

GIDI Funding Partner

Financier Name: Bank of New Zealand

Points of contact for GIDI applicants:

Adam Coxhead

Head of Sustainable Finance, Capital Markets,
Corporate & Institutional Banking
Email: adam_coxhead@bnz.co.nz

Alex West

Sustainable Finance, Partnership Banking
Email: alex_west@bnz.co.nz



Deal Criteria

- In order to be eligible for funding labelled as a “Green Loan”, Applicants will need to evidence that the projects being funded will result in improved environmental outcomes, specifically reducing or avoiding GHG emissions
- Given the additional structuring requirements associated with a “Green Loan”, it’s most efficient to use the product for projects with some scale – Applicants can talk to a BNZ specialist about what’s required. In the event your project is smaller in scale then BNZ’s standard business or corporate loan offering could be well suited to the needs of Applicants.
- Any offer to provide financing will be contingent on the Applicant meeting all the usual onboarding, credit and legal requirements for access to bank funding



BNZ’s Sustainability Credentials

- BNZ has a strong focus on sustainability, with its strategy anchored around two pillars of Kaitiakitanga and Manaakitanga and underpinning our commitment to sustainability is our target of providing \$10bn in Sustainable Finance to our customers by 2025
- BNZ and its parent company NAB have deep experience in the provision of Sustainable Finance:
 - NAB has been recognised as a Green Bond Pioneer by the Climate Bonds Initiative several times, having issued its first Green Bond in 2018 and recently completed its 5th issuance
 - BNZ has been at the forefront of the market in New Zealand with notable market leading transactions and pioneering Sustainable Finance products including:
 - Acting as arranger on NZ’s first ever Green Bond for IFC in 2017
 - Arranging NZ’s first ever Sustainability Bond for Kainga Ora
 - BNZ’s recently launched standardised Sustainability Linked Loan offering for Agribusiness customers



Benefits of BNZ’s “Green Loan” offering

The benefits of GIDI Applicants choosing a “Green” Loan over a vanilla corporate loan are:

- Alignment of their financing with their own corporate sustainability objectives
- Demonstrates to investors, suppliers, customers and other stakeholders the Applicant’s commitment to sustainability and provides the opportunity for marketing their sustainability credentials
- Includes a commitment to provide transparent reporting to funding partners



“Green Loans” - Certification, Reporting and Tracking

- A Tailored Green Loan offering will require external assurance that it meets the relevant market standards (e.g. APLMA Green Loan Principles) and negotiation of a bespoke financing agreement – this would represent a modest additional upfront cost compared to a vanilla corporate loan facility
- Tracking and reporting of the application of proceeds for the stated purpose, progress with construction and estimated impact of the project (in terms of environmental outcomes) will be required, which BNZ anticipates will be able to be aligned with the requirements under the GIDI funding agreement in order to avoid having to produce two separate forms of reporting



BNZ’s Product Offering

- BNZ has a business or corporate loan offering that could be well suited to GIDI Applicants for part funding the capital cost associated with GIDI-funded projects
- Market-competitive funding rates will be available to successful Applicants, with terms and conditions dependent on the Applicant, the nature of their business and their credit capacity
- Given the nature of the projects being funded through the GIDI scheme, such loans are likely to qualify for labelling as “Green” Loans, should the Applicants so desire, on the basis that they are being used to fund investments that will result in a reduction of emissions from process or space heating.



Other Criteria

- If GIDI Applicants have a series of projects to fund, BNZ would be happy to discuss the potential for a warehouse style facility that aggregates the required funding under a single facility, bringing pricing and execution benefits of a larger scale financing
- Technology and suppliers being used should have a proven track record of successful construction and operation