Te Kaunihera o Tāmaki Makaurau
Te Pūrongo ā-Tau a te Puka Here Kākāriki

Auckland Council Green Bond Annual Report 2024/2025

Ngā Ihirangi

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He Kupu mai i Te Tumu Whakarae
From the CEO

The effects of climate change are increasingly evident. Last year, 2024, was confirmed as the hottest year on record, with global temperatures around 1.6°C above preindustrial levels – surpassing the Paris Agreement's preferred limit. Extreme weather events across the globe such as heatwaves and floods underscore the urgent need for action.

The council remains committed to performing a leadership role in the Aotearoa New Zealand sustainable finance market. Since issuing New Zealand's first green bond in 2018, our green bond programme has grown to NZ$3.7 billion as at 30 June 2025. As explained in this report, these bonds fund a variety of projects with measurable environmental benefits, including electrified public transport, renewable energy, and green buildings.

We continue to maintain sustainability-linked bank standby facilities tied to three key indicators: diverse procurement, electrification of Auckland Transport's bus fleet, and emissions reduction. Details of these indicators are available in our Sustainable Finance Framework. Further, this year we expanded our sustainable finance programme by issuing a sustainability-linked bond. Not only does this bond feature a novel nature-based target: planting one million native ngahere (forest) stems in regional parks by 2027, but it is the first in Australasia to incorporate an innovative donation-based structure. While the bond's proceeds are used to fund our general corporate activities, by being linked to the ngahere sustainability objective, it will help us drive tangible environmental benefits for Aucklanders. We hope our sustainability-linked bond sets a precedent for other New Zealand issuers, encouraging their use of this type of product, alongside green bonds, to embed environmental considerations and community impact into financing.

In June 2025, we adopted our Annual Plan 2025/2026, which aligns with the levels of climate-related infrastructure investment included in the 2024 – 2034 Long-term Plan: 13 per cent of total planned investment supports our emissions reduction and 38 per cent improves climate resilience of our infrastructure.

This year sees us release our second climate statement under the Financial Markets Conduct Act 2013. This climate statement outlines more details of our transition plan, and the key actions that we need to take in the face of climate change to manage the group's climate-related risks and opportunities. These actions will need to feed into future finance and capital investment decisions.

We are committed to doing what we can to mitigate climate impacts and build a resilient, low-emissions Auckland. Our green bond programme will remain central to how we fund this change.

Thank you for your continued support.

Phil Wilson
Chief Executive

Kupu Whakataki

Introduction

Auckland Council (the council) is the unitary authority for the Tāmaki Makuarau / Auckland region, responsible for enabling democratic local decision-making and action, by and on behalf of Aucklanders. This includes promoting the social, economic, environmental and cultural well-being of Auckland communities.

The Auckland Council Group (the group) is made up of the council, its subsidiaries, associates and joint ventures. As at 30 June 2025, the council's subsidiaries included Port of Auckland Limited (POAL) and five substantive council-controlled organisations (CCOs):

- Auckland Transport
- Watercare Services Limited (Watercare)
- Tātaki Auckland Unlimited[1]
- Eke Panuku Development Auckland Limited[2]
- Auckland Future Fund (AFF)[3].

1 Tātaki Auckland Unlimited comprises Tātaki Auckland Unlimited Limited (formerly Auckland Unlimited Limited) and Tātaki Auckland Unlimited Trust (formerly Regional Facilities Auckland).
2 As of 1 July, all the functions of Eke Panuku were transferred and integrated into the council.
3 AFF comprises Auckland Future Fund Trustees Limited (incorporated on 24 September 2024) and Auckland Future Fund (a trust, formed on 27 September 2024).

The council is responsible for funding POAL and the CCOs. From 1 July 2025 however, this responsibility no longer applies to Watercare as a specific funding treatment is now in place: the Local Government (Water Services Preliminary Arrangements) Act 2024 which prevents the council from providing financial support to Watercare.

The group's role is to provide the services and infrastructure needed for Tāmaki Makaurau / Auckland to grow and prosper. This role is guided by the Auckland Plan 2050, the council's long-term strategic framework designed to ensure that the region develops in a way that responds to future challenges and opportunities. This plan outlines how the group will address three key challenges facing Auckland:

- population growth
- shared opportunity and prosperity for all Aucklanders
- environmental degradation.

There are plans and strategies to support the delivery of the Auckland Plan 2050, which include Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan (the climate plan), Auckland's regional response to climate change. The climate plan has two core goals for the region:

- reduce the region's greenhouse gas emissions by 50 per cent by 2030 (from a 2016 baseline) and achieve regional net zero emissions by 2050
- adapt to the impacts of climate change by ensuring the council plans for the expected changes under the current global emissions pathway.

The use of green bonds, while not being linked to the council's achievement of any specific climate or sustainability goals, enables the council to fund assets, projects, and activities across the group which support the regional goals of the climate plan and the broader sustainability and environmental objectives of the Auckland Plan.

In this report, you will find a detailed update of the council's green bond programme for the 12-month period from 1 July 2024 to 30 June 2025. This covers the council's green bond fundraising activities, its use of these green bond proceeds to fund green bond eligible assets and projects across the group, and the impact reporting on these.

For the 12-month period covered by this report, given the council still had responsibility for funding Watercare, Watercare's assets were included in the green bond programme and are reported on accordingly. As this funding relationship ceased to apply from 1 July 2025, Watercare's assets have now been removed and will not feature in the council's green bond programme and/or reporting for future periods. Instead, Watercare will soon set up its own sustainable finance programme and issue its own green bonds, as part of its wider debt raising activities.

Tā Mātou Hīkoi ā-Tahua Pūtea Tokonga Roa

Our Sustainable Finance Journey

2015

Auckland joins the C40 Cities Climate Leadership Group.

2016

Auckland signs the Paris Pledge for Action in support of the objectives in the Paris Agreement.

2018

Auckland Council establishes its Green Bond Framework (changed to Sustainable Finance Framework in 2020).

Auckland Council issues its first green bond of NZD 200 million.

2019

Auckland Council becomes a founding member of the Aotearoa Circle's Sustainable Finance Forum.

2020

Auckland Council adopts Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan.

2021

Auckland Council becomes a signatory to the C40 Divest/Invest declaration (changed to the Clean Investment Accelerator in 2025).

Auckland Council issues its first foreign currency denominated green bond of EUR 500 million.

2022

Auckland Council executes its first sustainability-linked loan and derivative.

2025

Auckland Council issues its first sustainability-linked bond of NZD 250 million.

Tā Mātou Hōtaka Monihere Kāriki – he tirohanga whānui

Our Green Bond Programme – an overview

Te Anga mō te Pūtea Toitū
Sustainable Finance Framework

The council's green bond programme forms part of its wider sustainable finance programme, which is supported by its Sustainable Finance Framework (Framework). The Framework updated in April 2025 outlines the detailed criteria and guidelines which the council follows for issuing and managing its green bonds, in line with globally agreed market principles and guidance (market standards).

The Framework sets out eight green sectors to which projects and assets financed or refinanced with the council's green bonds must align:

- Clean transportation
- Sustainable water and wastewater management
- Green buildings
- Pollution prevention and control
- Energy efficiency
- Renewable energy
- Climate change adaptation
- Environmentally sustainable management of living natural resources and land use

In April 2025, Morningstar Sustainalytics[4] provided a Second Party Opinion (SPO) on the Framework to confirm its alignment with the market standards.[5]

4 Morningstar Sustainalytics, a globally-recognised provider of ESG research, ratings and data, evaluated Auckland Council's Sustainable Finance Framework and the alignment thereof with relevant industry standards and provided views on the robustness and credibility of the Framework. The Second-Party Opinion whether in whole or in part shall not be construed as part of the offering and shall not be considered as an offer or advertisement to buy a security, solicitation of votes or proxies, investment advice, expert opinion or negative assurance letter as defined by the applicable legislation.

5 For green bonds, the Framework is aligned with the International Capital Market Association's (ICMA) 2021 Green Bond Principles (GBP), being the relevant GBP at the time of the Framework's latest update in April 2025. The ICMA released updated GBP in June 2025; a review to ensure the Framework's alignment with these updated GBP will be undertaken over the next financial year, as part of the council's regular annual review of the Framework.

Te tuku pūtea ki te monihere kāriki
Green bond issuance

The council issues green bonds on behalf of the group. Since its inaugural green bond issue in June 2018 (a bond which has since matured), the council has issued a further nine green bonds. The last green bond issued in March 2024 was a benchmark EUR 600 million green bond, listed on the SGX Singapore Exchange. At 30 June 2025, the council's outstanding green bonds totalled NZ$3.7 billion.

Table 1: The council's green bond issuance (NZ$ m equivalent)

Financial year ended 30 June (FY)	Issuance (NZ$ m)	Redemptions (NZ$ m)
FY18	200	-
FY20	150	-
FY21	500	-
FY22	1,108	-
FY23	358	(200)
FY24	1,578	-
Total	**3,894**	**(200)**
Total outstanding green bonds		**3,694**

Te tohanga o ngā hua monihere kāriki

Allocation of green bond proceeds

The council allocates and manages its green bond proceeds on a portfolio basis, whereby the aggregated proceeds of all outstanding green bonds are used to finance or refinance a portfolio of assets and projects with positive environmental benefits (eligible asset portfolio). Each asset and project in the eligible asset portfolio has been confirmed to meet the eligibility criteria of at least one of the eight green sectors outlined in the Framework.[6]

Table 2: Allocation of green bond proceeds

	At 30 June 2024 (NZ$ m)	At 30 June 2025 (NZ$ m)
Green bond eligible asset portfolio[7]	4,208	4,757
Aggregated green bond proceeds	3,694	3,694
Eligible asset portfolio: Aggregated green bond proceeds	114%	129%

In accordance with the Framework, the aggregated green bond proceeds are less than the value of the eligible asset portfolio. The balance of finance for the eligible asset portfolio is met through other group funding sources.

6 Any components of assets or projects in the eligible asset portfolio that are financed by another party (for example, through a co-funding arrangement), or that are specifically excluded from green bond financing under the eligibility criteria for the green sectors in the Framework, are not included in the eligible asset portfolio.

7 The values presented here include NZ$548 million and NZ$497 million of Watercare's assets at 30 June 2024 and 30 June 2025 respectively. As of 1 July 2025, due to the financial separation of Watercare, these assets have now been removed from the council's eligible asset portfolio.

Ngā pānga o ngā hua monihere kāriki

Impacts of green bond proceeds

The council's green bond proceeds are used to finance or refinance assets and projects across the group which, by meeting the eligibility criteria of the eight green sectors outlined in the Framework, are intended to deliver a range of positive environmental outcomes.

In this report, we provide a summary of these positive environmental outcomes for each asset and project, and identify appropriate and meaningful impact indicators to disclose on a qualitative and, where possible, quantitative basis. Where appropriate, the impact indicators selected are informed by the ICMA's handbook Harmonised Framework for Impact Reporting.

The impact indicators reported are measured or estimated, using the most appropriate information sources, assumptions and calculations available to the council, as detailed in Appendix 1.

The table overleaf shows a mapping of each green sector against the United Nations Sustainable Development Goals (UN SDGs) and the priority areas in Tāmaki Makaurau / Auckland's Climate Plan. It summarises the value of the group's eligible assets and projects included within each green sector, and the corresponding proportion that each green sector represents of the aggregated green bond proceeds. The table also shows the key impact indicator used to measure the environmental benefits associated with each sector.

More detailed information on the individual eligible assets and projects included within each green sector, and their associated impacts, is provided in the following sections of this report. Additional information and a downloadable Excel spreadsheet titled "Supplementary allocation and impact data 2025" can be found on the council's Sustainable Finance webpage.

Morningstar Sustainalytics has performed an annual review of the council's green bond programme – the use of proceeds and reporting of impact indicators – to confirm these conform with the eligibility criteria and reporting commitments outlined in the Framework. This conclusion on the programme's conformity, contained in an Annual Review Report, is included at Appendix 2.

Where greenhouse gas emissions impacts are disclosed in this report, confirmation as to the credibility of these claims has been provided by Toitū Envirocare. Please refer to Appendix 3 for the details of this review.

Te tohanga me ngā pānga matua – he whakarāpopoto
Allocation and key impacts – summary

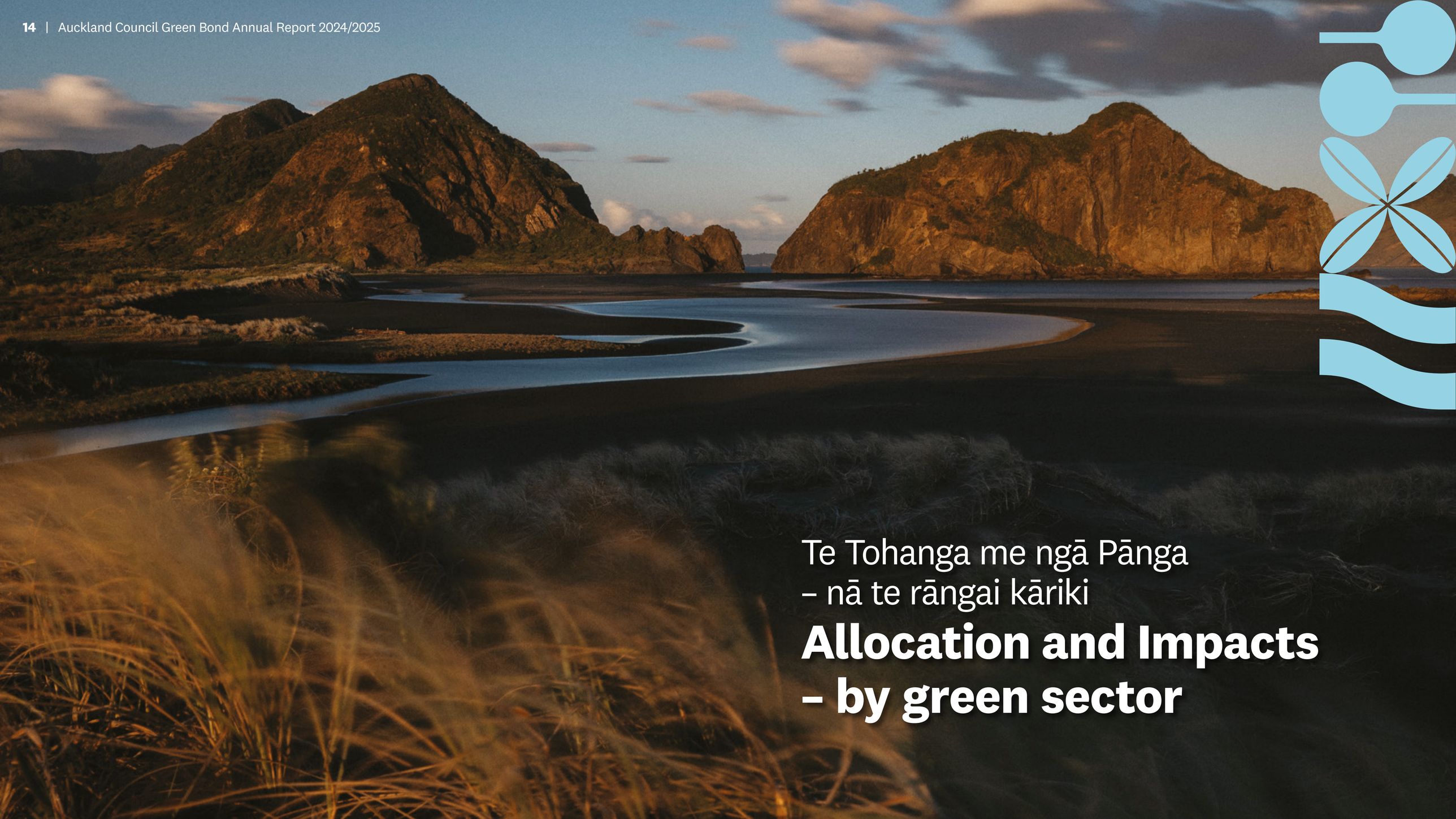
Table 3: Allocation of proceeds and key impacts across each green sector

Green sector	UN SDG	Auckland's Climate Plan: priority area	Total value attributed to assets and projects (NZ$ m)	Allocation of aggregated green bond proceeds	Key impact indicator
Clean transportation		Transport	3,363	71%	Emissions reduction (tCO2e)
Sustainable water and wastewater management[8]		Built environment & natural environment	536	11%	Reduction in flooding events
Green buildings		Built environment	236	5%	Emissions reduction (tCO2e)
Pollution prevention and control		Built environment	189	4%	Waste diverted from landfill (tonnes)

8 Includes NZ$372 million of Watercare's assets, which have been removed from the council's green bond programme as of 1 July 2025.

Green sector	UN SDG	Auckland's Climate Plan: priority area	Total value attributed to assets and projects (NZ$ m)	Allocation of aggregated green bond proceeds	Key impact indicator
Environmentally sustainable management of living natural resources and land use[9]		Natural environment	166	3%	Ecological enhancement
Climate change adaptation		Communities and coast	166	3%	Number of properties purchased
Energy efficiency		Energy & industry	100	2%	Emissions reduction (tCO2e)
Renewable energy[10]		Energy & industry	2	0%	Emissions reduction (tCO2e)
Total			**4,757**	**100%**	

9 Includes NZ$123 million of Watercare's assets, which have been removed from the council's green bond programme as of 1 July 2025.
10 Includes NZ$2 million of Watercare's assets, which have been removed from the council's green bond programme as of 1 July 2025.



Te Tohanga me ngā Pānga
– nā te rāngai kāriki

Allocation and Impacts – by green sector

Tūnuku parakore

Clean transportation

Clean transportation represents the largest green sector by value in the council's green bond programme. It represents NZ$3,363 million of the eligible asset portfolio value and 71 per cent of the aggregated green bond proceeds allocation, as set out in the table overleaf.

The council's clean transportation projects and assets include Auckland's City Rail Link (CRL), a ferry decarbonisation programme and extensions to Auckland's cycleways. These projects and assets aim to reduce greenhouse gas emissions from private and public transport in Tāmaki Makaurau / Auckland by increasing and improving low-emissions public transport, and enabling alternative zero emissions active transport modes.

Table 4: Allocation of proceeds to and impacts of "Clean Transportation"

Asset / Project	Description	Value as at 30 June 2025 (NZ$ m)	Impact indicator	Impact in FY25
City Rail Link	A 3.45km underground twin-tunnel rail link, up to 42m below Auckland city centre, connecting Waitematā (Britomart) Station to Maungawhau (Mount Eden) Station.	2,456	Emissions	Reduced embodied, construction, and operational emissions (refer below)
			Operational water use	Reduced
			Waste diverted from landfill	Over one million tonnes (refer below)
Electric trains	A multi-year project to convert Auckland Transport's train fleet to fully electric. By the end of FY25, a fully electric fleet of 84 trains was in operation. The operational fleet is expected to reach 95, once all trains ordered have been tested and accepted for use by Auckland Transport.	578	Emissions	21,546 tCO2e reduced
			Number of passenger rail journeys	13.8 million
Cycleways	New public cycleways and walkways which enable active modes of transport.	181	Emissions	3,088 tCO2e avoided
Wiri electric train depot	A maintenance and stabling facility for the electric train fleet. The facility was initially developed in 2013 with stabling for 28 electric trains; during FY25 new stabling to accommodate a further 19 electric trains was added.	81	Reliability of electric train network	Improved

Asset / Project	Description	Value as at 30 June 2025 (NZ$ m)	Impact indicator	Impact in FY25
Electric ferries	The procurement of zero emissions electric ferries and supporting infrastructure.	56	Emissions	Future reductions
Manukau bus interchange	A strategically positioned transfer station connecting bus routes, and bus routes to the electric rail network.	10	Public transport usage	Increased
Total		**3,363**		
Percentage of aggregated green bond proceeds		**71%**		

Te Hononga Rere Raro Whenua

City Rail Link

City Rail Link (CRL) is a 3.45km underground twin-tunnel rail link, up to 42m below Auckland city centre, connecting Waitematā (Britomart) Station to Maungawhau (Mount Eden) Station. It will unlock the entire Auckland rail network and, with 16 trains per hour through the central city every four to five minutes at peak times, it will double rail capacity and the number of people living within 30 minutes of the city centre. This expansion of the rail network will reduce future emissions from private vehicle usage in Tāmaki Makaurau / Auckland.

FY25 was a landmark year for the CRL project, marked by the start of train testing in the tunnels, and hailed as a “colossal milestone.” Major achievements in the year included the completion of Overhead Line Equipment installation, full station energisation, and extensive fit-out of stations and tunnels with critical systems. Over 9000 tests were conducted to ensure safety and operational readiness and a formal blessing of the tunnels, Mahi Ōkawa, led by Ngāti Whātua Ōrākei, including representatives of the CRL Mana Whenua Forum, symbolically marked the end of heavy construction and the beginning of dynamic testing. The first test train successfully ran the full 3.45km tunnel in February, beginning the validation of key systems. Station exteriors and culturally rich interior designs were unveiled, blending modern architecture with Māori artistry celebrating Tāmaki Makaurau / Auckland’s cultural past and the city’s future. Construction of the stations and supporting rail infrastructure is expected to be completed by December 2025, with a 2026 opening date to be confirmed by Auckland Transport and KiwiRail.

The project received the Project Management Institute of New Zealand's 2025 Sustainability Project of the Year Award. This award recognises the project as one which has excelled in integrating sustainability principles, by considering environmental, social and governance aspects throughout its delivery life cycle.

In June, the project was awarded a prestigious 'Leading' As-Built Infrastructure Sustainability rating (the highest level possible) by the Infrastructure Sustainability Council (ISC). This award reflects the exemplary rating results obtained across each of the project's main contracts, which have set new bars for sustainable infrastructure.

From an environmental perspective, reducing resource consumption is one of five key focus areas for CRL, and the project is optimising the use of materials and energy from design through to operation. To do this, an estimate, or base case, was created for each main construction contract to enable tracking of the project's success. These base cases measure the total amount of energy – materials and water, and the resulting carbon emissions – that would have been used to build and operate CRL if business-as-usual occurred without sustainability interventions. Throughout the project, the team has continued to measure progress on each contract to minimise materials, energy usage and the resulting carbon emissions against the original base case calculations. Innovations to reduce materials use and emissions have included measures such as using fly-ash as a less carbon intensive cement replacement in concrete mixes, energy efficient station designs that minimise lighting and ventilation energy use and reducing and reusing materials and replacing diesel generators with electricity from the grid during construction.

For emissions, contract 3 alone has achieved savings of:

- embodied carbon (as-built whole of life): 27,583 tCO2e (13 per cent)
- construction emissions: 6968 tCO2e (22.9 per cent)
- operational emissions for the stations, tunnels and streetscape: 29,593 tCO2e (22.5 per cent).

To align with Auckland's Waste Minimisation and Management Plan, the CRL project has an aspirational goal of Zero Waste. To date the project has successfully diverted 99 per cent of all waste from landfill, comprising:

- 950,067 tonnes of spoil diverted
- more than 7120 tonnes of construction and demolition waste reused
- more than 79,000 tonnes of construction and demolition waste diverted
- more than 417 tonnes of office waste diverted.

Ngā Ara Pahikara

Cycleways

Auckland Transport continues to invest in its Cycling and Walking Programme. This programme involves maintaining and upgrading existing cycleways, while also expanding the network with new routes across the city.

In FY25, development was focused on cycleways along routes in the following areas:

- Point Chevalier to Westmere (2.8km of cycleway delivered)
- Karanga-a-Hape station precinct, incorporating Pitt Street, Canada Street and Mercury Lane (1.0km of cycleway still under construction)
- Māngere West (3.5km of cycleway still under construction)
- Great North Road (1.7km of cycleway still under construction)
- Glen Innes to Tāmaki Drive (0.9km of cycleway at the pre-construction stage).

With this ongoing expansion of the cycleway network, cycling is increasingly becoming a safe and convenient mode of transport for Aucklanders. It is a key driver of the growth in both the number of cycle trips and the distances travelled by bike across the region. Auckland Transport monitors this growth in cycling activity using 26 counters strategically placed across a small sample of the network. In FY25, 3.5 million cycle movements were recorded with these counters, a three per cent increase compared to the last financial year.

From an environmental perspective, as more Aucklanders replace private petrol vehicle usage with cycling trips, emissions are avoided.

Broader sustainability benefits from the reduction in car trips include less road congestion, reduced air and noise pollution, lower household fuel costs and improved physical and mental wellbeing.

Te wai toitū me te whakahaere parawai

Sustainable water and wastewater management

The climate-related impacts of rising sea levels, extreme rainfall, drought, combined with ageing infrastructure, are increasingly challenging the council's ability to maintain a continuous supply of clean water for Auckland's expanding population.

As such, "sustainable water and wastewater management" is a critical part of the council's climate adaptation strategy, and this green sector is the second largest by value in the council's green bond programme. It represents NZ$536 million of the eligible asset portfolio value and 11 per cent of the aggregated green bond proceeds allocation, as set out in the table overleaf.

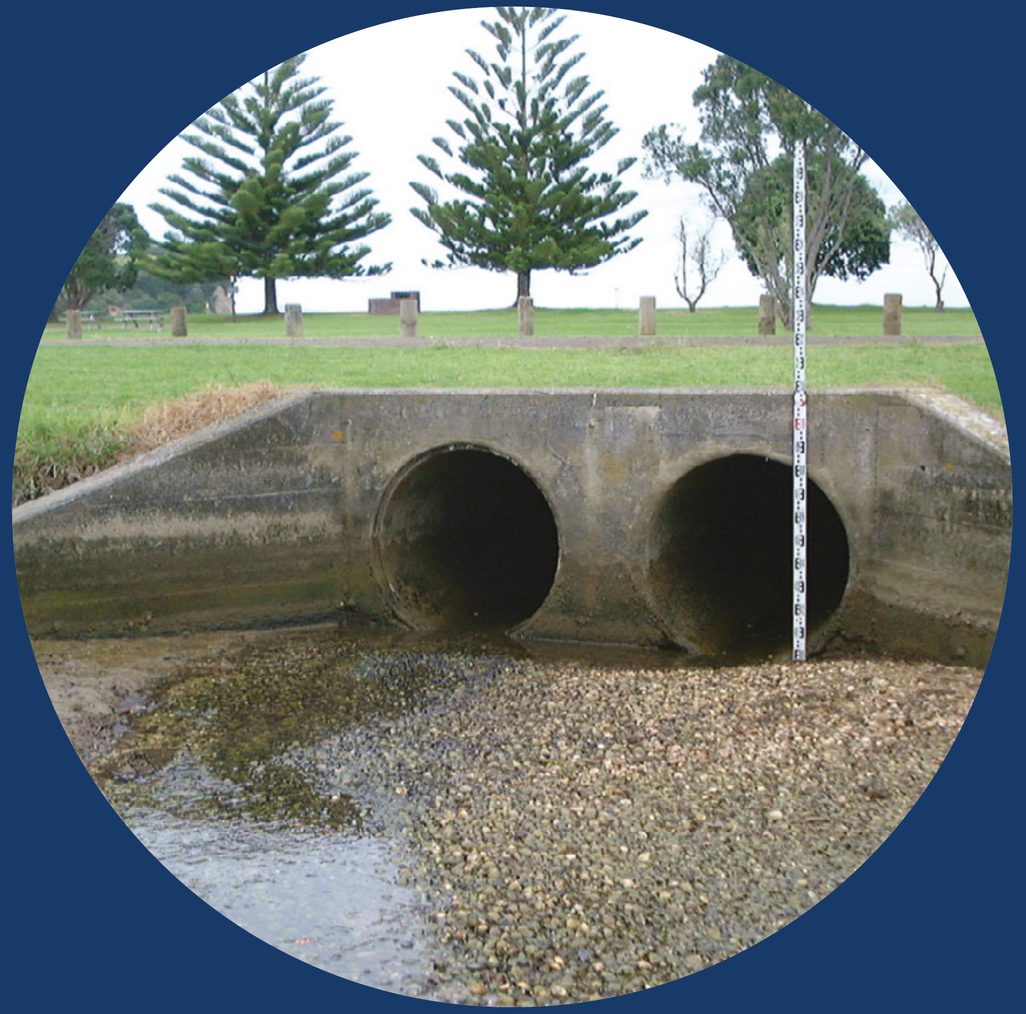


Table 5: Allocation of proceeds to and impacts of "Sustainable Water and Wastewater Management"

Asset / Project	Description	Value as at 30 June 2025 (NZ$ m)	Impact indicator	Impact in FY25
Hunua Watermain Pipeline[11]	Watermain infrastructure which has increased the resilience and security of Auckland's water supply, particularly to cater to future population growth and potential emergencies.	350	Resilience of water supply	Increased
Water Quality Improvement Projects	Various projects across waterways and ponds, involving upgrades to existing devices and installations of new technology, to improve water quality.	76	Water quality	Improved
Port of Auckland Stormwater Outfall Upgrade	A new stormwater pipeline across Quay Street and under the Port of Auckland to increase capacity and help prevent flooding.	49	Flooding events and wet weather overflows	Reduced
Stormwater Pipe Separation Projects	Various projects to separate wastewater and stormwater pipe networks to reduce flooding and overflow, preventing contamination of waterways and maintaining water quality.	39	Flooding events and wet weather overflows	Reduced
Fred Thomas Drive Pump Station[12]	A pump station with increased wastewater storage capacity which helps reduce wet weather overflows.	21	Water storage capacity	Increased
Total		**536**		
Percentage of aggregated green bond proceeds		**11%**		

11 This is a Watercare asset which has been removed from the council's green bond programme as of 1 July 2025.
12 This is a Watercare asset which has been removed from the council's green bond programme as of 1 July 2025.

Te Whakakou i te Putanga Wai Ua i Waitematā

Port of Auckland Stormwater Outfall Upgrade

The Port of Auckland stormwater outfall upgrade was a major initiative to upgrade the stormwater system around Auckland's central business district and Stanley Street. It was named Project of the Year at the Stormwater Conference and Expo Gala Awards in May 2025.

The project involved installing a 270-metre-long, three-metre diameter stormwater pipe using trenchless tunnelling methods (therefore minimising surface impact) under Quay Street and the Port of Auckland site, which is connected to a new outfall to the sea.

Construction began in early 2022 and was completed in December 2024. With the main culvert installed, FY25 focused on repairing the existing culvert and after official commissioning, water has since begun to flow through the system.

This project has significantly increased the stormwater system's capacity, delivering greater flood resilience in one of Auckland's most critical downtown catchments. It helps protect key infrastructure such as Britomart Station, Spark Arena, and the Port of Auckland from the impacts of more frequent and intense rainfall. In addition to reducing flood risk, the upgraded system supports future growth and enables further development in the surrounding city area.

Te Tātari Wai Ua i te Kōtuinga Wai ki Ōkahu

Ōkahu Bay Stormwater Network Separation

The Ōkahu Bay stormwater network separation was a major upgrade to, and separation of, ageing stormwater and wastewater pipes at Ōkahu Bay. The aim was to reduce wet weather overflows from the combined network into the bay.

The bay is important culturally and historically, as well as being a popular recreational swimming spot. Prior to initiation of this project however, the bay's water quality had significantly deteriorated, in part due to repeated wastewater overflows from the combined network. These overflows occurred due to the combined network having insufficient capacity to handle wet weather flows during intense or prolonged rainfall events.

The project involved 200 private properties having their drainage systems separated and connected to 3.4km of newly installed public stormwater pipeline. Since its completion, the additional stormwater network capacity has reduced the frequency of local wastewater overflows discharging into the bay from seven engineered overflow points. In doing so, it has significantly improved the water quality and opportunity for swimming at the bay. The increased network capacity has also future proofed what is a growing neighbourhood, to enable more homes to be built in the area, including developments by Ngāti Whātua Ōrākei.

Te Tātari Wai Ua i te Kōtuinga Wai ki Waterview

Waterview Stormwater Network Separation

The Waterview catchment is currently serviced by ageing infrastructure dating back to the early 20th century, with pipes that carry both wastewater and stormwater. As with other areas serviced by combined pipes, during heavy or long-lasting rain, the system can overflow and release stormwater mixed with diluted wastewater into Oakley Creek and the Waterview Inlet.

With the construction of 6.4km of new stormwater pipelines, approximately 250 stormwater drains, and new stormwater outfalls, the project is designed to reduce these overflows to 2-5 spills a year. This will improve public health by significantly reducing waterway contamination.

The detailed design was completed in September 2023 and the project construction is divided into stages. The resource consent approval for the first stage was obtained in July 2023. Works undertaken during FY25 include the separation of 160 properties which had been connected to the combined network. The resource consent applications for the remaining and more complex stages of the works were submitted in March 2025 and construction of stage 2.2a is scheduled to commence in August 2025.

The new network at Waterview is intended to deliver multiple benefits:

- reduce combined wastewater and stormwater overflows into Waterview Inlet and Oakley Creek
- reduce the risk of flooding to residential and commercial Waterview properties
- increase the stormwater network capacity to support future growth in the area
- improve water quality at Waterview Inlet and Oakley Creek and the surrounding environment for people, birds and marine life.

Te Kaupapa Repo ki Awakeri

Awakeri Wetlands Project

The Awakeri Wetlands project is part of a larger scheme to provide stormwater servicing for the growing Takanini south-east area of Tāmaki Makaurau / Auckland. This area previously comprised flood-prone flat land, but it is gradually being transformed into an eco-friendly urban community.

The Wetlands is a signature project – a nature-based solution designed to maintain groundwater levels and permit stormwater runoff – being completed in stages. A recently completed stage was the construction of a new 2.3km stormwater channel running from Grove to Cosgrave to Walters roads. Overall, the Wetlands project is intended to create healthy and connected waterways, shared cycleways and walking pathways, and open green spaces to support restored natural habitats and resolve flooding and stormwater problems in the Takanini area. It comes under the council's strategy to protect people and property from the dangers of flooding and to preserve and enhance the health and value of Auckland's waterways and harbours for future generations.

Aside from flooding prevention, the wider sustainability benefits of the project include:

- recreation of an ancient kauri swamp
- creation of a natural wetland environment on which more than 150,000 plants and trees have been planted
- development of walking and cycling paths, and a beautiful public open space for recreation
- enabling future growth and development in the area.

Whare kāriki
Green buildings

One of eight priority areas in Auckland's Climate Plan is the built environment. The goal is to create a low carbon, resilient built environment that promotes healthy, low impact lifestyles.

To support this, the council has developed its community facilities Sustainable Asset Standard (SAS), which incorporates a regional community facilities Sustainable Asset Policy. The SAS seeks to address climate change through the built environment by the adoption of sustainable design, construction, operation and fit-out principles, which may include the use of third-party green building and sustainable infrastructure rating tools to measure and reduce the environmental impact of building assets. In particular, the regional Sustainable Asset Policy commits the council to achieve, for its community facilities, a minimum 5 Green Star rating (or equivalent certification, such as NABERSNZ) on the development of all new assets with a budget over NZ$10 million and achieve carbon neutrality in operations for new asset development.

The construction of green buildings helps to mitigate climate change and reduce adverse environmental impacts by lowering both building-related embodied emissions[13] and operational emissions[14]. Further, green building certifications often include consideration of factors such as air quality, natural lighting and thermal comfort, therefore as well as the beneficial emissions impacts, green buildings offer improved health and wellbeing outcomes for both the occupants and the wider economy.

The "Green Buildings" green sector represents NZ$236 million of the council's eligible asset portfolio value and five per cent of the aggregated green bond proceeds allocation, as set out in the table overleaf.

13 Emissions associated with the manufacture and transportation of the materials used in construction, along with the construction methods employed.
14 Emissions associated with the energy consumed to run and operate the building during its useful life.

Table 6: Allocation of proceeds to and impacts of "Green Buildings"

Asset / Project	Description	Value as at 30 June 2025 (NZ$ m)	Impact indicator	Impact in FY25
Auckland House: Auckland Council Head Office	Located at 135 Albert Street, the council's head office has been transformed into a modern and sustainable office space. The design incorporates light-emitting diode lights and a building management system to reduce energy use, and various facilities to minimise waste.	199	NZGBC Green Star Rating	6 Green Star – Interiors NZ Built
Te Manawa – Westgate Community Building	A multi-purpose building at the centre of the community. It offers several facilities including a library, creative spaces, work and study areas, and runs community focused programmes and activities. The facility prioritised environmental stewardship in its design and operations.	32	NZGBC Green Star Rating	5 Green-Star – NZ Custom Design
Te Hono – Avondale Multi-Purpose Community Facility	A new multi-purpose community hub and upgraded town square in Avondale, designed as an inclusive, flexible, and environmentally conscious space for gathering, learning, and creativity.	5	NZGBC Green Star Rating	5 Green Star – Design and As Built NZv.1.0 Design
			Operational emissions (anticipated future per annum reduction)	22 tCO2e reduction (61%)
			Potable water supply (anticipated future per annum reduction)	825 kL reduction (64%)
Total		**236**		
Percentage of aggregated green bond proceeds		**5%**		

Te Hono – Te Whau

Te Hono – Avondale: A 5-star vision for sustainable community infrastructure

Te Hono, a much-anticipated library, community hub and town square is set to bring new life to the heart of Avondale, and is a flagship project in Auckland's broader urban regeneration efforts. Celebrating Avondale's rich cultural diversity and shaped by local aspirations, Te Hono has been designed as an inclusive, flexible, and environmentally conscious space for gathering, learning, and creativity.

Located at 1971–1987 Great North Road, Avondale, the site was chosen for its ability to integrate seamlessly with the upgraded town square and surrounding town centre. In FY25, deconstruction of existing buildings was completed with a strong emphasis on material recovery and reuse. This careful, low-waste approach has laid the foundation for a sustainable build. Enabling works, including the construction of new retaining walls, are currently underway, with main construction due to commence in spring 2025.

Te Hono has been awarded a prestigious 5 Green Star rating from the New Zealand Green Building Council, recognising its standout performance in sustainable design. This green recognition – the Green Star NZ Design and As Built v1.0 Design Certified Rating – places Te Hono among the most sustainably designed public buildings in Aotearoa. It reflects excellence across multiple sustainability metrics – from energy and water efficiency to carbon reduction and waste minimisation.

Key features of the development include:

- mixed-mode ventilation: users can choose fresh air through openable windows or an energy-efficient heating, ventilation and air conditioning system. A solar chimney in the North Building enhances passive ventilation, using sunlight to power airflow without consuming electricity
- renewable energy: rooftop solar panels offset nearly 40 per cent of annual energy needs, supporting a 61 per cent reduction in greenhouse gas emissions compared to standard buildings
- water efficiency: a rainwater harvesting system supports irrigation and toilet flushing. Combined with low-flow fittings, this results in around 65 per cent reduction in potable water use
- life cycle assessment: a 50-year environmental impact assessment was completed, and the original site buildings were carefully deconstructed (rather than demolished), allowing timber, joinery, and other fittings to be reused or recycled – significantly cutting construction-related emissions and waste
- land use and ecology: with approximately 4000 new native plants and 60 new trees, Te Hono takes a step forward in building a resilient environment and increasing biodiversity, while reducing urban heat islands and hot spot effects for Avondale.

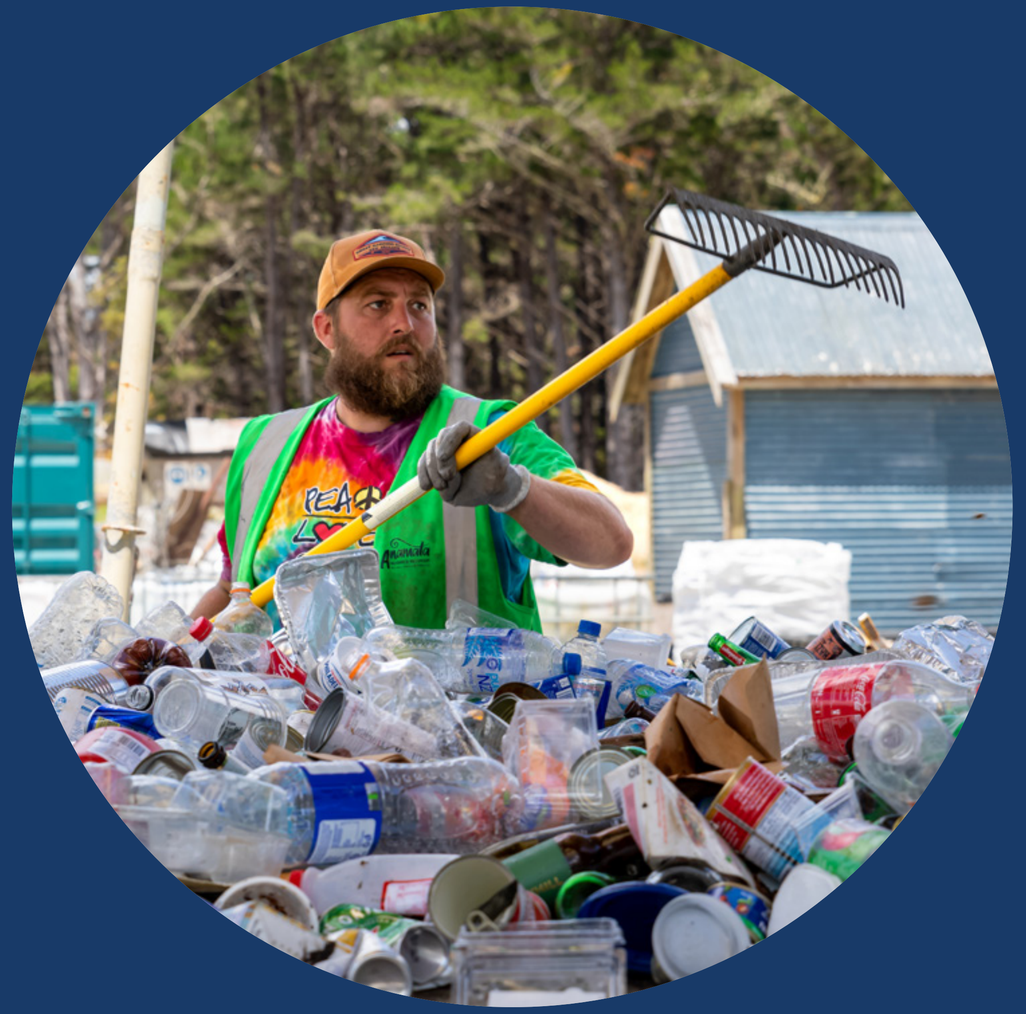
More than a green building however, Te Hono's name – meaning "to connect" – was gifted by Te Kawerau ā Maki, with support from Te Ākitai Waiohua, Ngāti Te Ata, and Ngāti Whātua Ōrākei. It reflects the project's founding principles: to create a place that brings people together, honours cultural identity, and fosters deep community ties. It is the result of strong collaboration between Auckland Council, mana whenua, the Whau Local Board, and a dedicated team of architects and contractors.

Scheduled to open in 2027, Te Hono will deliver many community outcomes. With several key features, such as a library space, bookable community hall and rooms, community kitchen, creative space, parenting room and bathrooms with showers, it will support a wide range of services and activities and is set to become a place for future learning, creativity, and meaningful social interaction.

Te Hono exemplifies the power of green investment in delivering long-term environmental, social, and cultural outcomes. It stands as a national benchmark for what's possible when sustainability, community vision, and cultural identity are embedded into the design and delivery of public infrastructure.

Te aukati me te whakahaere parahanga

Pollution prevention and control



The “Pollution Prevention and Control” green sector represents NZ$189 million of the eligible asset portfolio value and four per cent of the aggregated green bond proceeds allocation, as set out in the table overleaf.

The projects and assets in this sector include kerbside bins for recycling of general household waste and food scraps, community recycling centres, and the Onehunga materials recovery facility. These all form an essential part of Auckland’s built environment, enabling the council to recover resources and divert waste from landfill. In doing so, they support resource conservation, advance the transition to a circular economy, protect the natural environment, and contribute to emissions reduction.

Table 7: Allocation of proceeds to and impacts of "Pollution Prevention and Control"

Asset / Project	Description	Value as at 30 June 2025 (NZ$ m)	Impact indicator	Impact in FY25
Community recycling centres	A network of 13 community recycling centres operated by the community. These centres are a key component of the council's resource recovery network, which aims to reuse, repurpose and recycle. The centres often have shops on site which sell usable household and building materials.	125	Waste diverted from landfill	11,436 tonnes
Onehunga Materials Recovery Facility	A materials recovery facility for the sorting and on-sale of all collected kerbside recyclable materials.	45	Waste diverted from landfill	87,158 tonnes
Kerbside bins (household recycling and food scraps)	Over one million kerbside bins owned by council and used by Aucklanders for the recycling of household waste and food scraps.	19	Waste diverted from landfill	87,158 tonnes (household waste) More than 24,000 tonnes (food scraps)
Total		**189**		
Percentage of aggregated green bond proceeds		**4%**		

Te Hangarua i te Paeara me ngā Pokapū Hangarua a te Hapori

Kerbside Recycling and Community Recycling Centres

The kerbside bins (household recycling and food scraps) and community recycling centres are each key council initiatives for waste management and sustainability.

The household recycling bins are designed to collect recyclable materials such as paper, cardboard, plastics, metals, and glass. Smaller bins are provided to households for the collection of food scraps, such as fruit and vegetable peels, coffee grounds, and eggshells. Over the past decade, the council has established a network of community recycling centres (CRCs) across the region where Aucklanders can dispose of a wide range of reusable or recyclable materials, including items that are not typically collected through kerbside recycling services. The type of materials accepted varies across the CRCs, and may include whiteware, furniture, lawnmowers, bicycles, books, timber, household bric-a-brac, building materials, metals, garden waste and textiles.

The facilities offer a range of sustainability outcomes:

- resource conservation: recycling reduces the need to extract and process raw materials, thereby decreasing pollution and conserving natural resources
- environmental protection: recovering waste and diverting from landfill can help minimise impacts of landfill disposal on the natural environment (i.e. leachate, carbon emissions)
- waste reduction: extending the life of disposal facilities and operations by reducing the quantities and types of wastes requiring disposal
- renewable energy production: processing food scraps at an anaerobic digestion facility produces biogas, a renewable energy source, which can be used for heating and electricity generation
- soil enrichment: processing garden waste by composting and processing food scraps into digestate provides a way to return valuable nutrients to the soil, improving soil health and fertility. This supports sustainable agriculture by reducing reliance on chemical fertilisers
- community engagement: by promoting environmentally responsible behaviours, these facilities help foster a culture of sustainability within local communities
- partnerships and collaboration: by connecting local governments, businesses, and non-profit organisations, the facilities strengthen waste minimisation infrastructure, support local repair, reuse and recycling industries, create local green jobs, and encourage cross-sector collaboration.

Te Hanga Whaitake mō te Taumanu Matū ki Onehunga

Onehunga Material Recovery Facility

The Onehunga Material Recovery Facility was built in 2008 and is where Auckland's kerbside recyclable materials are sorted into individual types – paper, steel, glass, plastics and aluminium – and then distributed to end-markets. It was previously owned and operated by Visy Recycling (NZ) under a build-own-operate-transfer contract with the council, however this contract expired on 30 June 2024 and the council took back ownership of the facility on 1 July 2024. A new operator was then appointed to run the facility on the council's behalf.

In 2022, the facility underwent a major upgrade with the installation of new equipment and advanced technology, including high-tech optical sorters. These enhancements were designed to improve the quality and range of recycled paper and cardboard materials enabling the facility to meet international recycling standards.

Paper and cardboard make up a significant proportion of the collected recyclables from households, and processing them more efficiently at the facility has delivered significant benefits. The upgrade increased the facility's total processing capacity by 28 per cent, from 140,000 to 180,000 tonnes per year, has enabled for the sorting of more diverse recycling streams – including additional plastic grades and the separation of cardboard from paper – and has improved the sorting accuracy to 98 per cent, resulting in a higher-value output.

This improved facility is a pivotal component in Tāmaki Makaurau's waste recovery network, helping to reduce the amount of household waste disposed to landfill and ensuring as much as possible is recovered for recycling. In the long term, this investment will support greater use of recycled materials within Aotearoa New Zealand.

Te toitū ā-tautaiao o te whakahaere i ngā rawa o te ao tūroa me to whakamahinga whenua

Environmentally sustainable management of living natural resources and land use

The “environmentally sustainable management of living natural resources and land use” green sector covers activities such as sustainable animal husbandry, climate smart farm inputs (biological crop protection or drip-irrigation), sustainable forestry, including afforestation or reforestation, and preservation, rehabilitation, or restoration of natural landscapes.

This green sector represents NZ$166 million of the council’s eligible asset portfolio value and three per cent of the aggregated green bond proceeds allocation, as set out in the table below.

Table 8: Allocation of proceeds to and impacts of “Environmentally Sustainable Management of Living Natural Resources and Land Use”

Asset / Project	Description	Value as at 30 June 2025 (NZ$ m)	Impact indicator	Impact in FY25
Rehabilitation of Puketutu Island[15]	A long-term project to rehabilitate Puketutu Island by filling the former quarry with biosolids from the nearby Māngere Wastewater Treatment Plant.	123	Waste diverted from landfill	135,666 tonnes
Te Kori Scott Point	The development of New Zealand’s first fully sustainable sports park to meet the growing needs of the community.	43	Infrastructure Sustainability Council Rating	Leading Design rating; ecological enhancement
Total		**166**		
Percentage of aggregated green bond proceeds		**3%**		

15 This is a Watercare asset which has been removed from the council’s green bond programme as of 1 July 2025.

Te Kori

Te Kori Scott Point

Te Kori Scott Point, a 16.4-hectare development in Hobsonville, is set to become Aotearoa New Zealand's first fully sustainable park. This project aims to lead the way for future sustainable provision of parks across Tāmaki Makaurau, promoting sustainability practices in their future design, development, management and governance.

Once complete, it will comprise three main areas: one for sports and active recreation, another for informal recreation and relaxation, and a third dedicated to ecological restoration and conservation. The development of each area will respect the site's existing geography, retaining natural landforms and minimising earthworks to preserve the integrity of the landscape.

The development has so far been delivered in two stages. The first stage was completed in mid-2024 and opened to the public in August 2024. This includes the informal recreational space along with improved pedestrian and cycle access providing links to the surrounding road area. The second stage, covering the sports fields and other active recreation areas (the baseball diamond), will be completed by December 2025.

The development was awarded a "Leading Design" rating from the Infrastructure Sustainability Council (ISC). This leading rating reflects several aspects of the design including:

- energy reduction: 13 per cent reduction in whole-of-life carbon footprint from use of an alternative turf requiring less sand, less turf area to maintain, topsoil reuse on site and optimised lighting control
- water reduction: 36 per cent reduction in operational water footprint mainly from the installation of a "Blue2Green" rainwater capture and reuse system, which provides storage of 1080m^3
- non-potable water use: 100 per cent water for construction and operations not required to be potable supplied through rainwater capture and a consented groundwater bore
- ecology: 29 per cent enhancement in ecological value through the restoration of agricultural land, prioritising use of native vegetation over exotic species, and strategic planting to create re-connected corridors as well as suitable land for endangered flora species
- community: extensive stakeholder engagement which included a co-design process to collaborate with local iwi and integrate Te Aranga Māori principles and Te Waka Oranga principles into the design.

Initially the intention was to obtain a "Leading As Built" ISC rating for the development. However, due to rising construction costs over the past couple of years, a decision was made in October 2024 not to continue with this. This decision was made to reduce the additional costs associated with rating scheme fees and the extra expenses that the development contractor would incur in collecting data and preparing the sustainability reports required to achieve the rating. The development still aligns with the original master plan however, and the leading design principles it incorporates.

Te urutaunga mō te huringa o te āhuarangi
Climate change adaptation

The "Climate Change Adaptation" green sector now makes up NZ$166 million of the council's eligible asset portfolio value and three per cent of the aggregated green bond proceeds allocation, as set out in the table below.

The green bond proceeds allocated to this green sector have so far been used to support "category 3 buy-outs"– the council's voluntary purchase of residential properties affected by the severe weather events in Auckland in January and February 2023.

Table 9: Allocation of proceeds to and impacts of "Climate Change Adaptation"

Asset / Project	Description	Value as at 30 June 2025 (NZ$ m)	Impact indicator	Impact in FY25
Category 3 property buy-outs – FY24	The purchase of residential properties heavily damaged during the extreme weather events of January and February 2023.	21	Number of properties purchased	125
Category 3 property buy-outs – FY25		145		687[16]
Total		**166**		**812**
Percentage of aggregated green bond proceeds		**3%**		

16 There were 667 settlements in FY25, which equates to 687 property purchases due to some multi-unit properties.

Te Hoko Kāinga atu i te Taumata 3

Category 3 Property Buy-outs

Category 3 properties are residential homes which, following the severe weather events of January and February 2023, are determined to have an intolerable risk to life and no feasible way to reduce that risk. The “category 3 buy-outs” is the council’s voluntary purchase of these homes.

Once each property is purchased, the building can be removed – through relocation, deconstruction, or demolition – using the best method to deliver positive outcomes while managing the natural hazard risk at the property. Around one-third of purchased homes are expected to be relocated to provide housing for families elsewhere in the country. For deconstructed or demolished homes, the aim is to maximise the recovery and reuse of materials and divert them away from landfill to community recycling centres and other reuse initiatives.

The council expects to make up to 1215 category 3 buy-outs before the end of 2025 – making it one of the largest land acquisition programmes undertaken in New Zealand. The long-term use of this storm-affected land is yet to be determined. However, the council is carefully assessing the most appropriate course of action to ensure the land is used effectively, while managing future risks and considering both environmental and community outcomes. Potential uses include enhancing flood resilience and stream management, expanding adjacent parkland or bush areas, building-back differently, or creating low-risk, non-residential land uses.

These category 3 buy-outs are part of a broader cost-sharing agreement with the New Zealand Government, established in response to the 2023 weather events. The arrangement is intended to fund several storm recovery efforts and strengthen the region’s resilience to future extreme weather events.

Te whāomotanga pūngao me te pūngao whakahou

Energy efficiency and renewable energy

The "Energy Efficiency" and "Renewable Energy" green sectors, together, represent NZ$102 million of the eligible asset portfolio value and two per cent of the aggregated green bond proceeds allocation, as set out in the table below.

The projects and assets in this sector are Auckland Transport's upgrade programme of the city's streetlight network and a floating solar array situated at Watercare's Rosedale Wastewater Treatment Plant. By helping to reduce greenhouse gas emissions, these both contribute to climate mitigation.

Table 10: Allocation of proceeds to and impacts of "Energy Efficiency" and "Renewable Energy"

Asset / Project	Description	Value as at 30 June 2025 (NZ$ m)	Impact indicator	Impact in FY25
Energy Efficiency				
Auckland's Streetlight Upgrade Programme	Upgrade of Auckland's streetlight network from high pressure sodium lamps to energy-efficient light-emitting diode lights (commenced in 2015 and ongoing).	100	Emissions	4,634 tCO2e reduced
Renewable Energy				
Rosedale floating solar array[17]	More than 2700 solar panels floating on the Rosedale Wastewater Treatment Plant in Albany, which provides Watercare with some energy self-sufficiency.	2	Electricity production	1,236,880 kWh
			Emissions	135 tCO2e reduced
Total		**102**		
Percentage of aggregated green bond proceeds		**2%**		

17 This is a Watercare asset which has been removed from the council's green bond programme as of 1 July 2025.

Te Hōtaka Whakakou i ngā Rama Tiriti o Tāmaki Makaurau

Auckland's Streetlight Upgrade Programme

Auckland's street and road lighting upgrade programme involves replacing high-pressure sodium (HPS) lamps with energy-efficient light-emitting diode (LED) lights. These modern LED lights are connected to a real-time monitoring and control system, enabling optimal lighting and dimming levels across peak and off-peak hours.

The programme began in 2015 with Phase 1, which focused on upgrading pedestrian-predominant (P-category) road lighting. Phase 2 commenced in 2019, targeting vehicle-predominant (V-category) roads. By 30 June 2025, 99 per cent of the Auckland's streetlights had been upgraded, with 1160 of these upgrades completed during the financial year. The upgrade is now substantially complete, as a small number of HPS lights cannot be replaced.

The upgrade programme has significantly reduced the overall energy consumption and associated greenhouse gas emissions from Auckland's streetlight network.

Beyond energy efficiency, the project has delivered a range of broader sustainability benefits, including:

- safer, white-light environments for both pedestrians and motorists
- reduced light spill onto neighbouring properties and less upward light pollution
- lower annual operating and maintenance costs
- minimised adverse impacts on biodiversity, through the use of 4000K LED lamps, which are less disruptive than higher intensity 5000K alternatives.

This streetlight upgrade programme showcases how targeted investments in sustainable infrastructure can have significant financial and environmental returns, while simultaneously supporting the Tāmaki Makaurau / Auckland region's transition to a low-emissions future.

Te Mūmū ā-Papa Kōmaru ka Mānu

Rosedale Floating Solar Array

Completed in 2020, the Rosedale floating solar array was the largest of its kind in New Zealand at the time. Located at Watercare's Rosedale wastewater treatment plant, the one-megawatt array spans one hectare and comprises over 2700 solar panels mounted on 4000 floating pontoons. It floats atop a treated wastewater pond adjacent to Auckland's northern motorway and can generate up to 1400 megawatt hours of electricity annually.

The energy produced by the array powers a significant portion of the Rosedale treatment plant's operations. In doing so it:

- provides Watercare with some energy self-sufficiency
- reduces operational electricity costs
- displaces a portion of the electricity sourced by Watercare from the national grid, thereby lowering its greenhouse gas emissions.

Āpitihanga 1: Te tikanga hei tātai pānga
Appendix 1: Methodology for impact calculations

Eligible asset or project	Impact indicator	Methodology[18]
City Rail Link	Reduced emissions (Contract 3)	The reported emissions reductions for Contract 3 are calculated by comparing the projected emissions of the project as designed and built ("projected actual case"), to the estimated emissions of a "base case". For each case, the emissions calculations are based on estimated energy and materials use, in accordance with the requirements of the ISO 14064-1 standard. Where relevant, they are guided by the GHG Protocol Corporate Accounting and Reporting Standard to satisfy the requirements of the Infrastructure Sustainability Council (ISC) credit requirements. Whole-of-life savings indicated have been calculated using an ISC approved back-casting methodology. Toitū Envirocare has reviewed the methodology and energy model used by the Link Alliance for the emissions reductions associated with Contract 3.
Electric Trains	Reduced emissions (FY25)	The annual emissions reduction is calculated by comparing the actual emissions of the electric trains in FY25 to an estimated "business as usual" baseline emissions (being the emissions from an equivalent diesel-only train fleet). The actual emissions from the electric trains in FY25 (of 3326 tCO2e) are calculated by applying the relevant electricity emissions factors published by the Ministry for the Environment (MfE) to the amount of electricity consumed by the fleet in the year. The baseline emissions (of 24,872 tCO2e) are estimated by: • firstly, calculating the amount of diesel that would have been consumed by an equivalent fleet of diesel trains, by assuming that the electric trains would have travelled the same distance (kilometres) and assuming 2.96 litres of diesel is consumed per kilometre (based on what was consumed by Auckland Transport's diesel only fleet in 2013, the final year this was the case) • secondly, applying the diesel emissions factor published by the MfE to this estimated diesel consumption.

18 Emissions calculations are calculated in accordance with, where relevant, the requirements of the ISO 14064-1 standard and/or by the GHG Protocol Corporate Accounting and Reporting Standard.

Eligible asset or project	Impact indicator	Methodology[18]
Cycleways	Avoided emissions (FY25)	The annual emissions avoided from the cycleways are estimated by assuming that the annual distance travelled by bicycle in Auckland substitutes an equivalent distance travelled by a mix of alternative modes – light vehicles, public buses, trains, and walking. The calculation involves: • annual distance cycled: total annual kilometres travelled by bicycle are estimated using data from the Ministry of Transport's Household Travel Survey • diversion factors: mode-shift assumptions sourced from research literature (Dunkerly et al, 2018) are used to determine what proportion of the distance cycled would have been travelled by each alternative mode, if cycling were not an option • weighted emissions factor: emissions factors published by the MfE for each of the alternative modes are weighted together (using the diversion factors), and this weighted emissions factor is applied to the annual distance cycled to determine the avoided emissions.
Auckland Streetlight Upgrade Programme	Reduced emissions (FY25)	The annual emissions reduction is calculated by comparing the actual emissions of the streetlight network in FY25 to the emissions of a "business as usual" baseline (i.e., the fully HPS network in FY15). The emissions for each of FY25 (of 2415 tCO2e) and the baseline (of 7049 tCO2e) are calculated by applying the relevant electricity emissions factors published by the MfE to the total electricity consumption of the streetlight network in FY25 and FY15 respectively.
Rosedale Floating Solar Array	Reduced emissions (FY25)	A data export from the solar array management system provides the total electricity generated by the floating solar array during FY25, measured in kilowatt hours. The annual emissions reduction is calculated by applying the latest electricity and transmission and distribution losses emissions factors published by the MfE to this total electricity generated. This provides an estimate of the emissions that would have been produced if this same amount of electricity had been sourced by Watercare from the national grid.

Eligible asset or project	Impact indicator	Methodology[18]
Te Hono – Avondale	Reduced emissions (anticipated future per annum reduction)	The reduction in annual operational emissions is calculated by comparing the estimated annual emissions from the proposed building design to the estimated annual emissions of a standard practice "benchmark" building design.
Te Hono – Avondale	Potable water saving (anticipated future per annum reduction)	The potable water saving is calculated by comparing the estimated water supplied to the proposed building design to the estimated water supplied to a standard practice building design.
Kerbside Recycling Facilities and Onehunga Materials Recovery Facility	Waste diverted from landfill (FY25)	For household waste, the recyclables collected in kerbside bins are transported to the Onehunga Material Recovery Facility and sorted into recycling streams (i.e., paper, plastics, metals). After sorting, each recycling stream is weighed as it is baled and prepared for transport to recycling facilities. For food scraps, the amount collected is measured using weighbridges at the consolidation points where kerbside food scraps are first taken and emptied by the collection trucks.
Community Recycling Centres	Waste diverted from landfill (FY25)	For items collected at the community recycling centres, materials are sorted, and details of the weight or volume of the sorted material is recorded. Where volume data is recorded, standard conversion factors are applied to estimate the weight of the material.
Puketutu Island Rehabilitation	Waste (biosolids) diverted from landfill (FY25)	Weighbridge data of waste volume from the Māngere wastewater treatment plant is collected daily. This waste volume (141,993.8 tonnes) includes a lime additive, estimated based on the supplier invoices for the financial year. To calculate the volume of waste diverted from landfill, the volume of this lime additive (6327.4 tonnes) is deducted from the weighbridge data.

Āpitihanga 2: Te arotake ā-tau o Sustainalytics

Appendix 2: Sustainalytics Annual Review

MORNINGSTAR | SUSTAINALYTICS

Auckland Council

Type of Engagement: Annual Review
Date: 1 September 2025
Engagement Team:
Nachiket Goli, nachiket.goli@morningstar.com
Bhakti Chikhalikar, bhakti.chikhalikar@morningstar.com

Introduction

Between July 2019 and March 2024, Auckland Council (the "Council") issued nine green bonds (collectively referred to as the "Green Bonds"),[1] and raised NZD 3,693.52 million, which has been allocated towards the financing or refinancing of a portfolio of projects and assets (the "Eligible Portfolio") that are intended to deliver positive environmental outcomes. In August 2025, the Council engaged Sustainalytics to review the Eligible Portfolio financed and refinanced with proceeds from the Green Bonds and provide an assessment as to whether they meet the use of proceeds criteria and whether the Council has complied with the reporting commitments in the 2025 Auckland Council Sustainable Finance Framework (the "Framework").[2,3] Sustainalytics provided a Second Party Opinion on the Framework in April 2025.[4] This is Sustainalytics' second annual review of the allocation and reporting of the Green Bonds issued under the Framework versions, following a previous review in September 2024.[5,6]

Evaluation Criteria

Sustainalytics evaluated the Eligible Portfolio and the Council's reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

[1] Since July 2019 Auckland Council has issued nine Green Bonds: (i) NZD 150 million in July 2019 under the 2019 Green Bond Framework; (ii) NZD 500 million in September 2020 under the 2020 Sustainable Finance Framework; (iii) NZD 300 million and NZD 807.78 million in October and November 2021, respectively, under the 2021 Sustainable Finance Framework; (iv) two bonds of NZD 178.76 million each in October 2022 under the 2022 Sustainable Finance Framework; and (v) NZD 300 million in September 2023, NZD 215.32 million in November 2023, and NZD 1,062.90 million in March 2024 under the 2023 Sustainable Finance Framework.
[2] Auckland Council developed its initial Green Bond Framework in September 2019, which was subsequently updated in September 2020, 2021, 2022, 2023, 2024, and April 2025. The Frameworks prior to the 2025 Sustainable Finance Framework are no longer published on the Auckland Council website.
[3] Auckland Council, "Sustainable Finance Framework", (2025), at: https://www.aucklandcouncil.govt.nz/about-auckland-council/investor-centre/information-for-investors/more%20information/sustainable-finance-framework.pdf
[4] Sustainalytics, "Second-Party Opinion, Auckland Council Sustainable Finance Framework", (2025), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/auckland-council-sustainable-finance-framework-second-party-opinion.pdf?sfvrsn=26fa29bf_1
[5] The previous annual review of Green Bonds was conducted in September 2024, based on the earlier version of the Framework. Auckland Council has communicated to Sustainalytics that they intend to align the Eligible Portfolio with the 2025 Auckland Council Sustainable Finance Framework.
[6] Auckland Council, "Green Bond Annual Report", (2024), at: https://www.aucklandcouncil.govt.nz/about-auckland-council/investor-centre/information-for-investors/annualreport/annual-green-bond-report-2024.pdf

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	KPIs
Renewable energy	Generation of energy from renewable sources such as wind, solar, geothermal, hydropower (provided environmental and social impact assessments are undertaken and no significant controversies are identified) and its supporting infrastructure, and bioenergy with lifecycle emissions of less than 100g CO_2e/kWh, declining to 0g CO_2e/kWh by 2050 and where only second-generation biofuels are used, as relevant. Solar energy generation facilities should have no more than 15% of electricity generated from non-renewable sources. Technology/componentry manufacturing that contributes to renewable energy generation that meets the above criteria (e.g. wind turbines and solar panels).	Qualitative and, where feasible, quantitative performance measures as part of reporting on the impact of the eligible asset
Energy efficiency	Business, assets, or projects that develop processes and products/technology that reduce the energy consumption of the underlying asset and achieve a minimum 30% reduction in greenhouse gas emissions; for example, technologies in new and refurbished buildings, energy storage, district heating, smart grids, appliances, and products.	
Green buildings[7]	Construction of low carbon and efficient buildings that have or will receive a minimum 5-Green Star rating or have an equivalent third-party certification (e.g. NABERSNZ), specifically for new asset developments and major renovations on assets over $10 million. Existing buildings that have a minimum 5-Green Star rating or equivalent third-party certification for energy and emissions efficiency of the identified buildings (provided the certification is deemed acceptable to the sustainable finance market e.g. NABERSNZ). Renovations of current buildings to a minimum 4-Green Star rating or equivalent third-party certification for energy and emissions efficiency of the identified buildings (provided the certification is deemed acceptable to the sustainable finance market e.g. NABERSNZ). For precincts, the rateable Net Lettable Area (NLA) meets these same recognised standards for at least 90% of the total NLA.	
Pollution prevention and control	Facilities that contribute to the reduction of air emissions, to greenhouse gas control and to soil remediation. Waste management projects, technologies, assets and supporting infrastructure that promote or enable waste prevention, minimisation, collection, recycling (including pre-sorting), composting, or landfill gas/capture of GHG emissions. This includes assets used for preparation and storage of materials for recycling or re-use.	
Environmentally sustainable management of living natural resources and land use	Environmentally sustainable management of living natural resources and land use (including environmentally sustainable animal husbandry; climate smart farm inputs such as biological crop protection or drip-irrigation; environmentally sustainable forestry, including afforestation or reforestation, and preservation, rehabilitation, or restoration of natural landscapes).	
Clean transportation	Low carbon transport assets, systems, and infrastructure (including retrofits) such as tramways, electric trains, metro, public walking and cycling infrastructure, cycling schemes, electric and hydrogen vehicles and associated infrastructure, information and communications technologies that improve asset utilisation of low carbon transport. For bus, bus rapid transport, commuter rail and hybrid cars, a greenhouse gas emissions threshold of 50 gCO_2 per passenger per km will apply.	
Climate change adaptation	Climate change resilience and adaptation interventions that may include projects costs to mitigate flooding, or costs associated with the buyout of properties/assets impacted by severe weather events as a result of climate change (providing that repurposing of the land does not result in any adverse impacts, and is in alignment with the TMSG considerations detailed in section 4.2). Infrastructure and technologies that increase resilience to and protect against the impacts of climate change including natural ecosystem preservation.	
Sustainable water and wastewater management	Both engineered and nature-based water, stormwater and wastewater management including collection, storage, treatment, distribution and recycling infrastructure and technologies as well as water management systems to buffer against floods or drought	

[7] The Council will endeavour to align Green Buildings eligibility criteria to the New Zealand Green Building Council 'Green Finance Guidance for Green Buildings' (NZGBC Guidance). At the date of this framework, the NZGBC Guidance is version 1.0 dated August 2024, as may be amended or updated. The NZGBC Guidance sets the NZGBC's views on the minimum green certifications required for assets to be classified as a Green Building under the GLP/GBP.

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Issuer's Responsibility

Auckland Council is responsible for providing accurate information and documentation relating to the details of the projects and assets, including descriptions, amounts allocated and impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from the Council's Green Bonds. The work undertaken as part of this engagement included the collection of documentation from the Council and the review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by the Council. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by the Council.

Sustainalytics made all efforts to ensure the highest quality and rigour during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted, nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Eligible Portfolio does not conform with the use of proceeds criteria and reporting commitments in the Framework. The Council has disclosed to Sustainalytics that the proceeds from the Green Bonds were fully allocated as of June 2025.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of Eligible Portfolio to determine alignment with the use of proceeds criteria outlined in the Framework.	The Eligible Portfolio comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of the Council's reporting on the Eligible Portfolio to determine if impacts were reported in line with the KPIs outlined in the Framework.	The Council reported on at least one KPI per use of proceeds category.	None

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Appendices

Appendix 1: Allocation of Proceeds

Use of Proceeds Category	Project or Asset Name and Description	Asset Value (NZD million)	Amount Allocated from the Green Bonds (NZD million)
Renewable energy	**Rosedale floating solar array:** Installation of 2,700 Floating solar panels generating clean energy	1.98	1.54
Energy efficiency	**Street Lighting LED Upgrade:** Upgrade of streetlight network from high pressure sodium lamps to energy-efficient lights	100.16	77.76
Green buildings	**Auckland House - Auckland Council Head Office**	198.96	154.47
	Te Manawa - Westgate Library Community Building	32.46	25.20
	Te Hono - Avondale Multi-Purpose Community Facility	4.92	3.82
Pollution prevention and control	**Community Recycling Centers:** Acquisition and construction of thirteen community recycling centres aimed at collecting unwanted items and materials for reuse and recycling.[8]	124.66	96.78
	Kerbside Bins: Provision of over one million kerbside bins, for recycling household waste and food scraps.	19.41	15.07
	Onehunga Material Recovery Facility: A material recovery facility for the sorting and reselling of kerbside recyclable materials.	44.74	34.74
Environmentally sustainable management of living natural resources and land use	**Puketutu Island:** Quarry rehabilitation project for wastewater biosolids to avoid landfill	122.98	95.48
	Te Kori Scott Point Park: Development of a 16.4-hectare sustainable sports park, including sports and recreation areas, informal community spaces designed to restore and conserve the site's natural geography, landforms, and landscape integrity.	42.77	33.21
Clean transportation	**Electric trains:** Purchase and construction of electric trains to support Auckland Council's transition to a fully electric train fleet.	578.32	449.00
	Electric Train Depot: A maintenance and stabling facility for the electric train fleet.	81.20	63.04

[8] Unwanted items may include whiteware, furniture, lawnmowers, bicycles, books, timber, household bric-a brac, building materials, metals, garden waste and textiles.

	In FY25, the expansion enabled stabling for an additional 19 electric trains.		
	Cycleways: Construction and development of public cycleways and walkways enabling active modes of transport.	180.93	140.47
	Electric Ferries: The procurement of zero emissions electric ferries and supporting infrastructure.	55.65	43.21
	Manukau Bus Station: Construction of bus transfer station connecting bus routes and linking bus routes to the electric rail network.	10.29	7.99
	City Rail Link (CRL): Construction of a 3.45 km underground twin-tunnel rail link connecting Waitematā (Britomart) Station with Maungawhau (Mount Eden) Station.	2,456.14	1,906.90
Climate change adaptation	**Category 3 buyouts:** The purchase of residential properties heavily damaged during extreme weather events.	166.10	128.96
Sustainable water and wastewater management	**Port of Auckland Stormwater Outfall Upgrade:** Installation of a stormwater pipeline across Quay Street and under the Port of Auckland, which is connected to a new outfall to the sea, designed to increase capacity and help prevent flooding.	48.50	37.65
	Water Quality Improvements: Upgrades and installation of new technologies aimed at improving water quality across waterways and ponds.	75.95	58.97
	Stormwater Pipe Separation Projects: Separation of wastewater and stormwater pipes to reduce the discharge of wastewater into Auckland's harbours.	39.31	30.52
	Fred Thomas Drive: Construction and installation of pump station, delivering sustainable wastewater management services.	21.46	16.66
	Hunua Watermain: Construction and installation of waterpipe providing water supply to high growth areas.	350.45	272.08
Total Eligible Portfolio Value		**4,757.32**[9]	
Proceeds Raised and Allocated from the Green Bonds			**3,693.52**
Unallocated Amount of Green Bonds			**0**

[9] The amounts may not add up to the total Eligible Portfolio value due to rounding.

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Appendix 2: Reported Impact from the Eligible Portfolio

Use of Proceeds Category	Project or Asset Name	Reported Impact
Renewable energy	Rosedale floating solar array	• 135 tCO_2e emissions reduced in FY2025 • 1,236,880 kWh electricity generated in FY2025
Energy efficiency	Street Lighting LED Upgrade	• 4,634 tCO_2e reduced in FY2025
Green buildings	Auckland House - Auckland Council Head Office	• NZGBC[10] Green Star Rating: 6 Green Star – Interiors NZ Built
	Te Manawa - Westgate Community Building	• NZGBC Green Star Rating: 5 Green-Star – NZ Custom Design
	Te Hono - Avondale Multi-Purpose Community Facility	• NZGBC Green Star Rating: 5 Green-Star – Design and As Built NZ v.1.0 Design • 22 tCO_2e anticipated per annum future operational emissions reduction • 825kL anticipated per annum future potable water saving
Pollution prevention and control	Community Recycling Centres	• 11,436 tonnes waste diverted from landfill in FY2025
	Kerbside Bins	• 87,158 tonnes household waste diverted from landfill in FY2025 • Over 24,000 tonnes food scraps diverted from landfill in FY2025
	Onehunga Material Recovery Facility	• 87,158 tonnes household waste diverted from landfill in FY2025
Environmentally sustainable management of living natural resources and land use	Puketutu Island	• 135,666 tonnes of waste diverted from landfill in FY2025
	Te Kori Scott Point Park	• Awarded with Leading Design rating[11]
Clean transportation	Electric trains	• 21,546 tCO_2e emissions reduced in FY2025 • 13.8 million passenger rail journeys
	Electric Train Depot	• Improved the reliability of electric train network
	Cycleways	• 3,088 tCO_2e avoided in FY2025
	Electric Ferries	• In progress
	Manukau Bus Station	• Improved public transport usage
	City Rail Link (CRL)	For Contract 3:[12] • Embodied emissions reduced: 27,583 tCO_2e • Emissions reduced from construction: 6,968 tCO_2e

[10] New Zealand Green Building Council, at: https://nzgbc.org.nz/
[11] The leading design rating reflects, among other factors, a 29% enhancement in ecological value through restoration of agricultural land, prioritization of native vegetation over exotic species, and strategic planting to reconnect corridors and provide suitable habitats for endangered flora.
[12] City Rail Link, "Contracts and Partners", at: https://www.cityraillink.co.nz/contracts-partners

		• Annual operational emissions reduced: 29,593 tCO_2e
Climate change adaptation	Category 3 buyouts	• 687 properties purchased in FY2025
Sustainable water and wastewater management	Port of Auckland Stormwater Outfall Upgrade Project	• Flooding events and wet weather overflows reduced
	Water Quality Improvements	• Water Quality Improved
	Stormwater Pipe Separation Projects	• Flooding events and wet weather overflows reduced
	Fred Thomas Drive	• Water storage capacity increased
	Hunua Watermain	• Water supply increased

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

Appendix 3: Toitū Envirocare – Review of impacts

TOITU
ENVIROCARE

REVIEW OF IMPACT ASSESSMENT GHG EMISSIONS

For organisation:

AUCKLAND COUNCIL

Date: 5th Sept. 2025

Auckland Council has completed its GHG Impact Assessment within the Green Bond Annual Report FY2025, which provides details on the reduction or avoidance in greenhouse gas emissions from the Green Bond funded assets and projects.

Toitū Envirocare reviewed[1] the relevant calculations and sections of the report for accuracy of data transfer from the calculation files, and for credibility of the claims. The review checked the workflow and workbook designs, with a focus on the following components: Claim Language, Activity data, Assumptions, Formula calculations, and Emissions factors.

Results of the review were articulated back to Auckland council in the form of a report which concludes the calculations are robust enough for the scope and intent of the measurements performed. Assets reviewed included: Electric trains, Public Cycleway Assets, Street Lighting LED Upgrade, Operational energy at Te Hono, Watercare floating solar array, CRL construction and operational reductions.

Toitū considers the methodology appropriate and the workings sufficient for the purpose of the impact communications being made.

Disclaimer: the service provided was a review and limited to the files and procedures listed and outlined above. This document should not be considered as a verification assurance statement and no assurance was provided as part of this review.

[1] Toitū File version: Impact_assessment_Report_review_ACC_2025 Final 27 Aug 2025

Auckland Council File version: AC_Green_Bond_Annual_Report_2025_04.09.2025

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