



For immediate release

**Media Release**

**4 July 2023**

## **QIC and Vector secures A\$1.6bn Climate Bonds Certified green loan for Vector Metering acquisition and green capex**

- World's first Use of Proceeds instrument under the new Climate Bonds Standard v4.0
- Largest Climate Bonds Certified green bank loan under the Climate Bonds' Electrical Grids and Storage eligibility criteria
- Green loan proceeds to fund QIC's 50 per cent interest in Vector Metering and Vector Metering's ongoing electricity smart metering rollout across Australia and New Zealand

QIC Infrastructure, on behalf of its managed funds and clients (QIC), together with Vector Limited (Vector), are pleased to announce the successful financial close of a A\$1.6bn green loan for the smart metering business - Vector Metering.<sup>1</sup> The loan comprises green term loans to fund QIC's 50 per cent interest in Vector Metering in addition to green capex facilities<sup>2</sup> to fund the business' ongoing electricity smart metering expansion across Australia and New Zealand.

This is the first Use of Proceeds Certification globally under the new Climate Bonds Standard Version 4.0 (CBS v4.0)<sup>3</sup> and is the largest Climate Bonds Certified green bank loan aligned with the Climate Bonds' Electrical Grids and Storage eligibility criteria.<sup>4</sup>

This green loan was issued under Vector Metering's Green Financing Framework, which was developed in line with the February 2023 update to the Green Loan Principles (the Principles).<sup>5</sup> Vector Metering obtained a Verification Report and an assurance opinion from DNV Australia, a Climate Bonds' Approved Verifier, confirming that the Green Instrument was issued in alignment with the Principles and CBS v4.0.

MUFG Bank Ltd, National Australia Bank Limited, Westpac Banking Corporation and Westpac New Zealand acted as joint sustainability coordinators on the transaction.

Ross Israel, Head of Global Infrastructure, QIC said it was pleasing this acquisition could be funded by green financing.

"Smart meters have a critical role to play in the decarbonisation of electricity supply in both Australia and New Zealand. Their role is rapidly evolving from data processing for timely billing purposes, to being an enabler for electricity networks to manage an ever-increasing volume and volatility of electricity supply due to the broader energy transition and increasing penetration of renewable generation," Mr Israel said.

"This investment, together with the green financing instrument we have secured, is another demonstration of QIC Infrastructure's commitment to supporting the transition to a low-carbon economy," he said.

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<sup>1</sup> The A\$1.6bn green loan is a portion of a larger financing including non-green capex and working capital facilities; FX equivalents as at financial close

<sup>2</sup> The initial green and non-green limits of the capex facilities may be re-allocated over time to accommodate the business' needs via a formal mechanism agreed amongst the parties

<sup>3</sup> The Climate Bonds Initiative's Climate Bonds Standard Version 4.0 was released in April 2023. The financing will be found in the [Climate Bonds Certified Bonds Database](#) post-issuance

<sup>4</sup> According to the Climate Bonds Initiative as at the date of this press release based on the values and exchange rate used for the Green Loan at financial close

<sup>5</sup> Issued by the Asia Pacific Loan Market Association, Loan Markets Association and Loan Syndications & Trading Association

Sean Kidney, CEO, Climate Bonds Initiative congratulated QIC and Vector on Vector Metering being the first to achieve certification under the newly launched Climate Bonds Standard and Certification scheme.

“By ensuring Vector Metering’s financing meets the rigorous requirements of Climate Bonds Standard Version 4.0, QIC and Vector have demonstrated their dedication to global best practice in climate finance. This milestone underscores the importance of transparent and credible certification in mobilising capital for climate-aligned investments and demonstrates a real economy example of transition of energy systems,” Mr Kidney said.

Certification under CBS v4.0 demonstrates Vector Metering’s significant commitment to the increasing use of electricity smart metering, which is critical technology in the move towards energy efficiency and longer-term emissions reductions in the energy systems. This green loan attracted extensive interest including participation across a significant lending syndicate composed of eleven major domestic and international lenders.

JP Morgan acted as financial advisor on the transaction, with Herbert Smith Freehills and Russell McVeagh acting as borrower’s counsel and Corrs Chambers Westgarth and Bell Gully acting as lenders’ counsel.

## Ends

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## MORE INFORMATION

Vector Metering will annually obtain external review of its Green Financing Framework and green loan to provide a verification report to lenders. Vector Metering will manage the green loan in accordance with the components of the Principles, including its process for green project selection, management of proceeds, and reporting.

**Vector Group Chief Executive Simon Mackenzie** said: "Vector is delighted to have helped secure the A\$1.6bn Climate Bonds Certified green loan for the acquisition of 50 per cent of Vector Metering and its ongoing smart metering expansion. Helping to place this green loan demonstrates our commitment to driving the transition to a low-carbon economy and promoting energy efficiency and emissions reductions in the energy systems through advanced metering infrastructure."

**Nick Congdon, MUFU’s Head of Global Corporate and Investment Banking, New Zealand,** congratulated QIC and Vector on securing this landmark transaction. “MUFU Bank congratulates QIC and Vector on this landmark acquisition financing and is pleased to have assisted as Joint Sustainability Coordinator in structuring this ground-breaking transaction. This achievement highlights the parties’ commitment to sustainability and reinforces MUFU’s commitment to guiding our clients towards a low-carbon economy through ESG Financing solutions. We are excited to combine the strong momentum in our ESG Finance business with our well-known capabilities in structured finance solutions to secure this successful outcome on the transaction.”

**David Gall, NAB Group Executive, Corporate and Institutional Banking,** said “NAB was thrilled to partner with QIC and Vector on this landmark green financing transaction. Navigating the energy transition will require innovative solutions and technology such as smart metering, and we’re delighted to help our customers accelerate the rollout of this essential energy infrastructure.”

**Alastair Welsh, Managing Director, Westpac Corporate & Institutional Banking,** noted “Westpac is proud to support QIC and Vector with securing this important financing enabling QIC’s acquisition of

50 per cent of the Vector smart metering business. The rollout of electricity smart metering technology is an important part of creating a more dynamic, flexible and sustainable energy system, which is integral to accelerating the transition to a low-carbon economy”. **About Vector**

Vector is an innovative New Zealand energy company, which runs a portfolio of businesses delivering energy and communication services to more than 600,000 residential and commercial customers across New Zealand and the Pacific. Vector has a leading role in creating a new energy future through its Symphony strategy which puts customers at the heart of the energy system. Vector is listed on the New Zealand Stock Exchange with ticker symbol VCT. Our majority shareholder, with voting rights of 75.1%, is Entrust. For further information, visit [www.vector.co.nz](http://www.vector.co.nz).

## Notes for Editors

### About QIC

QIC is a trusted investment manager and adviser providing risk adjusted returns for the clients we serve. As one of the nation’s leading institutional investment managers, we deliver alternative real asset solutions across infrastructure, real estate, private debt, private capital, natural capital in addition to a liquid market offering for our 125 Australian and global clients. We have A\$100bn in assets under management and are headquartered in Brisbane, Australia, with offices in Sydney, Melbourne, New York, San Francisco and London.<sup>6</sup>

### About QIC Infrastructure

QIC is a long-term infrastructure investor with an established international platform, an active management approach and a proven, 16-year track record. With an international team of 80 professionals across five offices, QIC Infrastructure manages in excess of A\$29.9bn across 23 international direct investments and has realised in excess of A\$15.0bn back to its clients.<sup>6</sup> Its sector-centric and thematic-based investment strategy deconstructs risk across sector value chains identifying relative value for investment across market cycles. This drives a targeted origination approach, enabling the firm to build diversified portfolios for its clients.

### About the new Vector Metering group

The new Vector Metering group is a leading smart metering business owned by Vector and QIC which provides innovative smart meter data services from more than two million electricity and gas meters throughout New Zealand and Australia.

### About Climate Bonds Initiative

An investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy, 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 <https://www.climatebonds.net/>.

Climate Bonds Standard and Certification is an overarching science-based, multi-sector certification scheme for investments – and now entities – that address the challenge of climate change and are consistent with the goals of the Paris Climate Agreement.

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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<sup>6</sup> As at 31 March 2023

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