



31 March 2023

Wellington Airport announces \$100 million in sustainability-linked lending

Wellington Airport has converted \$100 million of bank finance into sustainability linked lending, creating direct financial incentives by aligning lower interest rates with meeting agreed sustainability targets.

“This is about putting further weight behind our sustainability commitments,” says Wellington Airport Chief Financial Officer Martin Harrington.

“Wellington Airport has had Kaitiakitanga sustainability goals in place for some time, and this further enhances our commitment to these goals. Reaching these ambitious targets will be a win-win for the planet and our bottom-line.”

The conversion to sustainability-linked lending means that Wellington Airport’s lending will be charged a lower interest cost and line fee for achieving the sustainability goals, and a higher rate if those goals are not achieved.

The SLLs have been executed with Wellington Airport’s entire banking group – ANZ, BNZ, MUFG and China Construction Bank, with ANZ acting as Sustainability Coordinator.

“ANZ is delighted to have acted as Sustainability Coordinator on this market-leading transaction for Wellington Airport,” says Kate Gunthorp, Director in the Sustainable Finance team at ANZ. “Decarbonising the aviation sector will be a significant challenge over the coming decades, and these SLLs have targets directly related to supporting and enabling low-emissions aircraft in Aotearoa.”

“With the support of our banking group, Wellington Airport has achieved sustainability-linked lending facilities that are customised for the sustainability challenges and opportunities in our industry and aligned with international best practice” says Martin Harrington.

The four main sustainability target areas for Wellington Airport are:

- Addressing greenhouse gas emissions that the airport is directly responsible for (scope 1 and 2), Science Based Target Initiative (SBTi) validation of reduction targets and public reporting of scope 3 emissions.
- Supporting and enabling low-emission commercial flights at Wellington Airport through electric, hybrid and/or sustainable aviation fuelled aircraft.
- Progressing through the internationally recognised Airport Carbon Accreditation programme, which runs independent assessments of airports around the world.

- Reducing the level of waste ending up in landfills from our operations.

The sustainability targets were externally reviewed by Ernst & Young and align with the Asia Pacific Loan Market Association's Sustainability-Linked Loan Principles (updated February 2023). Wellington Airport's performance in meeting the sustainability targets will also be independently verified.

Some of the other progress Wellington Airport has made recently includes:

- Achieving Level 2 (Reduction) Certification from the Airport Carbon Accreditation programme in December 2022.
- Improving the energy efficiency of buildings and infrastructure.
- Replacing a third of its vehicle fleet with electric vehicles.
- Partnering with electric aircraft manufacturer Heart Aerospace alongside other New Zealand airports and airlines to speed up the decarbonisation of aviation.

This follows a high score by GRESB who, in October 2022, rated Wellington Airport as third best in the world for performance and management of environmental, social and governance (ESG) efforts amongst participating airports.

Media contact: Phil Rennie 021 869 106