Phosphorus KPI; and
  - any one of the three optional KPIs: Biogenic GHG Emissions, Embodied Carbon, or Water Efficiency.
- Sustainable Fitch has completed an assessment of the SWALe Lending Programme.





Source: LGFA