

Morrison & Co achieves first NZ Sustainability Loan for Schools facilities

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H.R.L. Morrison & Co ('Morrison & Co') has secured a Sustainability Loan for a public private partnership (PPP) which manages three primary schools and two high schools in New Zealand. It is the first Sustainability Loan for school facilities in New Zealand to be recognised and accredited for its environmental and social credentials.

The NZ Schools III PPP was established in 2017 with the Ministry of Education in New Zealand, to design, finance, construct and maintain, for 25 years following construction, five new schools in Auckland, Hamilton and Christchurch. The new Sustainability Loan of NZ\$183.2 million refinances the initial loan to develop the schools, which has reached its five year term.

The accreditation and verification process undertaken by a specialist certification body, DNV, involved an independent review of the sustainability elements. These included energy efficiency, waste management, green building standards, water management and social features such as pedestrian access for local residents and flexible learning environments for students.

Jon Collinge, Sustainability Director at Morrison & Co, said the Sustainability Loan will support the NZ schools to meet the ESG goals defined by Morrison & Co for Public Infrastructure Partners II and III, the PPP funds which own the project.

"The schools have been designed with sustainable outcomes as a key objective. They target a reduction in energy consumption of between 25% and 40% compared to a standard schools reference model but our detailed modelling shows they have achieved around a 70% reduction.

"Furthermore, the NZ Schools III PPP has achieved a five-star rating under the GRESB Infrastructure Asset Assessment, the international ESG benchmark for infrastructure funds, companies and assets."

Morrison & Co worked with the Commonwealth Bank of Australia and CIBC to complete the loan financing.

Charles Davis, Managing Director of Sustainable Finance at Commonwealth Bank of Australia said they were delighted to bring another first to the market in supporting Morrison & Co with this sustainability loan in New Zealand's school sector.

“Sustainable public infrastructure, like these five schools in New Zealand, helps drive better outcomes for both the environment and the communities they serve, and spotlights the importance of sustainability for future generations,” he said.

The NZ Schools refinancing follows a series of sustainability loans secured for businesses owned by Morrison & Co-managed clients, including:

- A similar loan facility in 2021 for the NSW Land Registry Services in Australia, linked to Indigenous reconciliation, supply chain engagement and carbon emissions.
- A sustainability-linked loan in 2019 for Queensland Airports Limited (interest rate is linked to ongoing Airport Carbon Accreditation certification).
- A Green Private Placement for Porterbrook, which became the first UK rolling stock leasing company to issue this bond under Porterbrook's Green Framework.

ENDS

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About Morrison & Co

Morrison & Co is a purpose-driven infrastructure investor, founded in 1988. It manages multiple client mandates, with total funds under management of approximately NZ\$23.7 billion (USD16.2 billion) at 31 December 2021. Morrison & Co is a pioneer in innovative infrastructure investing, supporting businesses that help enhance the lives of local communities. It invests on behalf of sovereign wealth funds, pension funds, family offices, endowments and other public and private pools of capital. Morrison & Co's investment mandates are tailored to each client and include investments in private and listed markets, public-private partnerships and asset-specific management relationships. Morrison & Co is set apart by a management style that integrates deep industry specialisation with financial and transactional expertise.

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