

An S&P Global Ratings Post-Issuance Review (PIR) includes S&P Global Ratings' assessment of an Issuer's post-issuance sustainable financing reporting, where proceeds are allocated to environmental and/or social use-of-proceeds projects. A PIR provides a point-in-time opinion, reflecting the information provided to us at the time the PIR was created and published, and is not surveilled. We assume no obligation to update or supplement the PIR to reflect any facts or circumstances that may come to our attention in the future. A PIR is not a second party opinion (SPO) on pre-issuance financing, or a comment on the alignment of allocations with third-party published sustainable finance principles. A PIR is not a credit rating, and does not consider credit quality or factor into our credit ratings.

See [Analytical Approach: Sustainable Financing Post-Issuance Reviews](#).

Post-Issuance Review: Allocation And Impact Reporting

Greater London Authority Allocation And Impact Report

September 14, 2026

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Assessment Summary

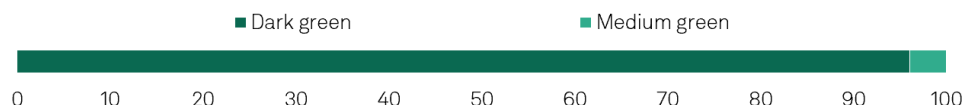
Consistency Opinion [\(jump to section\)](#)

✓ Allocations are consistent with pre-issuance commitments.

Allocation Analysis [\(jump to section\)](#)

As of the publication of the allocation and impact report 2025-2026, new allocations consisted of four projects across two of the Green Financing Framework's project categories: renewable energy and energy efficiency. Allocations consist of a large majority of Dark green (96%) and small portion of Medium green (4%) projects. Past allocation distribution can be found in GLA's Post-Issuance Review, Nov.3, 2025.

Environmental: Allocations to projects on the date of the report (% of allocation per shade in 2025-2026).



Reporting Quality Assessment [\(jump to section\)](#)

✓ The report meets the requirements for reporting contained in ICMA Green Bond Principles 2021 and LMA Green Loan Principles 2021, and firm commitments in the updated 2025 framework relating to allocation and impact reporting. The report demonstrates good practice in respect of reporting ex-post (where available) and ex-ante impact (that is, the estimated one).

Strengths

The GLA plays a crucial role in decarbonizing the heating sector in the Greater London Area. It reduces the largest sources of energy consumption and greenhouse gas emissions and helps the authority meet Net Zero by 2030. We view positively the GLA allocating all net proceeds to new activities. That the GLA has not undertaken refinancing provides a greater impact for the authority's projects.

Areas to watch

There is no information on the impacts of the incremental disbursed amounts, although there is for the total allocation. However, the GLA has confirmed that the total disbursement will happen by 2028, limiting the risk of overstating the impacts. A subsidiary, London Treasury Ltd. (LTL), rather than an external verifier, will verify the impacts, which we do not consider best practice.

Issuer Description

Location: UK	Sector: Local government
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The GLA was established in 2000 and is the elected strategic authority for London. It serves a population of almost 9 million and consists of two divisions: the Mayor of London and the London Assembly.

The GLA published a green financing framework in 2023 and an update in November 2025. S&P Global Ratings has not provided a Second Party Opinion on the framework. The GLA has published annual allocation and impact reports since 2024.

Consistency Opinion

This section provides our opinion on the consistency of allocations described in the report with the issuer's commitments made at pre-issuance.

Relevant loans

Type	Identifier	Name	Date	Maturity*	Amount raised§ (mil. £)	Amount allocated† (mil. £)
Loan	N.A.	GLA Green Loan (via NWF)	December 2023	Up to 25 years	190	346.8

*The forecast maturity of the loans disbursed in the period up to 2028 is up to 25 years, which places the final maturity around mid-2050. §The GLA has raised £190 million under the framework from the NWF. This represents 38% of the £500 million to be deployed by the Green Finance Fund (GFF). †The amount allocated to the GFF and committed to green projects, an increase of £28.2 million from the previous year. To date, the GLA has disbursed £219.2 million to green projects. N.A.--Not applicable. NWF--National Wealth Fund. Sources: GLA Allocation and Impact Report, S&P Global Ratings.

 Allocation consistency with pre-issuance commitments

Allocations to environmental projects are consistent with the issuer's pre-issuance commitments. Four new projects were added to the portfolio in the fiscal year ended April 5, 2026--two in the energy efficiency category and two in the renewable energy category.

Allocation Analysis

This section provides information on the allocation of proceeds, incorporating the conclusions that led to our consistency opinion.

Environmental projects

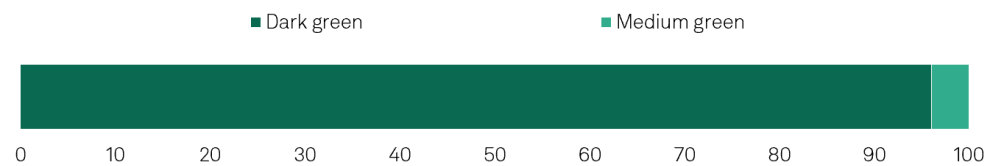
- S&P Global Ratings has not provided a Second Party Opinion on the GLA's green financing framework. This section reports our key analytical considerations for allocations using our Shades of Green methodology.

- The Green Bond Allocation & Impact Report 2025-2026 covers four new projects approved by the GFF Credit Committee and included in the GLA’s portfolio. There are 15 active projects. Our post-issuance review focuses on the projects that got allocation in 2025-2026. All new allocated proceeds (100%) were for new investments, which we consider market best practice.
- For the 2025-2026 reporting period, 77% of proceeds were allocated to energy efficiency projects. Within this category, 75% of proceeds financed the replacement of legacy heating systems with heat pumps in 17 schools and community centres in the London borough of Hackney. The remaining 25%, allocated under the energy efficiency category, financed the decarbonization of nine public buildings in Hackney, where gas boilers are replaced with heat pumps, alongside the installation of solar photovoltaic and LED lights, and fabric upgrades.
- The remaining 23% of allocated proceeds were directed to renewable energy projects. Of these proceeds, 85% financed the replacement of a gas-fired combined heat and power system with high-efficiency, ammonia-based air-source heat pumps. The remaining 15% of the proceeds supported a 600-meter extension of the Sutton Decentralised Energy Network, which represents 4% of the total allocated under the impact report.
- All financed projects remain subject to the group’s physical climate risk strategy. Applicants are still required to complete an equality impact assessment and confirm whether any material issues have been identified. Moreover, the credit committee performs the ESG risks assessment, with reference to the green finance steering committee for any significant risks.

Shades of Green

- The GLA has financed, through the energy efficiency category, the decarbonization and energy-generation projects in Hackney. The International Energy Agency emphasizes that the primary factors in decarbonizing the building sector are energy efficiency and electrification. We view positively efforts to improve energy efficiency that are backed by rigorous quantitative performance metrics and that aim to reduce environmental impacts. Therefore, we assign a Dark green shade to the replacement of gas boilers with electric heat pumps alongside investments in solar PV and LED lighting, fabric upgrades, and the replacement of aging heating systems with electric heat pumps in Hackney.
- The issuer invested the proceeds allocated to renewable energy category in the replacement of gas-fired heat in the Coville Heat Network and in the extension of SDEN. We assign a Medium green shade to the expansion of the latter, whose current mix of heat input sources continue relying on fossil sources, with about 20% coming from gas-fired boiler generation, according to the issuer. The predominant share of 80% comes from heat recovered from municipal waste incineration. However, the network is planning to decrease its share of fossil heat sources over the near future. The former project received a Dark green shade, reflecting our view on the climate benefits from replacing gas-fired combined heat and power generation with an ammonia-based air source heat pump in Coville Heat Network.

Environmental allocations at the date of the report (% of allocation per shade)



Source: S&P Global Ratings.

Reporting Quality Assessment

This section provides an opinion on the quality of the issuer's post-issuance allocation and impact reporting.

✓ Alignment with reporting requirements

The report aligns with the requirements for allocation and impact reporting contained in the Green Bond Principles and Green Loan Principles. The 2025-2026 fiscal year is the GLA's third reporting cycle. The authority reports allocations and impacts annually until full allocation, and on a timely basis in case of material developments.

✓ Satisfaction of pre-issuance reporting commitments

The report satisfies the GLA's pre-issuance commitments relating to allocation and impact reporting.

Additional reporting considerations

Comprehensiveness of allocation reporting

- We consider it good practice that the GLA provides granular information at the project level, for example, project descriptions and allocations per year. While the authority has allocated 100% of the proceeds, it had not disbursed them all at the time of reporting. We expect the actual disbursements in accordance with borrowers' needs to align with its disbursement profiles. Moreover, the report specifies the share of disbursement versus overall allocation. The GLA expects to make all disbursements by 2028, limiting the risk of overstating the expected impacts of the projects to which it has allocated but not yet disbursed funds.

Linking allocations and issuer level sustainability performance, targets, and strategy

- The report contains some information on how the allocations align with the GLA's national objectives and targets. The GFF is designed as a means to advance the London Mayor's 2030 net zero ambition and broader environmental priorities in London.

Relevance and materiality of metrics

- There are relevant and material links between the environmental objectives to be addressed and the metrics selected for the two categories. We view the chosen metrics as relevant for all categories.
- Project applicants must report the actual impact metrics once the works are complete. This allows for comparison with the reported forecast impacts.
- For every project to which proceeds have been allocated, the GLA also forecasts the qualitative social benefits it expects at completion.

Transparency on methodology and assumptions

- We view positively the reporting of ex-post versus ex-ante impact assessment once actual performance data are collected.
 - LTL undertakes a detailed review of the energy and greenhouse gas emissions quantification methodology provided by project applicants. It seeks clarification where deviations in the figures exceed 10%. Having the same entity check the impact computations provides consistency and ensures comparability. However, the GLA is not obtaining external third-party verification on its allocation and impact reporting, which we would have considered stronger practice.
 - The report does not provide information on the impacts of the incremental disbursed amounts but rather on the total allocation. However, the GLA has confirmed that the total disbursement will happen by 2028, limiting the risk of overstating the impacts.
 - The allocation and impact report as well as the 2025 updated framework refers to ICMA Green Bond Principles 2021 and LMA Green Loan Principles 2021, although updated 2025 principles exist. We would consider best practice to have the alignment with the updated principles.
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S&P Global Ratings' Shades of Green

Assessments											
	Dark green		Medium green		Light green		Yellow		Orange		Red
Description											
Activities that correspond to the long-term vision of an LCCR future.		Activities that represent significant steps towards an LCCR future but will require further improvement to be long-term LCCR solutions.		Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.		Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.		Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.		Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.	
Example projects											
 Wind power		 Certified forestry		 New energy efficient buildings		 Fossil fuel buses		 Conventional steel production		 Oil and gas exploration	

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Related Research

- [Analytical Approach: Sustainable Financing Post-Issuance Reviews](#), June 30, 2025
- [FAQ: Applying Our Analytical Approach for Post-Issuance Reviews](#), June 30, 2025

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