

Joint Press release

Wednesday 4 May 2022

Transpower launches Green Finance Programme in a first for transmission grids

Transpower today announces the launch of its Green Finance Programme, Certified under the global Climate Bonds Standard. This important step reflects Transpower's commitment to achieving a net zero carbon transmission grid and supporting Aotearoa New Zealand's net zero carbon targets. This is the first Certification globally of a transmission grid under the newly published Electrical Grids and Storage criteria.

Transpower's Chief Executive, Alison Andrew says Transpower's new Green Financing Framework is illustrative of Transpower's leading role in enabling a net zero carbon transmission grid.

"By issuing Green Financing Instruments, we intend to align our funding strategy with our sustainability objectives, while maintaining the reliable and secure operation of the grid and market system."

"The decarbonisation of New Zealand's economy sits at the core of Transpower's strategy. Transpower has a critical role to play in enabling New Zealand's move towards electrification and a net zero carbon future, and Transpower works collaboratively across Government and industry to support policy development, business objectives and public engagement on this important topic facing New Zealand."

Sean Kidney, CEO of the Climate Bonds Initiative says, "This is an exciting moment for power transmission and distribution companies around the world. New Zealand's Transpower is leading on global best practice in green financing while advancing on its goal of a net zero grid."

"Supporting a swift transition to clean energy driven systems will require grid modernisation and upgrades in most nations. This long-term certified green issuance programme from Transpower is a positive example of harnessing green capital flows towards clean energy outcomes in New Zealand. This sends a positive signal to investors and transmission operators of what a green future in grids looks like."

Transpower has chosen to seek a Programmatic Certification under the Climate Bonds Standard (CBS) Version 3.0 published by Climate Bonds Initiative (December 2019).

The Programme covers both existing and future issuances of Transpower's debt instruments, the proceeds of which will be allocated to finance or refinance Eligible Green Assets – Transpower's transmission lines and substations, key enabling infrastructure in supporting increasing take up of renewable generation in New Zealand.

Transpower's NZDX listed bonds (TRP030, TRP040, TRP050, TRP060, TRP070, TRP080 and TRP090), Australian Medium-Term Note, Swiss Bonds and United States Private Placement Notes have received certification under the Programme.

External independent review and verification is provided by Ernst & Young.

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Notes for Journalists:

About Transpower: Transpower owns and operates the National Grid – the high voltage transmission network connecting areas of generation with towns and cities across New Zealand.

Transpower's strategy, [Transmission Tomorrow](#), is built around enabling the long-term decarbonisation of New Zealand's economy. Transmission Tomorrow sets out how we will go about planning and the developing the transmission system as demand for electricity increases as the transport and process heat sectors are electrified, and as new renewable generation is added to the system.

Further information on the Green Financing Programme, including the Framework, Ernst & Young Assurance Opinion and CBS Certification is available on Transpower's [website](#).

About the Climate Bonds Initiative: The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. More information on our website [here](#). The Climate Bonds Initiative carries out market analysis, policy research, market development; advises governments and regulators; and administers a global Climate Bonds Standard & Certification Scheme. For more information, please visit <http://www.climatebonds.net>.

About Climate Bonds Standard: It is an overarching science-based, multi-sector standard overseen by the [Climate Bonds Standards Board](#) that allows investors and intermediaries to easily assess the climate credentials and environmental integrity of bonds and other green debt products.

Launched in [2011](#), with periodic [updates](#), the Climate Bonds Standard is the most detailed, climate aligned investment criteria available in the market and provides guidance to issuers, investors, governments and regulators.

Standard V3.0 and supporting documentation is [available here](#).

About Electrical Grids & Storage Criteria: The Grids and Storage Criteria lay out the requirements that grid and storage assets and/or projects must meet to be eligible for inclusion in a Certified Climate Bond. The Criteria apply to transmission, distribution and storage of electricity.

The Grids and Storage Criteria contain both Mitigation Requirements and Adaptation & Resilience Requirements.

Bonds and loans linked to these eligible assets and projects will be aligned with the Paris Agreement 1.5°C limit.

About Climate Bonds Certification: Climate Bonds Certification framework has been designed to work in parallel with the normal process for issuing bonds, loans or other debt products. It has 2 phases, Pre-Issuance and Post-Issuance. Certification of a Climate Bond at the pre-issuance phase enables the issuer and underwriters to market the bond or debt product as Certified.

Further assurance activities at the post-issuance stage and annual reporting are required to maintain certification.

The full Climate Bonds Database of Certified issuance can be [found here](#).

The full Climate Bonds Directory of Approved Verifiers can be [found here](#).

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Certification under the Climate Bond Standard only reflects the climate attributes of the use of proceeds of a designated debt instrument. It does not reflect the credit worthiness of the designated debt instrument, nor its compliance with national or international laws.

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