

2026 Annual Impact Report

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

30 SEPTEMBER 2026



LGFA



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

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Cover photo: Mills Street stop bank, Riverlink Project. **Greater Wellington Regional Council**

Contents photo: One New Zealand Stadium at Te Kaha. **Christchurch City Council**



Report Summary

This Annual Impact Report (report) provides information about the allocation of proceeds from LGFA's Sustainable Financing Bond (SFB) issuance as at 30 June 2026. All proceeds are allocated against eligible Green and Social (GS) Loans (GS Loans) and Climate Action Loans (CALs). This report summarises GS Loans and CALs from the start of each lending programme (October 2021 and December 2022, respectively).

Applicable Sustainable Financing Bond Framework: LGFA Sustainable Financing Bond Framework (Framework) dated 17 September 2025.

Reporting period: Financial year ending 30 June 2026.

Impact reporting period: The impacts are reported for the financial year ending 30 June 2025¹.

Date of publication: 30 September 2026.

Reporting approach:

- The current value of the GS 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 GS Loans and CALs included in the Sustainable Loan Asset Pool; and
- Disclosure of any unallocated net proceeds from the Sustainable Financing Bonds.

External review: Sustainable Fitch has undertaken a Post-Issuance Review of this report, focusing on: disclosure of Sustainable Financing Bond allocations; alignment of allocations with the framework; disclosure of impact reporting metrics; alignment of impact reporting metrics with the ICMA Harmonised Framework for Impact Reporting; and UN SDG contributions.

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 on this report.

¹ Impact reporting data is collected by 30 November each year to provide sufficient flexibility for council and Council-controlled organisations (CCO) members. As a result, the Annual Impact Report presents impact data for the previous financial year.

Introduction

New Zealand Local Government Funding Agency Limited (LGFA) is a Council Controlled Organisation 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 CCOs 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.

During the year, LGFA's AA+ credit ratings were reaffirmed by both Fitch Ratings (but placed on negative outlook) and S&P Global Ratings (stable outlook).

LGFA lends to councils and CCOs, and over the year ended June 2026, LGFA financed 98% of local government long-term funding requirements, providing \$3.873 billion in funding to support members in meeting refinancing obligations and delivering capital investment.

As the principal lender to the local government sector, LGFA is a key partner in enabling financing for infrastructure investment. Through our scale, strong capital markets presence and diversified borrowing programme, LGFA provides councils and CCOs with reliable access to competitively priced funding, including longer maturities than may otherwise be available.

This funding certainty supports members to plan, invest in and deliver major infrastructure projects while maintaining prudent long-term financial management.

LGFA's lending solutions are designed to respond to members' diverse and evolving needs, ranging from standby facilities that provide funding certainty to short- and long-term lending options and dedicated sustainability products.

Sustainable lending products enable LGFA to incentivise decarbonisation and direct capital towards projects that deliver positive environmental and social outcomes. Through these programmes, LGFA supports members to play their part in accelerating New Zealand's transition to an inclusive, resilient and net zero greenhouse gas emissions society.



Mills Street stop bank, Riverlink Project. **Greater Wellington Regional Council**

Taituarā LGFA Local Government Excellence Awards

The LGFA Taituarā Local Government Excellence Awards recognise outstanding achievement, innovation and leadership across New Zealand local government. This year's awards celebrated excellence across collaboration, community engagement, digital innovation, environmental leadership, placemaking, Māori–council partnerships and cost-effectiveness.

Waikato Regional Council took out the LGFA Taituarā Supreme Award, at the 2026 LGFA Taituarā Local Government Excellence Awards.

Waikato received the award for its Pathways to the Sea Strategy – Ngā Rerenga ki te Moana, a project that demonstrates how innovation, science, mātauranga Māori, partnership and long-term thinking can be brought together to solve complex environmental challenges and deliver lasting benefits for communities and the environment.

Judges said the project stood out for its national and international relevance.

“The high level of national and international interest in this project makes this one of the year’s most transferable entries.”

What began as a challenge unique to Waikato has evolved into a nationally recognised framework that is influencing infrastructure design, informing freshwater management, and supporting councils across Aotearoa to better protect native species and waterways.

Source: [Taituara](#)



Philip Cory-Wright (LGFA Board Chair) with award recipients from Waikato Regional Council

Message from the Chief Executive

The 2025/26 financial year was another positive year for LGFA, with the Agency delivering strong financial and non-financial outcomes while continuing to grow our sustainable finance programme and support members through a period of sector change.

As well as delivering a record financial outcome for the twelve-month period, we continued to meet the needs of our stakeholders:

- We continued to source the cheapest cost of borrowing on behalf of the sector by issuing short and long-dated debt instruments under our NZD domestic and offshore programmes.
- We signed a refreshed Crown Liquidity Facility that was both upsized and extended in tenor. This underlines Central Government support for LGFA and the wider local government sector.
- We worked closely with Central Government, councils, and the establishment teams at the water CCOs to achieve successful outcomes for the four water CCOs who joined LGFA as members during the year. The work has paved the way for a further thirteen water CCOs expected to join in the coming year.
- We introduced two new products with the Cash Advances Facility for all borrowers and a Sustainable Water Action Loan (SWALe) product for water CCOs.
- We continue to issue through our European Medium-Term Note Programme, established in early 2025 and began conducting weekly repurchase tenders under our LGFA NZD Bond Repurchase Programme, established in May 2025, to support our liquidity management, reduce refinancing risk, and provide added support to the market for our bonds.

We have been actively involved with central and local government over the past year to support the operationalisation of the Central Government's Local Water Done Well policy. Following approval of the Water Service Delivery Plans in late 2025, we actively engaged with water CCOs and councils forming CCOs to support a seamless transition of funding arrangements for water services.

By 30 June 2026, we had onboarded four of the potential 18 water CCOs, with one water CCO, Selwyn Water, borrowing from LGFA in April 2026.

The SWALe lending programme was launched on 1 July, a new sustainable finance initiative designed to incentivise water CCO Borrowers to adopt and achieve science-based targets aligned with the Planetary Boundaries framework².

In the 12 months to June 2026, we held over 120 meetings with councils, CCO members and prospective water CCOs, the majority of which were held in person. Over half of these meetings were either meetings with the Sustainability team or included discussions on how LGFA can support councils with sustainability financing and in March 2026, we held the second Sustainable Finance Workshop Series, following the success of the inaugural series in 2025.

We continue to invest in sustainability initiatives and support the sector through increasing our engagement on sustainability with workshops and new products. We approved eight new eligible projects for GS loans and one new CAL borrower during the twelve-month period. We also introduced a financial subsidy for councils who are approved as a CAL borrower, that will go towards the cost of achieving external assurance of their operational Greenhouse Gas (GHG) Emissions.

Our rolling twelve-month market share of 98% of council and CCO long-dated borrowing was above our 80% target. Sustainable lending comprising our GS Loans and CAL products of NZ\$1.171 billion was 30% of total lending during the twelve-month period.

Looking ahead, we remain confident in LGFA's ability to support our members with reliable, cost-effective financing while continuing to grow our sustainable finance programme and contribute to positive outcomes for local communities across New Zealand.

Mark Butcher

² Although the SWALe Lending Programme was launched 1 July 2026, which falls outside of this reporting period, this has been included on the basis that this is a material event relevant to the primary users of this report.



Lending activity to members

OVER THE 12 MONTHS TO 30 JUNE 2026

	were lent to	across	with an average term of
\$3,873	69	323	5.0
million of long-term loans	members	individual term loans	years

AS AT 30 JUNE 2026

	were outstanding to
\$1,523	59
million of short term loans	members

Evolution of Sustainability at LGFA



Sustainable Water Action Loans

On 1 July 2026, LGFA launched the Sustainable Water Action Loan (SWALe) Lending Programme.

The SWALe Lending Programme has been established to expand our sustainable finance offerings for water CCO members that are being formed as part of the broader water-sector reforms.

Each SWALe is a Sustainability-Linked Loan. SWALes are target-based incentive lending structures, designed to incentivise Borrowers to improve their contribution towards Planetary Boundaries.

The Planetary Boundaries are a scientific

framework that defines a “safe operating space for humanity”. This framework sets out the critical global environmental limits within which we need to stay to avoid irreversible and catastrophic environmental change.

To qualify to apply for a SWALe, Borrowers must commit to adopting and achieving targets using a science-based approach in line with the Planetary Boundaries.

Borrowers who enter into a SWALe must meet two KPIs: a compulsory Nitrogen & Phosphorus KPI, and any one of three optional KPIs relating to Biogenic GHG Emissions, Embodied Carbon, or Water Efficiency.

Sustainable Finance Highlights

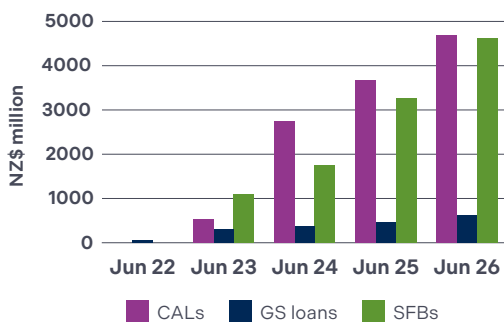
LGFA Sustainable Financing Bonds finance GS Loans and CALs for New Zealand local government.

\$4.61 billion³ Sustainable Financing Bonds

Funds from SFBs issued in the domestic New Zealand Capital Markets.

Sustainable Financing Bond	Total (NZ\$ million)
15 May 2030	2,460
14 May 2032	1,250
15 May 2034	950

Outstanding GS Loans, CALs and Sustainable Financing Bonds



\$5.30 billion GS Loans and CALs

As at 30 June 2026:

- GS Loans total NZ\$614.9 million, and
- CALs total NZ\$4.68 billion.

15
GS Loans

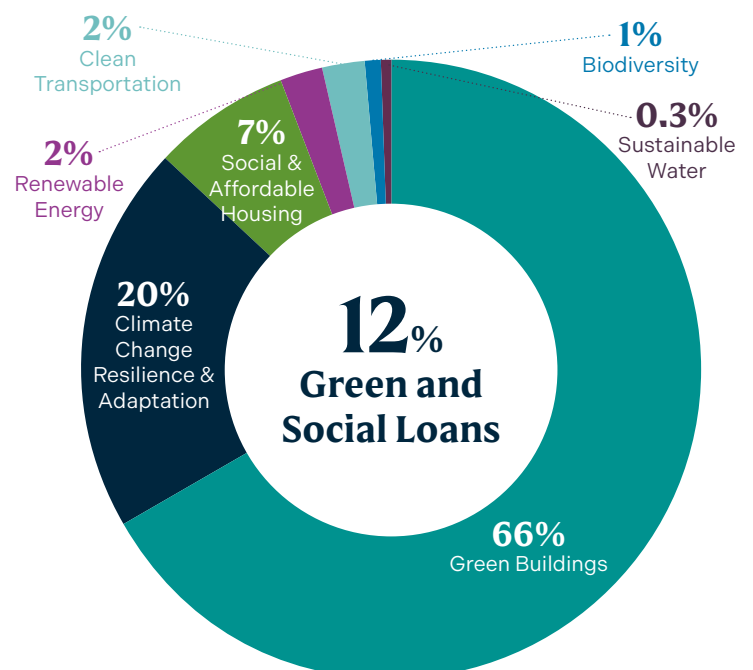
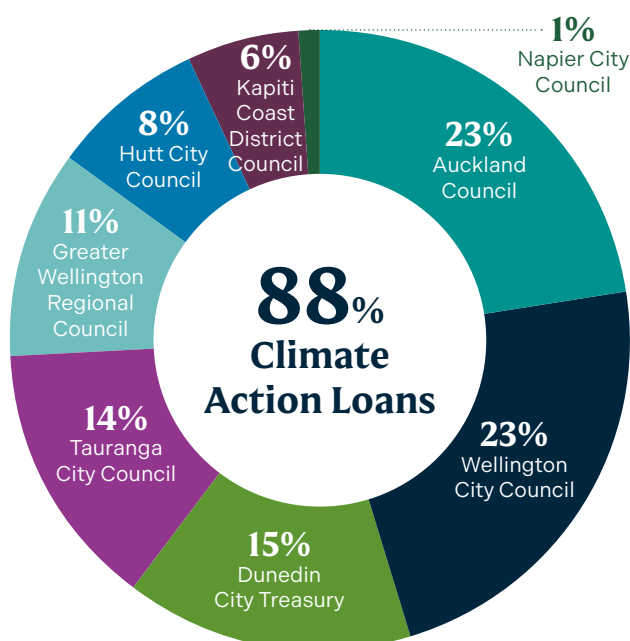
8
CAL
borrowers

30% share of total LGFA
lending during the financial year
2025/26

GHG emissions reduced across the local government sector.

Reductions in energy and water usage.

An increase in plantings and communities protected from climate change.



³ Includes \$450 million of Treasury Stock.

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 GS Loans, CALs and/or SWALes) that meet the eligibility criteria set out in the Framework. It also describes the processes for evaluating and approving Sustainable Loans, and the management of funds raised.

The Framework is informed by:

- International Capital Markets Association's (ICMA) Green Bond Principles (GBP) and Social Bond Principles (SBP); and
- Asia-Pacific Loan Market Association (APLMA), Loan Market Association (LMA), Loan Syndications and Trading Association's (LSTA) 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 and is underpinned by the GS Loan Criteria, the CAL Criteria and the SWALe Criteria.

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 may comprise GS Loans, CALs and SWALes 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 redemption.

Governance of our Sustainable Finance Programme

LGFA's Board has ultimate oversight of LGFA's sustainability strategy and sustainable finance programme, including 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 Sustainability Committee advises the Chief Executive on sustainability issues and opportunities within LGFA, across its operating, borrowing and lending activities. The Committee also reviews applications for GS Loans, CALs and SWALes.

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.

LGFA Sustainability Committee



Helen Robinson
LGFA Director
Committee Chair
(to 16 June 2026)



David Rae
LGFA Director
Committee Chair
(from 16 June 2026)



Nick Howell
LGFA Head of Sustainability
and Committee Secretary



Helen Mahoney
LGFA Senior Manager
Sustainable Finance



Neil Bain
LGFA Chief Financial Officer



Andrew Michl
LGFA Senior Manager Credit
and Client Relations



Alison Howard
Committee member



Chris Thurston
Committee member



David Woods
Committee member



Erica Miles
Committee member

The key responsibilities of the Committee are to:

- Provide input into the governance and oversight process of the GS Loan Programme, CAL Programme and SWALe Programme, 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 Chief Executive 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 GS loan, CAL and SWALe applications following review by the Committee.

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, the CAL Criteria, GS Loan Criteria and SWALe Criteria; and
- the notional allocation of the net proceeds of Sustainable Financing Bonds to the Sustainable Loan Asset Pool.

Parakiore Recreation and Sports Centre, **Christchurch City Council**



Allocation Reporting

LGFA issued its inaugural Sustainable Financing Bond in April 2023 and has since issued a further two Sustainable Financing Bonds. As at 30 June 2026, LGFA had three Sustainable Financing Bonds outstanding, the total amount on issue being \$4.61 billion.

Sustainable Financing Bond (NZX ticker)	Sustainable Financing Bond (NZ\$ million)	Issuance Period (Full year)	Issue Date	Maturity Date
LGF170	1,100	30 June 2023	17/04/23	15 May 2030
LGF170	660	30 June 2024	various	15 May 2030
LGF170	500	30 June 2025	various	15 May 2030
LGF180	1,000	30 June 2025	various	14 May 2032
LGF170	200	30 June 2026	various	15 May 2030
LGF180	250	30 June 2026	various	14 May 2032
LGF190	900	30 June 2026	various	15 May 2034
Total	4,610			

LGFA will notionally allocate an amount equal to the net proceeds of Sustainable Financing Bonds to a pool of Sustainable Loans (the pool may comprise either GS Loans, CALs and/or SWALes) 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 the Sustainable Loan asset pool.

	NZ\$ million
Total Value of GS Loans*	614.90
Total Value of CALs*	4,681.65
Total Value of Sustainable Loan Asset Pool*	5,296.55
Total principal amount of Sustainable Financing Bonds on Issue	4,610.00
Surplus Sustainable Loan Assets	686.55
Sustainable Loan Ratio (x)	1.15

* Based on principal amount advanced under the relevant GS Loans or CALs (as applicable) as at 30 June 2026.

Allocation and Impact Summary

Green and Social Loans

The purpose of GS Loans is to directly finance new Projects that deliver demonstratable environmental and/or social benefits. These projects must meet minimum requirements and/or target requirements higher than minimum benchmarks, where available.

A summary of the eligible GS Loan assets, approved loan limits and impact as at 30 June 2026 is provided below.

Borrower	Date Sustainable Loan Approved*	Project Description	Impact	Approved Amount for Project* (NZ\$ million)	Principal Amount Outstanding and Allocation to Sustainable Loan Asset Pool under Framework (NZ\$ million)
Green Loans					
Green Buildings					
Wellington City Council	14 October 2021	Tākina, Wellington Convention and Exhibition Centre	5 star Green Star rated	180	180
Hutt City Council	28 June 2022	Te Ngaengae Pool and Fitness Centre	5 star Green Star rated	41	41
Whangarei District Council	19 August 2022	Te Iwitahi – Whangarei Civic Centre	5 star NABERSNZ Energy Whole Building rating	59	59
Tauranga City Council	15 March 2025	Te Manawataki o Te Papa – Building 1 - Library and Community Hub Building 2 - Civic Whare, Exhibition & Museum	Targeting 6 star Green Star rating	103	103
Napier City Council	17 September 2025	Maranga (Council Offices) and Te Aka (Library and Civic Precinct) Project	Targeting 5 star Green Star rating	100	25

Borrower	Date Sustainable Loan Approved*	Project Description	Impact	Approved Amount for Project* (NZ\$ million)	Principal Amount Outstanding and Allocation to Sustainable Loan Asset Pool under Framework (NZ\$ million)
Climate Change Adaptation and Resilience					
Greater Wellington Regional Council	2 December 2021	Te Wai Takamori o Te Awa Kairangi - RiverLink Project	Protecting Lower Hutt city centre from flooding	227	103
Tauranga City Council	31 August 2025	Strand Seawall "Living Seawall"	Protecting Tauranga shorefront from flooding	7	3.2
Hurunui District Council	28 August 2025	Amberley Beach Proactive Relocation	Enabling proactive community relocation	23.6	5.5
Hawke's Bay Regional Council	3 November 2025	Infrastructure Resilience Programme – North Island Weather Event (NIWE)	Strengthening flood defences	49.8	11
Terrestrial and Aquatic Biodiversity Restoration, Conservation and Enhancement					
Tauranga City Council	10 October 2023	Kopurererua Valley Stream Realignment	Recreating fish and bird habitats	10.3	8.8
Clean Transportation					
Infrastructure Holdings Limited	23 September 2025	Container Crane Procurement	Electrification of Port Nelson cranes	15	15
Renewable Energy					
New Plymouth District Council	23 September 2025	Papa Rererangi I Puketapu (PRIP) Solar Farm	Renewable energy generation	14.6	14.6
Sustainable Water & Wastewater Management					
Stratford District Council	23 March 2026	Universal Smart Metering Project	Modernising the district's water infrastructure to achieve resource efficiency	1.6	1.6
Green Loan Totals				831.9	570.7

Borrower	Date Sustainable Loan Approved*	Project Description	Impact	Approved Amount for Project* (NZ\$ million)	Principal Amount Outstanding and Allocation to Sustainable Loan Asset Pool under Framework (NZ\$ million)
Social Loans					
Affordable or Social Housing					
Christchurch City Council	17 November 2022	ŌCHT Social Housing	Providing low-cost community housing	55	34.2
Wellington City Council	28 August 2025	Housing Upgrade Programme Phase 2 (HUP2)	Providing low-cost community housing	432.5	10
Social Loan Totals				487.5	44.2
Green and Social Loan Totals				1,319.4	614.9

* An approved GS Loan does not represent a commitment by LGFA to provide the relevant 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.

Climate Action Loans

CALs provide a discounted loan margin for members who measure their 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.

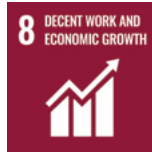
A summary of the eligible CAL assets and drawn amounts as at 30 June 2026, and impact as at 30 June 2025, is provided below.

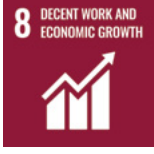
Borrowers	Maturity Date Range of CALs	Change in Borrowers GHG emissions from the Borrowers base year GHG emissions	Principal Amount Outstanding (NZ\$ million)	Allocated to Sustainable Loan Asset Pool under Framework (NZ\$ million)
Auckland Council	May 2028 to April 2033	-3%	1,100.0	1,100.0
Dunedin City Treasury Limited	October 2029 to May 2035	-37%	680.0	680.0
Greater Wellington Regional Council	August 2026 to November 2034	-22%	495.0	495.0
Hutt City Council	October 2026 to May 2032	-7%	380.7	380.7
Kapiti Coast District Council	October 2026 to October 2030	-18%	285.0	285.0
Napier City Council	April 2029 to May 2034	+3%	35.0	35.0
Tauranga City Council	April 2027 to April 2033	-43% (excluding forestry) +132% (including forestry)	633.95	633.95
Wellington City Council	July 2027 to November 2033	-42%	1,072.0	1,072.0
Totals			4,681.65	4,681.65

Impact Reporting

Green and Social Loans

LGFA acknowledges the importance of financing projects that promote environmental and social wellbeing in New Zealand. To qualify as a GS Loan, projects must meet one of ten green loan categories, or one of three social loan categories.

GS Loan Category	Purpose	Alignment to the UN SDGs	
Green			
Energy Efficiency	Investments in this category relate to energy efficiency measures such as managing demand for energy or reducing energy requirements of projects, buildings, assets and/or activities. This may apply to new and refurbished buildings, energy storage, district heating and smart grids.		
Green Buildings	Investments in this category are intended to support the development and operation of low carbon, energy efficient or sustainably designed buildings where those buildings meet national or internationally recognised green building standards, ratings or certifications for environmental performance.		
Clean Transportation	Investments in this category are intended to create low-carbon transport solutions.		
Sustainable Water and Wastewater Management	Investments in this category are intended to deliver sustainable water and wastewater management (including sustainable infrastructure for wastewater treatment, sustainable urban drainage systems and river training). Initiatives will improve the environmental and sustainability performance of water, wastewater and/or stormwater management. This category applies to built, engineered and nature based assets.		
Renewable Energy	Investments in this category are intended to capture projects relating to renewable energy. Projects can include renewable energy production, storage, transmission, distribution, appliances and products.		
Pollution Prevention and Control	Investments in this category are intended to ensure sustainable, energy efficient and resource-saving waste management.		
Environmentally Sustainable Management of Living Natural Resources and Land Use	Investments in this category are projects focused on the sustainable management of living natural resources and land use projects. Living natural resources include a wide variety of plants, animals and microorganisms, and the ecosystem services to which they contribute.		

GS Loan Category	Purpose	Alignment to the UN SDGs
Green		
Climate Change Resilience and Adaptation	Investments in this category are intended to support the borrower and/or local communities to adapt to climate change and/or increase their resilience to the impacts of climate change.	
Terrestrial and Aquatic Biodiversity Restoration, Conservation and Enhancement	Investments in this category are intended to prevent loss or degradation of ocean biodiversity, mangrove forests, coastal wetlands, habitat loss and degradation, as well as preventing unsustainable harvesting of species.	 
Circular Economy Adapted Products, Production Technologies, Processes and Business Models	To support investments in circular economy adapted products, production technologies, processes and business models (such as the design and introduction of reusable, recyclable and refurbished materials, components and products; circular tools and services); and/ or certified eco-efficient products.	
Social		
Affordable Basic Infrastructure	Investments in this category are intended to support projects, assets or programmes that enable affordable access to basic infrastructure in the relevant region, that will also benefit economic development and human wellbeing.	   
Access to Essential Services	Investments in this category are intended to support projects, assets or programmes that enable accessibility to services that are deemed essential to the relevant region, with a focus on education and vocational training services, employment generation and public health.	  
Affordable or Social Housing	Affordable or social housing projects are considered to include housing development, acquisition, upgrading/ refurbishing, housing finance, and other activities that support affordable and social residential housing among specific target populations.	  

During the financial year, members borrowed NZ\$161 million under our GS loans, taking outstanding GS Loans allocated to NZ\$614.9 million to 12 members as at 30 June 2026.

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

Green Buildings

Green buildings account for 66% of the assets financed through GS Loans. Investments in this category are intended to support the development and operation of low carbon, energy efficient or sustainably designed buildings. Buildings must meet a minimum rating in national or internationally recognised green building standards, ratings or certifications. In New Zealand this certification is managed by the New Zealand Green Building Council (NZGBC).

During the financial year 2025/26, LGFA approved a Green Building loan for Napier City Council's Civic Precinct. The Precinct consists of three interconnected buildings - Te Aka made up of the Library and Chambers, and the Office accommodation building (Maranga). Te Aka is targeting a 5 star Green Star Rating, and Maranga is targeting a minimum 5 star NABERSNZ rating. Impact reporting data is collected by 30 November each year, therefore the impact of this project will be reported in LGFA's Annual Impact Report 2026/27.

The impacts for GS Loan assets approved under the Green Building criteria from October 2021 - 30 June 2025 are provided below.

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 certification 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 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. 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

This impact data is provided for the financial year 2024/25 against a base year of 2023/24.

As at 30 June 2025, Takina has used 36.6% less energy compared to an equivalent reference building model that is not green star rated, and 20% less energy compared to its operating base year of 2023/24.

Impact	2023/24	2024/25	% change from 2023/24 to 2024/25
Electricity (kWh)	2,003,488	1,932,235	-3.5%
Gas (kWh)	1,756,128	1,075,878	-38.7%
Water consumption (m³)	8,362	4,603	-44.9%

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 moveable bulkheads and pool floor enabling multi-use. 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 was estimated to be significantly more energy efficient and lower emissions. It is New Zealand's **first 5 star Green Star rated aquatic centre** and compared to the old pool, emissions have reduced by about 57%.

Te Ngaengae Pool + Fitness has a strong cultural connection

The name Te Ngaengae 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 Māori 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 a number of awards, including 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.

IMPACT

As Te Ngaengae opened in December 2024, the impact data covers the period from 1 January to 30 June 2025, during which, 105,904 patrons visited Te Ngaengae.

Impact	1 January to 30 June 2025
Electricity (kWh)	1,336,299
Water consumption (m3)	121,748

Te Ngaengae Pool + Fitness was originally designed with solar in mind, but it was not installed at the time of construction due to cost constraints. However, the installation of a 250kW solar array on the pool is now moving forward and will support further reduction of emissions as well as cost savings.

TE IWITAHİ – WHANGAREİ CIVIC CENTRE, WHANGAREİ 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 Whangārei’s cultural identity and heritage. Te Iwitihi is an energy efficient, fully accessible building, designed for high functionality and sustainability now and into the future. The building **earned the Supreme Award for projects costing over NZ\$10 million at the New Zealand Commercial Project Awards 2024**. Te Iwitihi has several sustainability features including 112 solar panels generating up to 50.96 kWp per hour of sunlight, water collection tanks, electric vehicle charging and was built using climate-friendly building materials. Energy efficiency was a critical building design factor with Whangareī District Council originally targeting a 4.5 star NABERSNZ rating and subsequently **achieving a 5 star NABERSNZ rating**.

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

Each floor of Te Iwitihi 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 Iwitihi, visitors are welcomed with greetings from over 50 different languages spoken within the local community. This was developed in close partnership with the Whangārei Multi-Ethnic Collective, and pays homage to the multi-cultural diversity of ethnicities within the Whangārei District.

IMPACT

This impact data is provided for the financial year 2024/25 against a base year of 2023/24.

As at 30 June 2025, Te Iwitihi has used 30% less electricity compared to an equivalent benchmark building model that is not NABERSNZ rated.

Impact	2023/24	2024/25	% change from 2023/24 to 2024/25
Electricity (kWh)	687,324.48	665,172.37	-3%
Water consumption (kL)	4,437	3,830	-13.7%

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 the 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.

Te Manawataki o Te Papa is expected to be fully completed by 2028.



Upgrading of the seawall at The Strand. Tauranga City Council

Climate Change Adaptation and Resilience

Projects approved under this category support LGFA borrowers and/or local communities to adapt to climate change and/or increase their resilience to the impacts of climate change. Eligible projects must be supported by a climate change risk assessment and demonstrate that the project responds to the risks identified.

Climate Change Adaptation and Resilience projects make up 20% of the GS Loan asset pool. Three new GS Loans were approved under this category during the 2025/26 financial year. Impact reporting data has not yet been obtained for these loans and will be reported in LGFA's Annual Impact Report 2026/27.



Upgrading of the seawall at The Strand. **Tauranga City Council**

TAURANGA CITY COUNCIL – STRAND SEAWALL “LIVING SEAWALL”

Tauranga City Council has upgraded an existing seawall to provide necessary future coastal protection to sea-level rise and incorporate living seawall elements to promote biodiversity and provide an aesthetically pleasing area for recreational usage. To provide additional security a secondary bund has been built at the rear of Tauranga's reserve area adjacent to the railway line to protect the high value building assets of the CBD, without impacting the visual amenity of the reserve.



Bund construction, The Amberley Beach Proactive Relocation Project. **Hurunui District Council**

HURUNUI DISTRICT COUNCIL – AMBERLEY BEACH PROACTIVE RELOCATION

Amberley Beach, located in the Hurunui District, is at risk of sea-level rise and coastal erosion and it is anticipated that the current risk responses at Amberley Beach will no longer be effective in 20-30 years. Proactive relocation will allow the Amberley Beach residents to move to safer location in a structured way and will be informed by triggers set out in the Amberley Beach Coastal Adaptation Plan.



The Waiohiki Project, a stopbank focused on mitigating the impact of floodwaters on the local marae and community. **Hawkes Bay Regional Council**

HAWKE'S BAY REGIONAL COUNCIL (HBRC)- INFRASTRUCTURE RESILIENCE PROGRAMME – NORTH ISLAND WEATHER EVENT (NIWE)

The Hawke's Bay region was among the hardest hit by Cyclone Gabrielle, which left a significant impact across the Hawke's Bay region. This event left key flood protection infrastructure managed by HBRC severely damaged, and in some cases no longer fit for purpose. HBRC has created a NIWE programme of works, broken down into eleven key projects, each requiring a bespoke solution and tailored to its community's unique needs and climate challenges. This programme is an important part of strengthening the region's resilience, with the key goal of moving properties classified as Category 2C to Category 1⁴, enabling landowners to rebuild, improve their insurability, restore value to their properties, and move forward.

4 The Government established three main categories which have been used to determine the future severe weather risk for specific areas across Hawke's Bay and other areas across the North Island impacted by Cyclone Gabrielle.

Category 2C definition: Community level interventions are effective in managing future severe weather risk event.

Category 1 definition: Repair to previous state is all that is required to manage future severe weather risk event.

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 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, five schools and 600 businesses, with the potential to cause an estimated NZ\$1.1 billion worth of damage across the community;
- 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;
- There will be a range of street-level improvements, for example creating pedestrian pathways and outdoor dining areas, improved lighting and street-based markets.

This project is expected to be completed in 2031.

Terrestrial and Aquatic Biodiversity Restoration, Conservation and Enhancement

Investments in this category are intended to prevent loss or degradation of ocean biodiversity, mangrove forests, coastal wetlands, habitat loss and degradation, as well as preventing unsustainable harvesting of species. Projects in this category must have the primary objective of biodiversity.

KOPURERERUA VALLEY STREAM REALIGNMENT, TAURANGA CITY COUNCIL

The Kopurererua Valley Stream Realignment project to realign and restore the Kopurererua River concluded in 2024. Kōpūrererua Valley Reserve is situated between residential neighbourhoods in Tauranga and is the only inner-city reserve in Tauranga, covering 364 hectares. Key details of the completed works include the creation of a new cycle path and a new wetland at the Kōpūrererua Valley Reserve to slow the flow of the water, improve water quality and assist in flood control.

IMPACT

In partnership with Ngāi Tamarāwaho and Bay of Plenty Regional Council, Tauranga City Council has planted 236,384 native plants to restore the valley and assist with resilience. Native plants include kukuraho (river bulrush), ponga (silver fern), mamaku (black tree fern) and kiokio (palm leaf fern).

The realignment of the river will recreate fish and bird habitats. Five yearly fish surveys will take place to measure this impact.

Affordable or Social Housing

Projects approved under this category support or expand access to affordable or social housing. Following the first approval under this category, LGFA approved Wellington City Councils Housing Upgrade Programme 2 for a GS Loan in August 2025, which will deliver warm, dry, safe and secure social housing that meets the needs of Wellingtonians. This project includes a mix of upgrades and new builds. Impact reporting data is collected by 30 November each year, therefore the impact of this project will be reported in LGFA's Annual Impact Report 2026/27.

ŌTAUTAHU COMMUNITY HOUSING TRUST AFFORDABLE HOUSING PROJECT, CHRISTCHURCH CITY COUNCIL

Christchurch City Council (CCC) has provided finance to Ōtautahi Community Housing Trust (ŌCHT), to develop social and affordable housing. ŌCHT was formed in 2016 out of CCC's objective for a financially sustainable model for its social housing portfolio. ŌCHT's purpose is to manage the majority of CCC's social housing portfolio through a long-term lease arrangement with CCC, supported by government rental subsidies where available, and to grow its own portfolio through property ownership and development. ŌCHT is the second largest Community Housing Provider in New Zealand, managing approximately 1,830 units leased from CCC plus 645 of its own units.

IMPACT

As at 30 June 2026⁵, with the support of this GS Loan, ŌCHT has built 401 units, comprising social, affordable, and progressive home ownership homes; redevelopments have a greater focus on family homes, resulting in an additional 666 bedrooms of affordable housing to Christchurch.

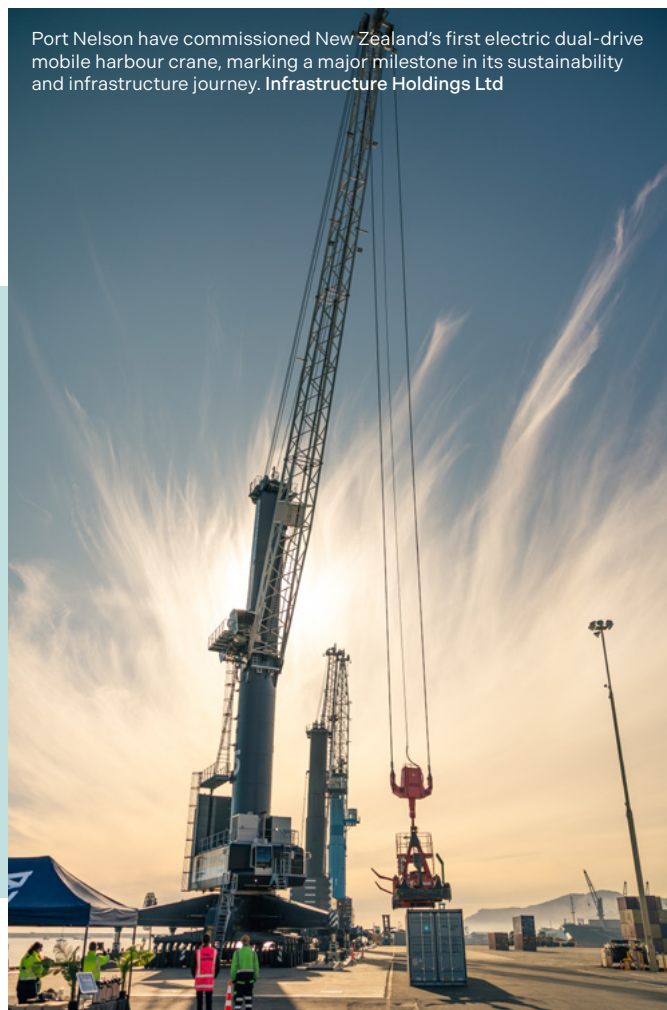
Clean Transportation, Renewable Energy, Sustainable Water and Wastewater Management

During the 2025/26 financial year, LGFA approved projects under three new GS Loan categories: Clean Transportation, Renewable Energy, and Sustainable Water and Wastewater Management. A summary of these projects is provided below, with impact reporting to be included in LGFA's Annual Impact Report 2026/27.

INFRASTRUCTURE HOLDINGS LIMITED – CONTAINER CRANE PROCUREMENT

Infrastructure Holdings Limited, established to provide funding to Port Nelson and Nelson Airport, has borrowed through our GS loan programme to finance the remaining costs of New Zealand's first electric port mobile crane at Port Nelson, following co-funding support from the Energy Efficiency and Conservation Authority (EECA). The combined funding also enables the retrofit of one of Port Nelson's existing diesel cranes with an electric motor. The crane, which can seamlessly switch to diesel, when necessary, will perform comparably to traditional diesel-driven cranes but with substantial benefits in efficiency, emissions, and noise reduction.

Port Nelson have commissioned New Zealand's first electric dual-drive mobile harbour crane, marking a major milestone in its sustainability and infrastructure journey. Infrastructure Holdings Ltd



⁵ The impacts for this project have been reported as at 30 June 2026 as earlier reporting has been obtained.



NEW PLYMOUTH DISTRICT COUNCIL – PAPA RERERANGI I PUKETAPU (PRIP) SOLAR FARM

Papa Rererangi i Puketapu, the organisation that manages the New Plymouth Airport on behalf of New Plymouth District Council, has recently completed the construction of a 10.02MW solar farm on Airport Drive, New Plymouth. The solar farm will generate approximately 14.72 GWh of electricity per year, avoiding approximately 1,490 tCO₂e per year. One half of the solar farm will sell generated electricity into a private, grid connected network that includes the airport terminal building, EV charging stations, and other airport-related users. The other half will sell all generated electricity into the market, with New Plymouth District Council signing up for the first three-years.



STRATFORD DISTRICT COUNCIL – UNIVERSAL SMART METERING PROJECT

Stratford District Council is nearing the completion of its universal water metering program to modernise the district's water infrastructure and achieve high-level resource efficiency. Once complete, 3,116 connections, which make up 100% of Stratford District's residential connections, will have universal water metering coverage. This is in addition to existing metering of rural, lifestyle and commercial properties. Through this project, the council is moving to become a leader in data-driven water stewardship, ensuring that every drop of water is accounted for and that Stratford District's water resource is carefully managed for the benefit of current and future generations.

Climate Action Loans

LGFA's CAL lending programme, launched in December 2022, rewards a borrower through a lending margin discount if they are measuring their organisational GHG emissions and have adopted an Emission Reduction Plan that sets out specific Emissions Reduction Targets.

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 the Borrower's near-term targets will be achieved.

As at 30 June 2026, there are eight LGFA borrowers approved as eligible for CALs. Each borrower has measured their GHG emissions in accordance with either the Greenhouse Gas Protocol and/or ISO 14064-1:2018 and have obtained third-party assurance. An overview of each borrowers' emission reduction targets and emissions reduction plan has been provided below.

During the financial year, the amount allocated under this initiative has increased by NZ\$1.01 billion, with loans of NZ\$4.68 billion outstanding to eight councils as at 30 June 2026.

A summary of CAL borrower's progress against their emission reduction targets has been provided in Table A.

TABLE A – SUMMARY OF CAL BORROWERS GREENHOUSE GAS EMISSIONS

Borrower	Base year	Base year		2024/2025		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	16,460	4,337	-3%
Dunedin City Treasury Limited	2018/2019	74,339	3,682	45,893	2,934	-37%
Greater Wellington Regional Council	2018/2019	11,268	2,794	8,053	2,973	-22%
Hutt City Council	2016/2017	57,805	2,383	54,727	1,539	-7%
Kapiti Coast District Council	2021/2022	3,156	1,226	2,534	1,058	-18%
Napier City Council	2023/2024	6,085	1,136	6,046	1,420	+3%
Tauranga City Council	2018/2019	14,770	3,515	7,093 (excluding forestry)	3,288	-43%
				39,100 (including forestry)		+132%
Wellington City Council	2020/2021	86,807	5,604	49,146	4,248	-42%

AUCKLAND COUNCIL

Emission reduction targets

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.

Emissions reduction plan

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.

Progress against emission reduction targets as at 30 June 2025

Auckland Council's GHG emissions for the financial year 2024/25 reflect a reduction of 3.4% compared to a base year ending 30 June 2017. The main sources of emissions were similar to prior years, namely building heating systems, livestock and the vehicle fleet. While emissions have decreased compared to the base year, they are higher than the prior financial year 2023/24, mainly due to the large increase in the annual electricity emissions factors. Given Auckland Council's continued conversion to using electricity over natural gas as part of its decarbonisation pathway, the electricity emissions factors now have an increasingly large impact on its emissions profile.

DUNEDIN CITY TREASURY LIMITED

Dunedin City Treasury Limited (DCTL) is a subsidiary of Dunedin City Holdings Limited which is a CCO owned by Dunedin City Council (DCC). 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 DCC.

Emission reduction targets

DCC have set a target to achieve a 34.2% reduction in annual GHG emissions by financial year 2026/27 and a 46.2% reduction in annual GHG emissions by 2029/30. Both targets have been set against a base year of financial year 2018/19.

Emissions reduction plan

DCC's current Emissions Management and Reduction Plan was adopted in September 2025 and sets out how DCC intends to reduce its emissions over the financial year 2023/24 to financial year 2029/30.

Progress against emission reduction targets as at 30 June 2025

In financial year 2024/25 the DCC achieved a 37% reduction against 2018/19 base year emissions. The reductions against DCC's base year came primarily from reductions in waste to landfill emissions from the DCC owned Green Island landfill, with emissions reductions against base year also achieved from closed landfills, stationary diesel, fleet fuel, electricity, air travel, and chemical use.

GREATER WELLINGTON REGIONAL COUNCIL

Emission reduction targets

Greater Wellington Regional Council (GWRC) has adopted targets to achieve a reduction in its gross scope 1 and 2 GHG emissions of 50% in financial year 2029/30, and to be climate positive (have a rate of carbon removal greater than its gross GHG emissions) from financial year 2044/45. It has also endorsed a target of reducing its total gross GHG emissions by 84% in financial year 2039/40. All three targets are set against a base year of financial year 2018/19.

In June 2026, GWRC adopted a target to engage with suppliers representing at least 67% of its 'Scope 3' (Category 3-6) emissions and ensure that by the end of financial year 2029/30 they adopt science-aligned targets for reducing their organisation's emission.

Emissions reduction plan

GWRC's Emissions Management and Reduction Plan (EMRP), published in May 2024 and subsequently updated in June 2026, sets out how it will achieve these targets.

Progress against emission reduction targets as at 30 June 2025

In financial year 2024/25, GWRC's emissions reduced by 22% compared to base year emissions, and 1.1% compared to financial year 2023/24 emissions. Reductions in GWRC's emissions have been largely driven by a decline in the diesel used in CentrePort⁶ operations due to the electrification of their landside operations, and the reduction in stock grazing on Regional Parks owned by GWRC.

⁶ CentrePort Ltd is a port company operating under the Port Companies Act and jointly owned by Greater Wellington Regional Council and Horizons Regional Council.

HUTT CITY COUNCIL

Emission reduction targets

Hutt City Council (HCC) is working to reduce its gross GHG emissions by 50% by 2030 against a 2016/17 base year and achieve net zero by 2050.

Emissions reduction plan

HCC's Carbon Reduction and Resilience Plan 2021-31 sets out how it will achieve emission reductions out to 2031, and includes 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.

Progress against emission reduction targets as at 30 June 2025

During the financial year 2024/25, HCC's emissions reduced by 7% from its 2016/27 base year, largely driven by a steady reduction in gas used in facilities and the electrification of HCC's vehicle fleet. HCC saw a 5% increase in financial year 2024/25 emissions compared to financial year 2023/24 emissions due to an increase in closed landfill fugitive and biogenic emissions, direct fugitive emissions due to a reported leak at HCC's Events Centre, and electricity driven by a change in emissions factor.

KAPITI COAST DISTRICT COUNCIL

Emission reduction targets

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 base year 2021/22) by 2032; this extra 15.5% is in addition to the 64% emissions reduction the council had already achieved between 2010 and 2022⁷.

Emissions reduction plan

KCDC has measured and verified its emissions since financial year 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), which required KCDC to develop and implement a plan to reduce its emissions over time.

KCDC's Greenhouse Gas Emissions Inventory and Management Report 2024/25 sets out seven key projects to achieve its emissions reduction targets. These projects include installing solar panels on Council buildings in the Paraparaumu Civic Centre, switching the Ōtaki swimming pool from gas to heat pump, implementing energy efficiency improvements, and electrifying the Council's vehicle fleet.

Progress against emission reduction targets as at 30 June 2025

For the year ending 30 June 2025, KCDC's mandatory gross GHG emissions increased by 9.1% compared to financial year 2023/24. This change was mostly due to an increase in the emissions intensity of electricity from the national electricity grid, caused by a relatively 'dry year' for New Zealand's hydro lakes and an increased reliance on fossil fuels for electricity generation at a national level. These results highlight the ongoing importance of KCDC's projects (see above) to not only reduce emissions, but also reduce reliance on the national grid, as part of meeting its emissions reduction targets.

KCDC reduced its scope 1 and 2 emissions by 18% (compared to the 2021/22 base year) which means KCDC met its 15.5% 'further' emissions reduction target, albeit by a smaller margin than in the previous year. KCDC's largest emissions source remains water and wastewater treatment. Ongoing improvements to Kāpiti's water and wastewater infrastructure have led to a sustained reduction in emissions and electricity use from these treatment plants.

⁷ In financial year 2009/10, KCDC set a target to reduce its operational GHG emissions by 80% by July 2022 (measured against base 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.

TAURANGA CITY COUNCIL

Emission reduction targets

Tauranga City Council (TCC) is targeting to reduce its Scope 1 and 2 gross GHG emissions by 46.2% by 2030 (from financial year 2018/19) and achieve net zero by 2050 (from financial year 2018/19).

Emissions reduction plan

TCC's first Emissions Reduction Plan was adopted in 2023 and was subsequently updated in 2025 to include City Waters⁸ emissions that were previously excluded due to data gaps and methodology issues. These have now been addressed and several high-impact emissions reduction projects for City Waters have been added to the ERP.

Progress against emission reduction targets as at 30 June 2025

In financial year 2024/25, TCC's total scope 1 and Scope 2 emissions (excluding forestry), including emissions from City Waters operations, were 10,381 tCO₂e. This reflects a 43% reduction from the 2018/19 base year and exceeds the target of 25.2% reduction outlined in TCC's ERP. Diverting of biosolids from landfill to vermi-composting, improving treatment processes at wastewater treatment plants, reducing refrigerant leakages and top-ups, decreasing diesel use for stationary combustion, and installing solar systems across multiple facilities to lower grid electricity consumption have all contributed to a reduction in TCC's overall emissions.

TCC began measuring emissions from its forestry activity in financial year 2022/23, which now accounts for 75% of its scope 1 and 2 emissions, as at 30 June 2025. These emissions are reported separately because forestry has a carbon cycle that extends well beyond one year, and TCC expects year-to-year fluctuations as some older forest is harvested and converted to native forest.

WELLINGTON CITY COUNCIL

Emission reduction targets

The Wellington City Council (WCC) has a target to reduce Scope 1 and 2 gross GHG emissions by 57% between financial year 2020/21 and financial year 2029/30 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 financial year 2027/28.

Emissions reduction plan

WCC's plan to reduce its emissions is set out in Te Atakura First to Zero, Wellington City's Zero Carbon Implementation Plan 2020–2030.

Progress against emission reduction targets as at 30 June 2025

WCC's 2024/25 emissions have reduced by 42% from base year 2020/21, and 4% from 2023/24, bringing WCC closer to meeting their 2029/30 reduction target. These reductions are mainly due to a reduction in waste to the cities landfill, electricity consumption and petrol use.

8 An organisational unit within Tauranga City Council.

NAPIER CITY COUNCIL

Napier City Council (NCC) were approved as a CAL borrower in February 2026 and were the first borrower to receive the CAL GHG assurance subsidy from LGFA, announced in December 2025, to support the cost of assurance of organisational GHG emissions.

Emission reduction targets

NCC has set a near-term target to reduce its operational emissions by 63% by 2035 against a base year 2023/24, working towards a target of net zero by 2050.

Emissions reduction plan

NCC have set out an approach to achieve their near-term target in their Emissions Reduction Plan 2025-2035 (ERP), which was adopted by Napier City Council's Prosperous Napier Committee in August 2024. NCC's ERP plan sets out how they will reduce their own emissions whilst also influencing city-wide emissions.



Napier's Civic Precinct Project, Maranga (the office tower) is targeting a minimum 5 star NABERSNZ rating. **Napier City Council**

Contacts

Mark Butcher

Chief Executive

Ph: +64 (04) 974 6744

Email: mark.butcher@lgfa.co.nz

Nick Howell

Head of Sustainability

Ph: +64 21 227 3738

Email: nick.howell@lgfa.co.nz

Andrew Michl

Senior Manager Credit & Client Relations

Ph: +64 (04) 974 6743

Email: andrew.michl@lgfa.co.nz

Helen Mahoney

Senior Manager Sustainable Finance

Ph: +64 27 430 9027

Email: helen.mahoney@lgfa.co.nz

Cameron Walker

Relationship and Credit Manager – Water

Ph: +64 21 223 6460

Email: cameron.walker@lgfa.co.nz