# Sustainable Financing Allocation Report

31 October 2026

LGFA

New Zealand Local Government Funding Agency

Te Pūtea Kāwanatanga ā-rohe

# SUSTAINABLE FINANCE AT LGFA - HISTORY

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

## 2021

**April**: Head of Sustainability appointed

**June**: Toitū Envirocare carbonzero certification

**September**: Sustainability Committee established

**October**: Green, Social And Sustainability Lending Programme established

## 2022

**December**: Climate Action Loans Programme (CAL) established

## 2023

**March**: Sustainable Financing Bond Framework established

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

## 2024

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

**November**: Senior Manager Sustainable Finance appointed

## 2025

**March**: Sustainable Finance Workshop Series

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

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

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

## 2026

**March**: Second Sustainable Finance Workshop Series

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

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

**July:** Sustainable Water Action Loans Programme (SWALe) established

**Source: LGFA**



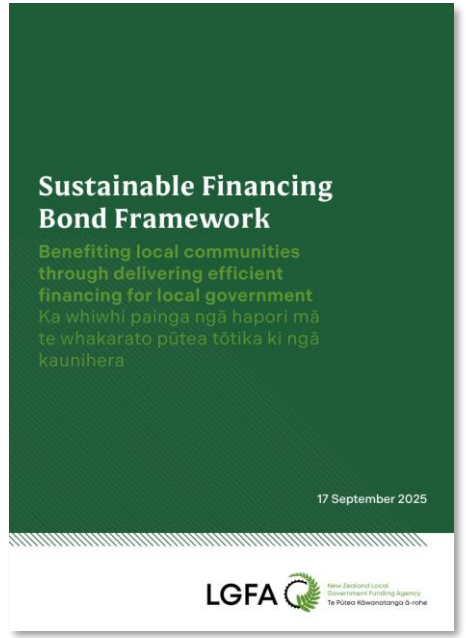
Classification: PROTECTED

# SUSTAINABLE FINANCING BOND PROGRAMME

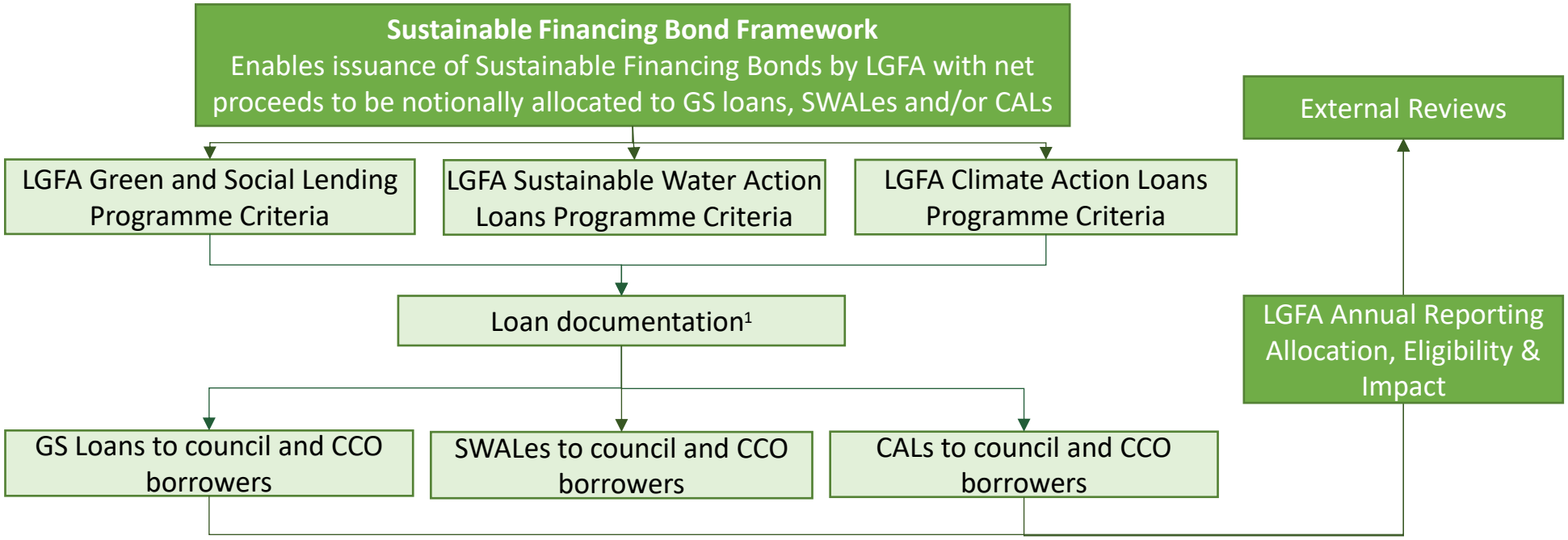
New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

**LGFA's Sustainable Financing Bond Framework (Framework):**

- Enables LGFA to issue bonds that are notionally allocated to CALs, GS Loans and SWALes; and provide an innovative opportunity for investors to support council and CCO borrowers to achieve their sustainability aspirations.
- Informed by ICMA's Green and Social Bond Principles, and APLMA's Green and Social Loan and Sustainability Linked-Loan Principles.
- Sustainable Fitch have provided second-party opinion on the framework.




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




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

**Source: LGFA**

# SUSTAINABLE FINANCING – GREEN AND SOCIAL (GS) LOANS

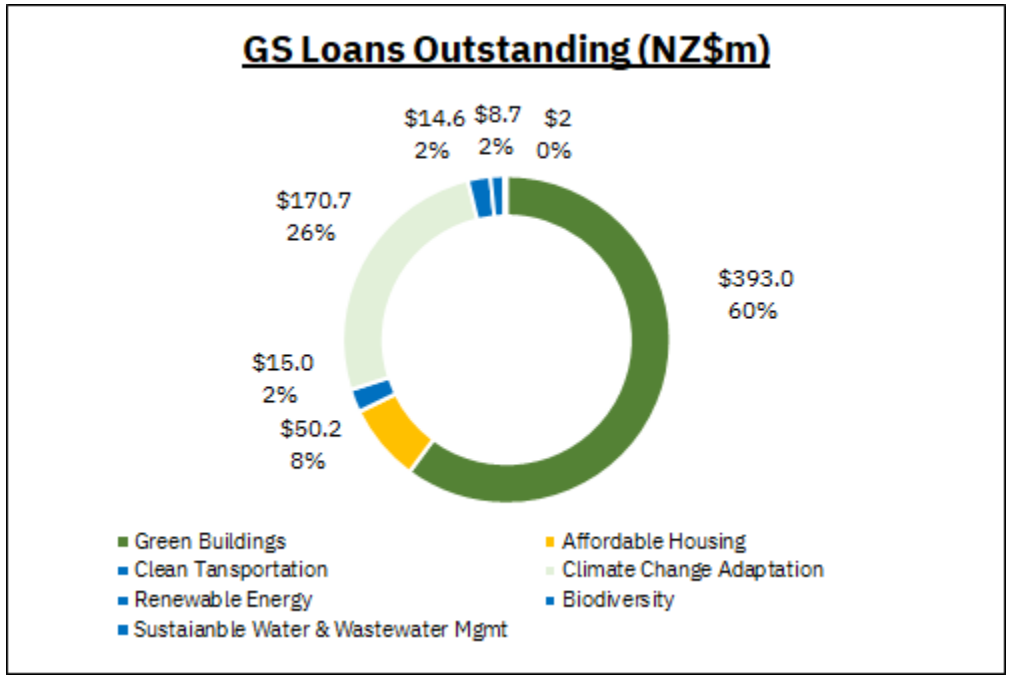
New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

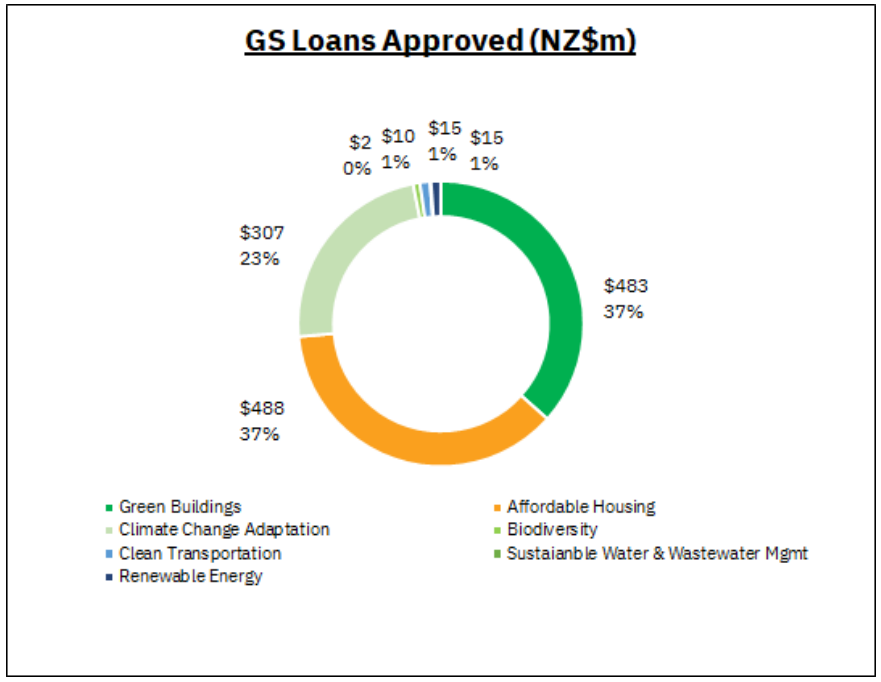
## LGFA GS lending programme*

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

Progress to date:

- **Fifteen** GS Loans have been approved as eligible
- **NZ$1.32 billion** of GS Loans Approved as at 31 October 2026
- **NZ$653.9 million** of GS Loans Outstanding as at 31 October 2026






**Source: LGFA**

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

# SUSTAINABLE FINANCING – CLIMATE ACTION LOANS (CALs)

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

## LGFA CAL lending programme*

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

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

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

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

Progress to date:

- Nine Borrowers approved as eligible for CALs
- **NZ$4.23 billion** of CALs outstanding as at 31 October 2026



**Source: LGFA**

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

# LGFA ALLOCATION REPORTING

As at 31 October 2026

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

## Sustainable Financing Bonds Summary and Sustainable Loan Asset Pool

| Sustainable Financing Bond (NZX ticker) | Sustainable Financing Bond (NZ$ million) | Issuance Period | Issue Date | Maturity Date |
|---|---|---|---|---|
| LGF170 | 1,100 | FY to 30 June 2023 | 17/04/23 | 15/05/30 |
| LGF170 | 660 | FY to 30 June 2024 | various | 15/05/30 |
| LGF170 | 500 | FY to 30 June 2025 | various | 15/05/30 |
| LGF180 | 1,000 | FY to 30 June 2025 | various | 14/05/32 |
| LGF170 | 200 | FY to 30 June 2026 | various | 15/05/30 |
| LGF180 | 250 | FY to 30 June 2026 | various | 14/05/32 |
| LGF190 | 900 | FY to 30 June 2026 | various | 15/05/34 |
| LGF190 | 50 | | 13/07/26 | 15/05/34 |
| LGF180 | 75 | | 10/08/26 | 14/05/32 |
| LGF180 | 75 | | 14/09/26 | 14/05/32 |
| **Total** | **4,810** | | | |

| | NZ$ million |
|---|---|
| Total Value of GS Loans* | 653.9 |
| Total Value of CALs* | 4,228.95 |
| **Total Value of Sustainable Loan Asset Pool*** | **4,882.85** |
| Total principal amount of Sustainable Financing Bonds on Issue | 4,810.0 |
| **Surplus Sustainable Loan Assets** | **72.85** |
| **Sustainable Loan Ratio (x)** | **1.02x** |

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

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

LGFA intends to notionally allocate an amount equal to the net proceeds of Sustainable Financing Bonds to GS Loans and CALs within 24 months of the issue date of the relevant Sustainable Financing Bonds.

If the Surplus Sustainable Loan Assets amount is negative (and the Sustainable Loan Ratio is less than 1.0), it means that the amount of Sustainable Financing Bonds that have been issued is greater than the amount of Sustainable Loan Assets held. In this instance the net proceeds will be invested in line with the Framework pending notional allocation to GS Loans and CALs.



**Source: LGFA**

# LGFA ALLOCATION REPORTING

As at 31 October 2026

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

## Green and Social (GS) Loans – Green Buildings

| GS Category | Borrower | Date Sustainable Loan Approved* | GS Loan Criteria Version ** | Project Description | Sustainable Loan Type | Approved Amount for Project* (NZ$ million) | Principal Amount Outstanding (NZ$ million) | Allocation to Sustainable Loan Asset Pool under Framework (NZ$ million) |
|---|---|---|---|---|---|---|---|---|
| Green Buildings | Wellington City Council | 14 October 2021 | 2023 | Tākina, Wellington Convention and Exhibition Centre | Green Loan | 180 | 165 | 165 |
| Green Buildings | Hutt City Council | 28 June 2022 | 2023 | Ngaengae Pool + Fitness Centre | Green Loan | 41 | 31 | 31 |
| Green Buildings | Whangarei District Council | 19 August 2022 | 2023 | Te Iwitahi - Whangārei Civic Centre | Green Loan | 59 | 59 | 59 |
| Green Buildings | Tauranga City Council | 15 March 2025 | 2023 | Te Manawataki o Te Papa – Building 1 - Library and Community Hub Building 2 - Civic Whare, Exhibition & Museum | Green Loan | 103 | 103 | 103 |
| Green Buildings | Napier City Council | 17 September 2025 | 2025 | Maranga (Council offices) and Te Aka (Library and Civic Precinct) Project | Green Loan | 100 | 35 | 35 |

*Where a GS Loan is "approved", LGFA is not committed to provide those funds. Rather, LGFA has indicated to the relevant Borrower that, subject to satisfaction of conditions precedent, LGFA intends to advance the relevant amount as GS Loan(s) when the Borrower makes a request under LGFA's Multi-Issuer Deed. **GS Loan Lending Programme Criteria that the GS project was approved against.



**Source: LGFA**

# LGFA ALLOCATION REPORTING

As at 31 October 2026

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

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

| GS Category | Borrower | Date Sustainable Loan Approved* | GS Loan Criteria Version ** | Project Description | Sustainable Loan Type | Approved Amount for Project* (NZ$ million) | Principal Amount Outstanding (NZ$ million) | Allocation to Sustainable Loan Asset Pool under Framework (NZ$ million) |
|---|---|---|---|---|---|---|---|---|
| Climate Change Adaptation and Resilience | Greater Wellington Regional Council | 2 December 2021 | 2023 | Te Wai Takamori o Te Awa Kairangi - RiverLink Project | Green Loan | 227 | 151 | 151 |
| Climate Change Adaptation and Resilience | Tauranga City Council | 31 August 2025 | 2023 | Strand Seawall "Living Seawall" | Green Loan | 7 | 3.2 | 3.2 |
| Climate Change Adaptation and Resilience | Hurunui District Council | 28 August 2025 | 2023 | Amberley Beach Proactive Relocation | Green Loan | 23.6 | 5.5 | 5.5 |
| Climate Change Adaptation and Resilience | Hawke's Bay Regional Council | 3 November 2025 | 2025 | Infrastructure Resilience Programme (NIWE) | Green Loan | 49.8 | 11 | 11 |

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**Source: LGFA**

# LGFA ALLOCATION REPORTING

As at 31 October 2026

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

## Green and Social (GS) Loans – Biodiversity Conservation*, Clean Transportation, Renewable Energy

| GS Category | Borrower | Date Sustainable Loan Approved** | GS Loan Criteria Version *** | Project Description | Sustainable Loan Type | Approved Amount for Project* (NZ$ million) | Principal Amount Outstanding (NZ$ million) | Allocation to Sustainable Loan Asset Pool under Framework (NZ$ million) |
|---|---|---|---|---|---|---|---|---|
| Biodiversity Conservation* | Tauranga City Council | 10 October 2023 | 2023 | Kopurererua Valley Stream Realignment | Green Loan | 10.3 | 8.7 | 8.7 |
| Clean Transportation | Infrastructure Holdings Ltd | 23 September 2025 | 2025 | Container Crane Procurement | Green Loan | 15 | 15 | 15 |
| Renewable Energy | New Plymouth District Council | 23 September 2025 | 2025 | Papa Rererangi i Puketapu (PRIP) Solar Farm | Green Loan | 14.6 | 14.6 | 14.6 |
| Sustainable Water & Wastewater Management | Stratford District Council | 23 March 2026 | 2025 | Universal Smart Metering Project | Green Loan | 1.6 | 1.6 | 1.6 |
| **Total Green Loans** | | | | | | **831.9** | **603.7** | **603.7** |

*Terrestrial and Aquatic Biodiversity Restoration, Conservation and Enhancement

**Where a GS Loan is "approved", LGFA is not committed to provide those funds. Rather, LGFA has indicated to the relevant Borrower that, subject to satisfaction of conditions precedent, LGFA intends to advance the relevant amount as GS Loan(s) when the Borrower makes a request under LGFA's Multi-Issuer Deed.

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



**Source: LGFA**

# LGFA ALLOCATION REPORTING

As at 31 October 2026

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

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

| GS Category | Borrower | Date Sustainable Loan Approved* | GS Loan Criteria Version ** | Project Description | Sustainable Loan Type | Approved Amount for Project* (NZ$ million) | Principal Amount Outstanding (NZ$ million) | Allocation to Sustainable Loan Asset Pool under Framework (NZ$ million) |
|---|---|---|---|---|---|---|---|---|
| Affordable or Social Housing | Christchurch City Council | 17 November 2022 | 2023 | ŌCHT Social Housing | Social Loan | 55 | 40.2 | 40.2 |
| Affordable or Social Housing | Wellington City Council | 28 August 2025 | 2023 | Housing Upgrade Programme Phase 2 (HUP2) | Social Loan | 432.5 | 10 | 10 |
| **Total Social Loans** | | | | | | **487.5** | **50.2** | **50.2** |
| **Total Loans** | **11 Borrowers** | | | | | **1,319.4** | **653.9** | **653.9** |

*Where a GS Loan is "approved", LGFA is not committed to provide those funds. Rather, LGFA has indicated to the relevant Borrower that, subject to satisfaction of conditions precedent, LGFA intends to advance the relevant amount as GS Loan(s) when the Borrower makes a request under LGFA's Multi-Issuer Deed. **GS Loan Lending Programme Criteria that the GS project was approved against.



**Source: LGFA**

# LGFA ALLOCATION REPORTING

As at 31 October 2026

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

## Climate Action Loans (CALs)

| Borrowers | CAL Criteria Version* | Maturity Date Range of CALs | Principal Amount Outstanding (NZ$ million) | Allocated to Sustainable Loan Asset Pool under Framework (NZ$ million) |
|---|---|---|---|---|
| Auckland Council | 2023 | May 2028 to April 2033 | 1,100.0 | 1,100.0 |
| Dunedin City Treasury Limited | 2023 | October 2029 to May 2035 | 730.0 | 730.0 |
| Greater Wellington Regional Council | 2023 | June 2027 to November 2034 | 305.0 | 305.0 |
| Hutt City Council | 2023 | October 2026 to May 2032 | 315.0 | 315.0 |
| Kapiti Coast District Council | 2023 | October 2026 to October 2030 | 320.0 | 320.0 |
| Tauranga City Council | 2023 | April 2027 to April 2033 | 708.95 | 708.95 |
| Wellington City Council | 2023 | July 2027 to November 2033 | 660.0 | 660.0 |
| Napier City Council | 2025 | April 2029 to May 2034 | 45.0 | 45.0 |
| Taupo District Council | 2025 | May 2031 | 25.0 | 25.0 |
| **Total** | | | **4,228.85** | **4,228.85** |

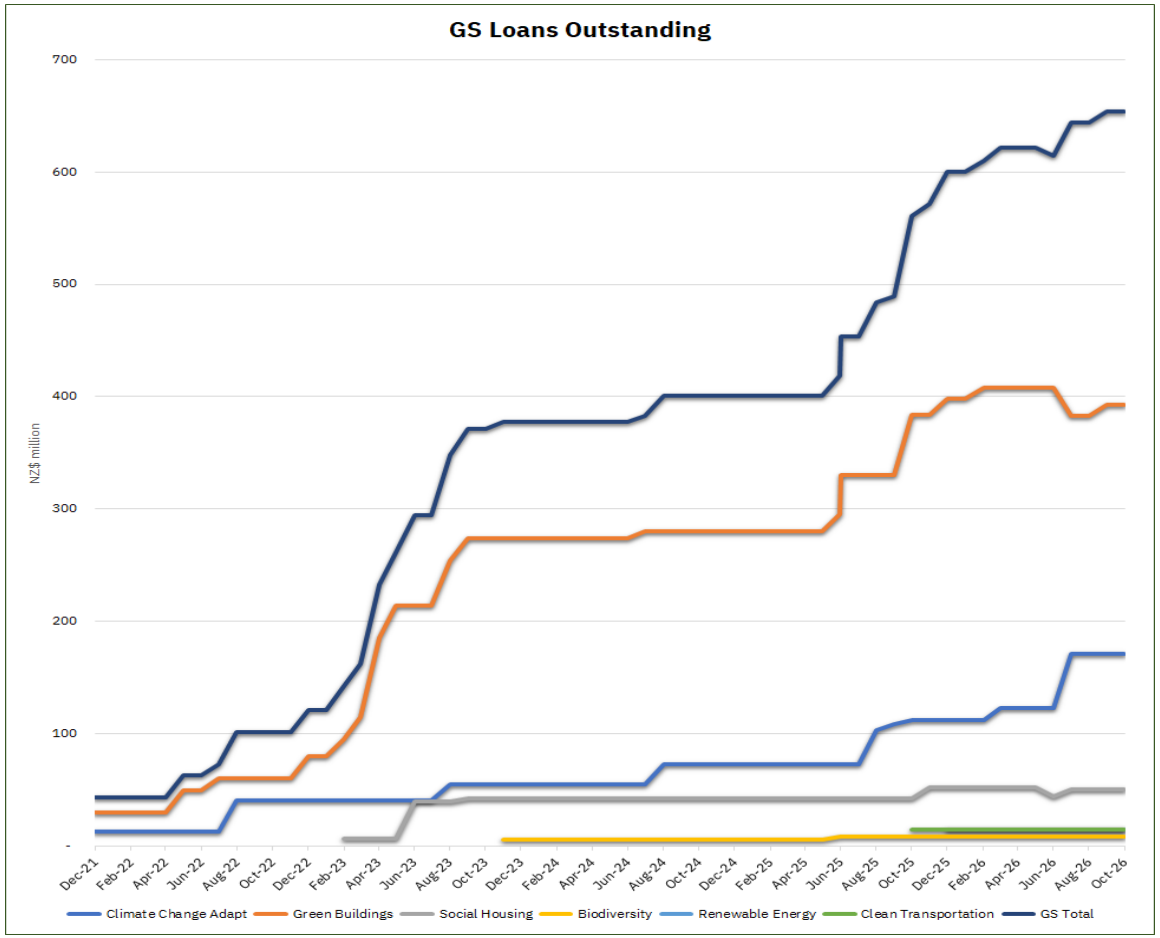
*CAL Lending Programme Criteria that the CAL Borrower was approved against.

**Source: LGFA**

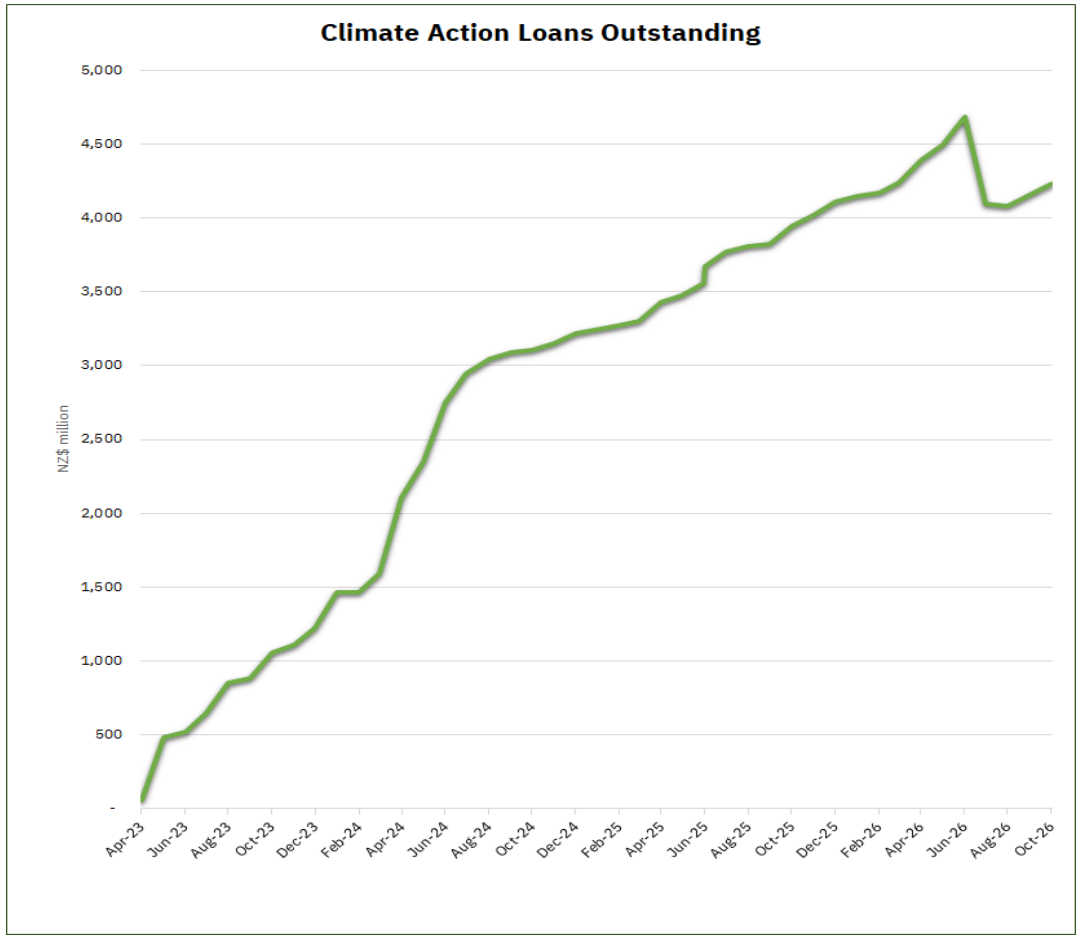
# GS AND CALs HISTORICAL OUTSTANDINGS

## As at 31 October 2026

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




**First GS loans advanced in December 2021**




**First CALs advanced in April 2023**

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



**Source: LGFA**

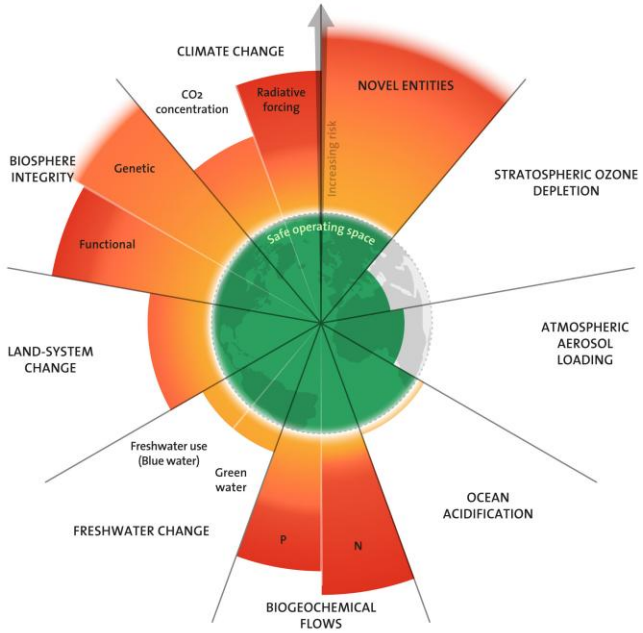
# SUSTAINABLE WATER ACTION LOANS

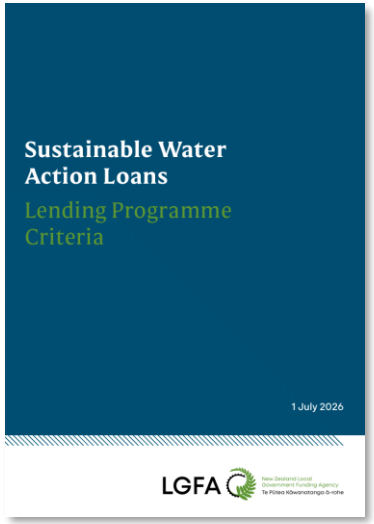
New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

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

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

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




**Source: LGFA**