

New Zealand Local Government Funding Agency Limited

Post-Issuance Review — Annual Impact Report 2026

Summary Components

Allocations		Disclosure and Assessment	Aligned	Use of proceeds (UoP) allocated in line with the issuance framework
Impact		Disclosure and Assessment	Aligned	Impact reporting in line with the ICMA Harmonised Framework for Impact Reporting
UN SDGs		Contribution	Direct contribution	Assessment of contribution to UN Sustainable Development Goals (SDGs)

Scope of Work

This report covers New Zealand Local Government Funding Agency Limited's (LGFA) sustainable financing bond activities and reporting for the 2026 reporting period. As of the financial year to end-June 2026 (FY26), LGFA had three sustainable financing bonds (SFBs) outstanding. These SFBs were issued under the LGFA's SFB framework (issuance framework).

The issuance framework allows for bond proceeds to be allocated to one sustainable loan pool that comprises UoP loans from LGFA's green and social (GS) loans lending programme and general-purpose target-based incentive loans from the climate action loan (CAL) lending programme. In August 2026, the entity engaged Sustainable Fitch to provide a Post-Issuance Review focusing on:

- disclosure of the allocations for the SFBs;
- alignment of the allocations with the issuance framework;
- disclosure of impact reporting metrics for the SFBs;
- alignment of impact reporting metrics with the ICMA Harmonised Framework for Impact Reporting for the SFBs; and
- UN SDG contributions.

The current Post-Issuance Review is not a limited (or reasonable) assurance.

This review provides our assessment of the UoP allocation and impact reporting performed against the criteria outlined in the issuance framework and the ICMA Harmonised Framework for Impact Reporting.

Our assessment is based on the information provided by the entity and presented in its 2026 annual impact report (as of 30 June 2026, to be published on 30 September 2026). The entity is responsible for the preparation of the report, including the application of methods and internal control procedures designed to ensure that the information is free from material misstatement. We rely on, and have not verified independently, any information included in the entity's report.

Our assessment does not consider any information other than the information disclosed in the entity's report and obtained by the entity itself. We do not opine on the potential impact that such other information may have on the conformance of the allocations with the standards established by the relevant framework.

Bond Information

Framework

Sustainable financing bond framework (September 2025)

Instruments

NZLGFD020C7 | 4.5% NZD2.46bn due May 2030
 NZLGFD021C5 | 4.5% NZD1.25bn due May 2032
 NZLGFD022C3 | 4.75% NZD900m due May 2034

Analysts

Ying Xuan Kong
 + 65 6576 5828
yingxuan.kong@sustainablefitch.com

Yuna Byun
 +65 6576 0926
yuna.byun@sustainablefitch.com

Media Contact

Peter Hoflich
 + 65 6796 7229
peter.hoflich@thefitchgroup.com

Allocations - Disclosure and Assessment Versus the Issuance Framework

UoP – Disclosure

The following tables show LGFA's sustainable loan pool, which totalled NZD5.30 billion (about USD3.1 billion) as of FY26, supporting the allocation of proceeds from LGFA's SFBs. The sustainable loan pool comprises eligible loans from two lending programmes: GS loans and CALs.

GS loans are UoP loans that finance eligible GS projects, while CALs are general-purpose and target-based incentive loans designed to encourage borrowers to measure and reduce organisational GHG emissions through the adoption of GHG emissions inventories, science-aligned emissions reduction targets (ERTs) and emissions reduction plans (ERPs). LGFA provides GS loans and CALs to local government borrowers, including councils and council-controlled organisations.

As of FY26, the sustainable loan pool comprised NZD614.9 million of GS loans and NZD4.68 billion of CALs. The value of the sustainable loan pool exceeded the NZD4.61 billion of SFBs outstanding, resulting in a sustainable loan ratio of 1.15x.

Where feasible, we show the amount allocated to the each of the projects financed within each UoP.

GS loans

	Projects		Amount allocated		
	Description	Borrower	Amount allocated (NZDm)	Share of GS loan allocation	Share of new financing
UoP 1: Green buildings	Tākina Wellington convention and exhibition centre	Wellington City Council	180	29%	0%
	Te Ngaengae pool and fitness centre	Hutt City Council	41	7%	0%
	Te Iwitahi – Whangarei civic centre	Whangarei District Council	59	10%	0%
	Te Manawataki o Te Papa, including a library and a community hub, a civic whare (public meeting house), an exhibition and a museum	Tauranga City Council	103	17%	51%
	Maranga and Te Aka, including council offices, a library and a civic precinct	Napier City Council	25	4%	100%
UoP 2: Climate change resilience and adaptation	Te Wai Takamori o Te Awa Kairangi – RiverLink project	Greater Wellington Regional Council	103	17%	29%
	Strand Seawall "Living Seawall"	Tauranga City Council	3.2	1%	100%
	Amberley Beach proactive relocation	Hurunui District Council	5.5	1%	100%
	Infrastructure Resilience Programme – North Island Weather Event (NIWE)	Hawke's Bay Regional Council	11	2%	100%
UoP 3: Terrestrial and aquatic biodiversity restoration, conservation and enhancement	Kopurererua valley stream realignment	Tauranga City Council	8.7	1%	100%
UoP 4: Clean transportation	Container crane procurement	Infrastructure Holdings Limited	15	2%	100%
UoP 5: Renewable energy	Papa Rererangi i Puketapu solar farm	New Plymouth District Council	14.6	2%	100%
UoP 6: Sustainable water and wastewater management	Universal smart metering project	Stratford District Council	1.6	0%	100%
UoP 7: Affordable or social housing	ŌCHT social housing	Christchurch City Council	34.2	6%	0%
	Housing upgrade programme phase 2	Wellington City Council	10	2%	100%
Total			614.9	100%	

Source: LGFA annual impact report 2026





CALs

Borrower	Amount allocated (NZDm)	Share of CAL allocation	Share of new financing
Auckland Council	1,100	23%	0%
Dunedin City Treasury Limited	680	15%	38%
Greater Wellington Regional Council	495	11%	14%
Hutt City Council	380.7	8%	8%
Kapiti Coast District Council	285	6%	23%
Napier City Council	35	1%	100%
Tauranga City Council	633.95	14%	38%
Wellington City Council	1,072	23%	29%
Total	4,682	100%	

Source: LGFA annual impact report 2026

GS loans represented 12% of the sustainable loan pool. Green buildings represented the largest share of allocated GS loans, accounting for 66% of GS loan allocations, followed by climate change resilience and adaptation (20%) and affordable or social housing (8%). The remaining allocations were directed towards biodiversity restoration, clean transportation, renewable energy, and sustainable water and wastewater management projects. New financing represented NZD177.6 million, or 29% of the GS loan portfolio. The portfolio includes projects financed entirely through LGFA's GS loan programme as well as projects for which the GS loan allocations represented a portion of the total approved project financing.

CALs represented 88% of the sustainable loan pool and were provided to eight eligible local government borrowers. Auckland Council and Wellington City Council received the largest CAL allocations, followed by Dunedin City Treasury Limited, Tauranga City Council and Greater Wellington Regional Council. CALs were provided to borrowers that satisfied LGFA's CAL lending requirements relating to GHG emissions measurement, target setting and emissions reduction planning. New financing represented NZD1.012 billion, or 22% of total CAL allocations.

LGFA confirmed that the net proceeds from SFBs were allocated only to loans in the sustainable loan pool that had been advanced within the two years preceding the relevant SFB issuance date. Furthermore, GS loans were approved only for projects completed no more than 18 months before the relevant loan application date, in line with the framework's commitment.

UoP – Assessment Versus Issuance Framework

The tables below contain our assessment of the alignment of the GS loans and CALs in the sustainable loan pool with the respective lending criteria set out in the issuance framework.

GS Loans

LGFA assesses GS loan eligibility based the GS loan criteria applicable at the time of project approval. The SFB sustainable loan pool includes loans approved under the 2023 criteria that have been grandfathered in, and loans approved under the 2025 criteria.

UoP	Type	ICMA Category	Eligibility criteria from issuance framework	Aligned with issuance framework	Comments
UoP 1: Green buildings	E	Green buildings	Buildings that meet a minimum rating in national or internationally recognised green building standards, ratings or certifications.	✓	We consider the financed projects to be aligned with the framework's criteria, as the building projects have either achieved or are targeting to achieve the green buildings certification described in the eligibility criteria.



					Proceeds were allocated to projects approved under both the 2023 and 2025 GS loan criteria. LGFA financed five green building projects. Of these, three projects have achieved a recognised green building certification, including two projects certified as NZGBC 5 Green Star and one project certified as NABERSNZ 5-Star. The remaining two projects are targeting NZGBC 5 and 6 Green Star certifications.
					We consider the financed projects to be aligned with the framework's criteria, as the selected projects improve resilience against climate-related risks. The projects are supported by a climate risk assessment conducted by the borrowers. LGFA assesses whether these assessments are sufficient and whether the projects directly address the identified climate-related risks.
UoP 2: Climate change resilience and adaptation	E	Climate change adaptation	Adaptation and resilience projects or information support systems that improve climate change preparedness and resilience against climate-related risks and disasters.	✓	Proceeds were allocated to projects approved under both the 2023 and 2025 GS loan criteria. The proceeds supported climate change adaptation and climate resilience projects addressing climate-related risks, including seawall upgrades for coastal protection, post-disaster rebuilding and infrastructure resilience works in Hawke's Bay following Cyclone Gabrielle, and flood-risk reduction projects in Lower Hutt through stop bank construction and river-channel widening. They also supported the Amberley Beach proactive relocation project, which aims to permanently relocate residents in response to increasing climate risks.
UoP 3: Terrestrial and aquatic biodiversity restoration, conservation and enhancement	E	Terrestrial aquatic biodiversity conservation	Projects focused on safeguarding, restoring or enhancing terrestrial and aquatic ecosystems and biodiversity.	✓	We consider the financed project to be aligned with the framework's criteria, as it supports ecosystem restoration in the Kōpūrerua Valley Reserve. Native species have been planted in the restoration project, and LGFA expects the project to create new fish and bird habitats, with fish surveys to be conducted over the next five years to monitor impact. This project was approved under the 2023 GS loan criteria. The proceeds were allocated to finance the creation of a new wetland to slow water flows, improve water quality and support flood management. It also included the financing of a new cycle path for the reserve's visitors. The project is delivered in partnership with the Bay of Plenty Regional Council, supporting the council's conservation efforts to protect the river's recreational, ecological and cultural value.
UoP 4: Clean transportation	E	Clean transportation	Projects and infrastructure that enable low-carbon transportation of people or goods, including	✓	We consider the financed project to be aligned with the framework's criteria, as the electric container crane and electrification of an existing



			electric or hybrid public transport, active mobility infrastructure, and systems that increase the utilisation of low-carbon transport.		diesel crane support the lower-carbon transportation of goods and fall within the eligible low-emissions port infrastructure specified in the GS loan criteria.
					This project was approved under the 2025 GS loan criteria.
UoP 5: Renewable energy	E	Renewable energy	Investments related to the generation of energy from renewable sources, including wind, solar, geothermal and hydropower, as well as supporting technologies and infrastructure.	✓	We consider the financed project to be aligned with the framework's criteria, as the project finances a 10.02MW solar farm, which is a renewable electricity generation asset eligible under the GS loan criteria. This project was approved under the 2025 GS loan criteria.
UoP 6: Sustainable water and wastewater management	E	Sustainable water wastewater management	Projects primarily aimed at sustainable water and wastewater management, including water and wastewater treatment, water efficiency improvements and supporting infrastructure.	✓	We consider the financed project to be aligned with the framework's criteria, as universal smart water metering is an eligible project type under the GS loan criteria and is consistent with the category's objective of improving water management systems through increased water use efficiency. This project was approved under the 2025 GS loan criteria.
UoP 7: Affordable or social housing	S	Affordable housing	Development and activities that maintain or expand access to affordable housing for low- to moderate-income households, and social housing aimed at aiding low socioeconomic individuals or those with particular needs.	✓	We consider the financed projects to be aligned with the framework's criteria, as they comprise the construction of new social housing and upgrades to existing social housing stock, which are eligible activities under the GS loan criteria. Proceeds were allocated to projects financing social housing administered by Wellington City Council and Ōtautahi Community Housing Trust, New Zealand's second largest community housing provider. The projects were approved under the 2023 GS loan criteria.

Source: Sustainable Fitch, LGFA SFB framework 2025, LGFA GS loans lending programme criteria 2025, LGFA annual impact report 2026

CALs

We consider the CALs included in the sustainable loan pool to be aligned with, or on track to align with, the 2025 version of LGFA's CAL lending programme. The 2025 version of the CAL criteria requires borrowers to produce annual assured GHG emissions inventories, establish science-aligned ERTs and maintain approved ERPs. Ongoing requirements include annual reporting, independent assurance of GHG emissions inventories and reporting on progress against the ERTs.

For Scope 1 and 2 emissions, the 2025 CAL criteria require ERTs that include a minimum 42% reduction by 2030 from 2020 levels or an equivalent target achieving net zero by 2050 or sooner. We understand from LGFA that the ERTs are assessed using a matrix covering baseline years from 2015 onwards and target years through 2035, which specifies the minimum emissions reductions for each baseline year and target year combination to determine alignment with this requirement.

The 2025 update to the CAL criteria also introduced new requirements for borrowers to incorporate council-controlled organisation emissions into their GHG emissions inventories,

set near-term Scope 3 ERTs and include related actions in their ERPs. Five out of eight CAL local council borrowers are developing Scope 3 emissions targets and plans.

LGFA expects all CAL borrowers to meet the updated CAL requirements by 17 September 2027, which is the transition period granted by LGFA to CAL borrowers that have been first approved under the 2023 CAL criteria and therefore not yet met the new requirements introduced in the 2025 update.

CAL borrower	Aligned with issuance framework	Comments
Auckland Council	✓	We consider Auckland Council to be on track to align with the 2025 CAL criteria, as it reports GHG emissions inventories annually and has established ERTs and an ERP for its Scopes 1 and 2 emissions. The council references the Auckland Climate Plan that sets out targets of a 50% reduction of Scopes 1 and 2 emissions by 2030 from a 2016 base year and having net-zero emissions by 2050. The 50% reduction target from a 2016 base year is lower than the 58.8% required under the 2025 CAL criteria. We understand from LGFA that Auckland Council is currently working on resetting its Scopes 1 and 2 emissions targets to align with the 2025 CAL criteria. We understand from LGFA that the Auckland Council has measured its own Scope 3 emissions for several years and is currently resetting its inventory boundary following changes to its group structure to measure Scopes 1, 2 and 3 emissions at the group level. LGFA will assess its ability to set a group-level Scope 3 emissions target and incorporate related actions into its ERP in September 2027. The timeline is in line with the CAL criteria.
Dunedin City Treasury Limited	✓	We consider Dunedin City Treasury Limited to be aligned with the CAL criteria, which LGFA applies to the Dunedin City Council (DCC) because Dunedin City Treasury Limited's GHG emissions are immaterial. The DCC reports annual GHG emissions inventories and targets a 34.2% reduction in annual GHG emissions by FY27 and a 46.2% reduction by FY30 from a FY19 baseline, as well as net-zero emissions by 2050. We understand from LGFA that the GHG emissions targets include Scopes 1, 2 and 3 emissions. The FY30 ERT is aligned with the 2025 CAL criteria, as the minimum reduction required for a FY19 baseline by FY30 is 46.2%. The DCC has developed an ERP related to the aforementioned targets. The DCC measures Scope 3 emissions and is working to incorporate emissions from other council-controlled organisations into its inventory and targets by September 2027, followed by an update to its ERP. The timeline is in line with the CAL criteria.
Greater Wellington Regional Council	✓	We consider Greater Wellington Regional Council to be aligned with the CAL criteria, as it reports annual GHG emissions inventories and has established ERTs and an ERP. The council targets a 50% reduction in gross Scopes 1 and 2 emissions by FY30 from a FY19 baseline and aims to be climate positive from FY45, meaning that it expects carbon removals to exceed its gross GHG emissions. The FY30 reduction target is aligned with the 2025 CAL criteria, as the council's 50% reduction target exceeds the minimum reduction required for a FY19 baseline of 46.2% reduction by FY30. The Greater Wellington Regional Council measures the majority of its Scope 3 emissions and has incorporated into its ERP a supplier engagement target covering at least 67% of its Scope 3 emissions by FY30.
Hutt City Council	✓	We consider Hutt City Council to be on track to align with the 2025 CAL criteria because it reports annual GHG emissions inventories; has developed a carbon reduction and resilience plan from 2021 to 2031; and targets net-zero emissions across Scopes 1, 2 and 3 emissions by 2050. Hutt City Council's current interim target is a 50% reduction in gross Scopes 1 and 2 emissions by 2030 from a FY17 baseline, which is slightly below the 54.6% required under the 2025 CAL criteria.

We understand from LGFA that Hutt City Council is currently resetting its Scopes 1 and 2 ERTs and developing a new Scope 3 emissions target. LGFA expects the updated targets to be adopted by September 2027. The timeline is in line with the CAL criteria.

We consider Kāpiti Coast District Council to be aligned with the CAL criteria, as it reports annual GHG emissions inventories and has established ERTs and an ERP.

Kapiti Coast District Council

✓

The council targets a 15.5% reduction in Scopes 1 and 2 emissions by FY32 from a FY22 baseline, following a 64% reduction between FY10 and FY22, and has adopted a net-zero target for 2040. Its net-zero target is relatively more ambitious as the target year is 2040 rather than 2050. We understand from LGFA that its FY32 target is calibrated to account for the significant emission reductions already achieved prior to the FY22 baseline.

The Kāpiti Coast District Council measures all Scope 3 emission sources and is working to set a near-term Scope 3 target and incorporate it into its ERP by September 2027. The timeline is in line with the CAL criteria.

We consider Napier City Council to be aligned with the CAL criteria.

Napier City Council

✓

The council was approved as a CAL borrower in February 2026; it measures all material and applicable Scope 3 emission sources and has established ERTs covering operational Scopes 1, 2 and 3 emissions, including a 63% reduction target for Scopes 1 and 2 emissions by 2035 and net-zero targets by 2050. We understand from LGFA that the targets are set against a FY24 baseline. The ERT to reduce Scopes 1 and 2 emissions by 63% by 2035 is therefore aligned with the 2025 CAL criteria.

LGFA further clarified that actions to achieve the Napier City Council's near-term targets are incorporated into its ERP.

We consider Tauranga City Council to be aligned with the CAL criteria, as it reports annual GHG emissions inventories, targets a 46.2% reduction in gross Scopes 1 and 2 emissions by 2030 from a FY19 baseline, and aims to achieve net-zero emissions by 2050. It has also established an ERP.

Tauranga City Council

✓

We understand from LGFA that Tauranga City Council is currently working to set a near-term Scope 3 emissions target and incorporate related actions into its ERP by September 2027. The timeline is in line with the CAL criteria. LGFA also indicated that Tauranga City Council intends to review its Scopes 1 and 2 ERT over the next year to assess whether it can achieve further emissions reductions.

We consider Wellington City Council to be aligned with the CAL criteria, as it reports annual GHG emissions inventories, targets a 57% reduction in gross Scopes 1 and 2 emissions by FY30 from a FY21 baseline, and aims to achieve net-zero GHG emissions by 2050. The FY30 Scopes 1 and 2 ERT is aligned with the 2025 CAL criteria, and exceeds the minimum 42% reduction required from a FY21 baseline by FY30. Its emissions reduction measures are set out in Wellington City's Zero Carbon Implementation Plan 2020–2030.

Wellington City Council

✓

The council measures all Scope 3 emission sources and has set a target to ensure that two-thirds of its Scope 3 emissions are attributable to suppliers with science-based targets by FY28. The timeline is in line with the CAL criteria. The Wellington City Council has incorporated actions to achieve this target into its ERP.

Source: Sustainable Fitch, LGFA SFB framework 2025, LGFA CAL lending programme criteria 2025, LGFA annual impact report 2026

LGFA confirmed that it allocated proceeds from its SFBs only to loans that satisfied the eligibility criteria set out in the issuance framework and the criteria of the respective GS loans and CAL lending programmes, and that it did not allocate proceeds to partially eligible activities or borrowers. We consider the reported allocations aligned with the eligibility criteria outlined in the framework and lending programme criteria.

Project Evaluation and Selection – Assessment Versus Issuance Framework

LGFA confirmed that it carried out project evaluation and selection in line with the process described in its framework. LGFA first assessed applications for GS loans and CALs against the relevant lending programme criteria. Its management reviewed applications and presented them to the LGFA sustainability committee, which assessed whether each application satisfied the relevant GS loan or CAL criteria before making a recommendation to the chief executive for final approval. The chief executive then approved eligible applications.

LGFA also confirmed that it considered environmental and social risks as part of the assessment process. For GS loans approved during FY26, applicants identified project-specific environmental and social risks and disclosed corresponding mitigation measures through the application process. LGFA reviewed these risks and determined that the proposed controls appropriately managed the identified risks before approving the loans.



Management of Proceeds – Assessment Versus Issuance Framework

LGFA carried out management of SFB proceeds in line with its framework commitments. LGFA confirmed that all loans in the sustainable loan pool attributed to the three SFBs were advanced within the two years preceding the relevant SFB's issuance date. LGFA further confirmed that it did not hold any unallocated proceeds during FY26 and the combined value of GS loans and CALs exceeded the amount of SFBs outstanding. LGFA also confirmed that no GS loans or CALs have been declassified from the sustainable loan pool in FY26 and the years since the issuance framework's inception.



Reporting – Assessment Versus Issuance Framework

We view LGFA's reporting practices as aligned with the issuance framework. LGFA's 2026 annual impact report includes allocation, eligibility and impact reporting for the sustainable loan pool that comprises GS loans and CALs. LGFA also provides information on the allocation of the SFB proceeds on a monthly basis. The annual impact report disclosed the value of the sustainable loan pool, SFBs outstanding and related impact information where available. Based on the information, we consider LGFA's reporting process to be consistent with the reporting commitments outlined in the issuance framework.



Source: Sustainable Fitch, LGFA SFB framework 2025, LGFA annual impact report 2026



Impact – Disclosure and Assessment Versus Harmonised Framework for Impact Reporting

Impact Metrics – Disclosure

The tables below show the impact achieved by the GS loans and CALs included in LGFA's sustainable loan pool as of FY26. The reported impacts are based on the information disclosed in LGFA's 2026 annual impact report. Impact metrics are reported for FY25. As of FY26, all proceeds from SFBs were allocated to eligible GS loans and CALs.

Detailed

The following table shows the emissions-related information for the net proceeds.

GS loans

UoP	Projects	Amount allocated (NZDm)	Impact metrics	FY24	FY25	% change from FY24 to FY25
UoP 1: Green buildings	Tākina Wellington convention and exhibition centre	180	Electricity consumption (kWh)	2,003,488	1,932,235	-3.50%
			Gas consumption (kWh)	1,756,128	1,075,878	-38.70%
			Water consumption (m3)	8,362	4,603	-44.90%
	Te Ngaengae pool and fitness centre	41	Electricity consumption (kWh)	n.a.	1,336,299	n.a.
			Water consumption (m3)	n.a.	121,748	n.a.
	Te Iwitahi – Whangārei civic centre	59	Electricity consumption (kWh)	687,324	665,172	-3%
			Water consumption (m3)	4,437	3,830	-13.70%
	Te Manawataki o Te Papa, including a library and a community hub, a civic whare (public meeting house), an exhibition gallery and a museum	103	Under construction; impact data not yet available	n.a.	n.a.	n.a.
	Maranga and Te Aka, including council offices, a library and a civic precinct	25	Under construction; impact data not yet available	n.a.	n.a.	n.a.
	Te Wai Takamori o Te Awa Kairangi – RiverLink project	103	Under construction; impact data not yet available	n.a.	n.a.	n.a.
UoP 2: Climate change resilience and adaptation	Strand Seawall “Living Seawall”	3.2	Not disclosed	Not disclosed	Not disclosed	Not disclosed
	Amberley Beach proactive relocation	5.5	Not disclosed	Not disclosed	Not disclosed	Not disclosed
	Infrastructure Resilience Programme – North Island Weather Event (NIWE)	11	Not disclosed	Not disclosed	Not disclosed	Not disclosed
UoP 3: Terrestrial and aquatic biodiversity restoration, conservation and enhancement	Kopurererua valley stream realignment	8.7	The number of native plants planted	n.a.	236,384	n.a.
UoP 4: Clean transportation	Container crane procurement	15	Not disclosed	Not disclosed	Not disclosed	Not disclosed
UoP 5: Renewable energy	Papa Rererangi I Puketapu solar farm	14.6	Not disclosed	Not disclosed	Not disclosed	Not disclosed
UoP 6: Sustainable water and wastewater management	Universal smart metering project	1.6	Not disclosed	Not disclosed	Not disclosed	Not disclosed
UoP 7: Affordable or social housing	ŌCHT social housing	34.2	Number of units built	n.a.	312	n.a.
	Housing upgrade programme phase 2	10	Not disclosed	Not disclosed	Not disclosed	Not disclosed

Source: Sustainable Fitch, LGFA annual impact reports (2025, 2026)

Note: n.a. – Not applicable.



CALs

CAL borrowers	Base year GHG emissions inventory			FY25 GHG emissions inventory			Combined Scopes 1 and 2 emissions change from base year (%)
	Amount (NZD million)	Base Year	Scope 1 emissions	Scope 2 emissions	Scope 1 emissions	Scope 2 emissions	
Auckland Council	1,100	FY17	15,735	5,787	16,460	4,337	-3%
Dunedin City Treasury Limited	680	FY19	74,339	3,682	45,893	2,934	-37%
Greater Wellington Regional Council	495	FY19	11,268	2,794	8,053	2,973	-22%
Hutt City Council	380.7	FY17	57,805	2,383	54,727	1,539	-7%
Kapiti Coast District Council	285	FY22	3,156	1,226	2,534	1,058	-18%
Napier City Council	35	FY24	5,528	1,068	6,046	1,420	+13%
Tauranga City Council	633.95	FY19	14,770	3,515	7,093 (excluding forestry), 39,100 (including forestry)	3,288	-43% (excluding forestry), +132% (including forestry)
Wellington City Council	1,072	FY21	86,807	5,604	49,146	4,248	-42%

Source: Sustainable Fitch, LGFA annual impact report 2026

Impact Metrics – Assessment Versus Commitment in Issuance Framework

LGFA reports GS loan impacts at the project level using qualitative and quantitative indicators. The reported metrics include electricity, gas and water consumption for green building projects, native plants planted for biodiversity projects, and housing units delivered for affordable housing projects. These metrics are generally consistent with the example impact measures outlined in the GS loans lending programme criteria and reflect the environmental and social outcomes of the financed projects.



LGFA did not include quantitative impact metrics for several recently approved GS loan projects in its reporting for FY26, as impact reporting is based on data collected for the prior financial year (FY25). LGFA stated that it will report impacts for climate change adaptation, clean transportation, renewable energy, sustainable water and affordable housing projects approved during FY26 in its 2027 annual impact report. LGFA also disclosed that the Te Manawataki o Te Papa, Maranga and Te Aka, and Te Wai Takamori o Te Awa Kairangi (RiverLink) projects remained under construction during the reporting period.

LGFA has reported emissions performance of all eight CAL borrowers included in the sustainable loan pool. The reported information includes baseline Scopes 1 and 2 emissions, FY25 Scopes 1 and 2 emissions, and changes in emissions relative to each borrower's selected base year. These disclosures provide transparency on organisational GHG emissions performance for each CAL borrower.

LGFA confirmed that all CAL borrowers have ERPs in place, as required in the CAL criteria. LGFA also confirmed the borrowers' progress in measuring Scope 3 emissions, setting related targets and incorporating actions to address those targets into their ERPs, subject to the allowance period for transitioning to the 2025 version of the CAL criteria.

Based on the information reviewed, we consider that LGFA has provided impact reporting in line with its SFB framework commitments to provide such reporting subject to information availability and confidentiality requirements. LGFA has disclosed quantitative impact indicators for six GS loan projects, and at least provided a qualitative disclosure of the impact of the remaining projects. For CALs, LGFA has disclosed the progress of borrowers towards their ERTs, which provides transparency on how CALs are supporting measurable decarbonisation outcomes.

Impact Metrics – Assessment Versus ICMA’s Harmonised Framework for Impact Reporting

As shown in the following table, LGFA’s reporting on the impacts of its SFBs follows the majority of the recommendations included in the ICMA Harmonised Framework for Impact Reporting for GS bonds. The ICMA Harmonised Framework for Impact Reporting is available separately for GS bonds; we present them in a consolidated table as some of the elements are identical across both sets of guidance.

We have included CALs in this assessment where we deem the ICMA recommendations relevant. However, not all impact reporting considerations in the ICMA recommendations apply to the CALs as they are general-purpose loans.

Recommendations	Green or social bond recommendations		Comment(s)
Reporting at least on annual basis	Green and social	✓	LGFA has reported on allocation and impact achieved through its SFB programme on an annual basis. The latest report, released on 30 September 2026, includes allocation and impact reporting for GS loans and CALs financed under the framework.
Process and timeframe defined and disclosed	Green and social	✓	LGFA has disclosed a clear process for the inclusion, removal and replenishment of assets within the sustainable loan pool. The framework also specifies that an amount equal to the net proceeds of SFBs will be allocated to eligible loans within two years of issuance and defines the eligibility conditions for loans included in the pool.
Signed versus eligible amount	Green and social	✓	LGFA has indicated the approved amount for each GS loan project and CAL borrower together with the principal amount outstanding and allocated to the sustainable loan pool under the framework.
Formal internal process for allocation and reporting	Green and social	✓	LGFA has a clear process to identify eligible loans and determine their inclusion in the sustainable loan pool. LGFA assesses GS loans and CALs against the eligibility criteria defined in the framework. The sustainability committee reviews applications and recommends eligible GS loans and CALs to the chief executive for approval. LGFA’s management oversees the allocation of SFB proceeds to the sustainable loan pool and is responsible for reporting under the framework.
Reporting at portfolio or bond level	Green and social	✓	LGFA reports on the sustainable loan pool on a portfolio basis. LGFA discloses the allocation of proceeds from SFBs to the sustainable loan pool and provides project-level information for GS loans and borrower-level information for CALs, including the approved amount for each project and the principal amount allocated to the pool under the framework.
Identify approach to impact reporting	Green and social	✓	LGFA reports impact achieved at project level for GS loans, providing project descriptions and qualitative and quantitative impact indicators. For CALs, LGFA reports borrower-level emissions information and progress towards the ERTs.
Social project category and/or categories	Social	✓	LGFA clearly identifies the affordable housing ICMA project category for social housing projects financed in by the GS loans.
Relevant target population(s)	Social	✓	LGFA identifies low- to moderate-income households and individuals with particular housing needs as the target populations for projects financed under the affordable or social housing projects category.
Identify approach to impact reporting	Social	✓	LGFA reports the social impacts of its GS loans at the project level. For social housing projects, LGFA provides project descriptions and reports quantitative indicators such as the number of housing units built.
Environmental and/or social impacts	Green and social	✓	LGFA reports on environmental impacts for green projects financed through the sustainable loan pool using both quantitative and qualitative information. The report includes operational metrics where available, while some recently approved or in-construction projects are supported by qualitative disclosures or future reporting commitments. LGFA also reports on progress against the ERTs for CAL borrowers, which provides transparency on the impact of CALs on supporting measurable decarbonisation outcomes.



Timeframe for impact reporting	Green and social	✓	LGFA reports impacts on an annual basis and clearly discloses the reporting period used for impact calculations. The reporting does not contain estimated lifetime results and/or the economic life of GS projects, but many of the projects are related to infrastructure that typically have long timeframes.
Pro-rated share of the overall impact results (as a percentage of the issuer's share of the total financing)	Social	✓	LGFA reports the social impacts of its GS loans at the project level. We understand from LGFA that the GS loans have fully financed the social projects; hence, the pro-rating of impact results of social projects is not required.
Transparency on calculation methodology and assumptions	Social	✓	LGFA provides information on the social housing metrics reported and describes the underlying projects and reporting context.
Ex-post assessments	Green	-	LGFA reports actual impact outcomes for eligible projects, including some ex-post operational performance data and emissions reductions, where quantitative indicators have been reported. The report does not compare ex-post results against ex-ante assumptions or original impact estimates, and focuses on reporting actual outcomes and year-on-year performance.
Referring to core indicators	Green and social	✓	LGFA reports several indicators that are aligned with relevant ICMA core indicators across the disclosed GS loan categories. Green building projects report energy and water consumption metrics, and biodiversity projects report ecosystem restoration indicators. CALs are general-purpose loans and are therefore not directly associated with the project-based core indicators recommended by the ICMA. We acknowledge that LGFA reports GHG emissions data and changes in GHG emissions relative to the base-year emissions for CALs.
Transparency on calculation methodology and assumptions	Green	✓	LGFA provides methodology-related information, supporting reported impact metrics.
Transparency on projects (ie description)	Green and social	✓	LGFA disclosed project-level information for GS loans by UoP category across all UoP categories. LGFA also disclosed borrower-level data on the emissions reductions and targets of CAL borrowers.
Conversion to core units reported	Green	✓	LGFA reports impact metrics using recognised and category-appropriate units.
Disclosure on partial eligibility	Green and social	✓	LGFA confirmed that it allocated proceeds only to projects that are fully aligned with its SFB eligibility criteria.
Importance of qualitative and quantitative reporting	Green and social	✓	LGFA published reporting with both qualitative and quantitative information, allowing clear identification of the eligible projects.
Quality of the output, outcome and/or impact metrics	Social	✓	LGFA reports a clear quantitative output, the number of housing units built, and qualitative descriptions of the social benefits. The report provides limited quantitative outcome or impact metrics showing the resulting benefits for households, such as the number of beneficiaries or improvements in housing affordability, quality or accessibility.
Timing of disbursements and project stage	Social	✓	LGFA disclosed the allocated amounts by project and borrower, and has provided information about project stage where relevant. LGFA also includes the approval dates of the GS loans, which provides some clarity on the timing of the expected projected disbursements.
Disclose apportionment of different components (when in different categories)	Green	✓	LGFA reported impacts at the project level for the allocated categories, without combining categories.
Transparency on currency used for cash flows	Green	✓	All the cash flows have been reported in the same currency (NZD).
Reference to reporting templates	Green	-	LGFA does not report using the ICMA reporting templates directly. However, it presents impact information in a structured format that reflects the characteristics of the sustainable loan pool.

Source: Sustainable Fitch, LGFA SFB framework 2025, LGFA annual impact report 2026

We consider LGFA's impact reporting practices as overall aligned with the relevant recommendations of the ICMA Harmonised Framework for Impact Reporting. LGFA publishes monthly allocation reports and an annual impact report and provides project-level information for eligible GS projects, and borrower-level information for eligible CALs financed through the sustainable loan pool. The report includes both qualitative and quantitative information,

including energy and water consumption metrics for green buildings, biodiversity restoration indicators, and housing output metrics for social housing projects.

LGFA also discloses project descriptions, allocation information and reporting periods, allowing stakeholders to understand the nature and objectives of the financed projects. The availability and granularity of reported metrics vary across project categories; nevertheless, the reported information provides a transparent view of the environmental and social outcomes associated with the sustainable loan pool.

Contribution to UN SDGs – Assessment

In the following table Sustainable Fitch shows the UN SDGs that the SFBs are directly contributing towards.

GS Loans	Type	UN SDG contribution
UoP 1: Green buildings	E	SDG 7 (affordable and clean energy); SDG 11 (sustainable cities and communities); SDG 13 (climate action)
UoP 2: Climate change resilience and adaptation	E	SDG 1 (no poverty); SDG 13 (climate action)
UoP 3: Terrestrial and aquatic biodiversity restoration, conservation and enhancement	E	SDG 14 (life below water); SDG 15 (life on land)
UoP 4: Clean transportation	E	SDG 11 (sustainable cities and communities)
UoP 5: Renewable energy	E	SDG 7 (affordable and clean energy)
UoP 6: Sustainable water and wastewater management	E	SDG 6 (clean water and sanitation)
UoP 7: Affordable or social housing	S	SDG 1 (no poverty), SDG 10 (reduced inequalities); SDG 11 (sustainable cities and communities)
CALs	Type	UN SDG contribution
Climate Action Loans	E	SDG 11 (sustainable cities and communities); SDG 13 (climate action)

Source: Sustainable Fitch, LGFA SFB framework 2025, LGFA annual impact report 2026
Note: E – Environmental, S – Social.



SOLICITATION STATUS

The Post-Issuance Review was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.

A Sustainable Fitch Analytical Product provides an assessment of the Environmental, Social and/or Governance qualities of an issuer and/or its financial instruments or securities. Sustainable Fitch Analytical Products include without limitation ratings, scores, second-party opinions and other assessments, opinions and data-related products, among other Analytical Products. A Sustainable Fitch Analytical Product is not a credit rating. Analytical Products are provided by Sustainable Fitch, a Fitch Solutions company, and an affiliate of Fitch Ratings. Sustainable Fitch has established specific policies and procedures intended to avoid creating conflicts of interest and compromising the independence or integrity of Fitch Ratings' credit rating activities and Sustainable Fitch's Analytical Product generation activities. For a description of the methodology, limitations and disclaimers relating to Sustainable Fitch's Analytical Products, please use this link: www.sustainablefitch.com.

Please note that individuals identified in any Analytical Product report or press release are not responsible for the opinions stated therein and are named for contact purposes only. A report regarding an Analytical Product is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of financial instruments and securities. Sustainable Fitch's Products are not considered investment advice and they are not and should not be considered as a replacement of any person's own assessment of the sustainability factors related to a financial instrument or an entity. Sustainable Fitch does not represent, warrant or guarantee that an Analytical Product will fulfil any of your or any other person's particular purposes or needs. Sustainable Fitch does not recommend the purchase or sale of financial instruments or securities or give investment advice or provide any legal, auditing, accounting, appraisal or actuarial services. Sustainable Fitch's Analytical Products are not an opinion as to the value of financial instruments or securities. Sustainable Fitch does not audit or verify the accuracy of the information provided to it by any third party for the purpose of issuing an Analytical Product, including without limitation issuers, their representatives, accountants and legal advisors and others. Sustainable Fitch does not represent, warrant or guarantee the accuracy, correctness, integrity, completeness or timeliness of any part of the Analytical Product. The information in an Analytical Product report is provided "as is" without any representation or warranty of any kind, and Sustainable Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. Sustainable Fitch does not provide a limited or reasonable assurance on any information presented in an Analytical Product report.

Sustainable Fitch receives fees from entities and other market participants who request Sustainable Fitch Analytical Products in relation to the analysis conducted to assign a rating, score, opinion or an assessment to a given financial instrument and/or entity, as well as the distribution of data. The assignment, publication, or dissemination of a Sustainable Fitch Analytical Product shall not constitute a consent by Sustainable Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction.

Any ratings, second-party opinions, assessments, commentaries or other reports and products issued by Sustainable Fitch are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Sustainable Fitch Analytical Products offered to clients in Australia. Analytical Products in Australia are available only to wholesale clients (as defined in section 761G and 761GA of the Corporations Act (Cth) (the "Act")) in Australia. Information related to Analytical Products published by Sustainable Fitch is not intended to be used by persons who are retail clients within the meaning of section 761G and 761GA of the Act ("Retail Clients") in Australia. No one shall distribute, disclose or make references to any information related to Analytical Products in a manner which is intended to (or could reasonably be regarded as being intended to) influence a Retail Client in making a decision in relation to a particular financial product (as defined in the Act) or class of financial products, unless required to do so by law to meet continuous disclosure obligations. No one shall make reference to any Sustainable Fitch Analytical Product information in any publication, promotional material, disclosure document, correspondence, website, or any other venue that may be accessed by clients and investors who are Retail Clients in Australia (except in the circumstances as permitted by law). Sustainable Fitch does not hold an Australian financial services license to provide general financial product advice and the Analytical Products are provided subject to the conditions of the [class no action position to second party opinion providers issued by the Australian Securities & Investments Commission on 14 June 2024 and 16 June 2026](#). Except as disclosed above or on our website, there is no conflict of interest that is material that may arise in providing the views and opinions here. For Industry-accepted framework and standards relevant to this Analytical Product, please refer to information above and in the methodology.

Copyright © 2026 by Sustainable Fitch, Inc., Sustainable Fitch Limited and their subsidiaries. 300 West 57th Street, New York, NY 10019. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.