

New South Wales Treasury Corporation

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Introduction

New South Wales Treasury Corporation (“TCorp” or the “Issuer”) issued three sustainability and two green bonds between November 2018 and January 2024 (collectively the “GSS Bonds”) that have raised total proceeds of AUD 13.3 billion as of 30 June 2025,¹ with total outstanding proceeds of AUD 11.2 billion, to refinance a range of projects intended to deliver positive environmental and social outcomes. In 2025, TCorp engaged Sustainalytics to review the projects financed with proceeds from the GSS Bonds (the “Nominated Expenditures”) and provide an assessment as to whether they meet the use of proceeds criteria and whether TCorp complied with the reporting commitments in the NSW Sustainability Bond Framework (the “Framework”).² Sustainalytics provided a Second-Party Opinion on the Framework in September 2024.³ This is Sustainalytics’ second annual review of allocation and reporting of the instruments issued under the Framework, following a previous review in November 2024.⁴

Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and TCorp’s reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Clean Transportation	<ul style="list-style-type: none"> • Zero direct emissions public transport such as electrified rail, rolling stock, light rail and buses • Zero direct emissions passenger or light commercial vehicles such as electric vehicles • Dedicated infrastructure for eligible rolling stock, railway lines and networks • Dedicated charging stations • Public walking and cycling infrastructure. 	<ul style="list-style-type: none"> • GHG emissions in tCO₂e • GHG emissions savings, offset, reduced or avoided • Passenger trips or passenger trip-kilometres • Water use reduced (assets under construction) • Waste diverted from landfill (assets under construction)

¹ The TCorp outstanding bonds are: i) two green bonds of AUD 1.76 billion and AUD 2.58 billion with maturity on November 2028 and November 2030, respectively; and ii) two sustainability bonds of AUD 3.48 billion and AUD 3.37 billion with maturity on November 2032 and September 2035, respectively. iii) One sustainability bond with proceeds of AUD 2.1 billion, that matured in March 2025, is not included in the scope of this review report.

² TCorp., “NSW Sustainability Bond Framework”, (2024), at: https://tcorp.nsw.gov.au/wp-content/uploads/2024/09/NSW_Sustainability_Bond_Framework_2024.pdf

³ Sustainalytics, “Second-Party Opinion, NSW Sustainability Bond Framework”, (2024), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/new-south-wales-treasury-corporation_spo_final-spo_.pdf

⁴ Sustainalytics, “Annual Review, New South Wales Treasury Corporation”, (2024), at: <https://tcorp.nsw.gov.au/wp-content/uploads/2024/12/NSW-Treasury-Corporation-TCorp-Annual-Review-2024.pdf>

<p>Sustainable Water and Wastewater Management</p>	<ul style="list-style-type: none"> • Sustainable and resilient infrastructure for clean and/or drinking water, including water distribution and storage • Wastewater treatment and recycling infrastructure • Sustainable and resilient urban drainage systems and river training and other forms of flooding mitigation • Nature based solutions 	<ul style="list-style-type: none"> • Amount of raw/untreated sewage sludge that is treated and disposed of (e.g. tonnes of dry solids per year) • Amount of sludge that is reused (e.g. tonnes of dry solids per year) • Area covered by sustainable land and water resources management practices. • GHG emissions savings, offset, reduce or avoided • Amount of sediment, litter and organic matter removed from waterways
<p>Access to Essential Services</p>	<ul style="list-style-type: none"> • Affordable public health care services (including vaccinations, medications, hiring and training of medical personnel) • Access to public transport for people with disability or limited mobility • Infrastructure related to public sector education and vocational training including schools and universities • Access to emergency services. 	<ul style="list-style-type: none"> • Intake of students and teaching spaces created. • Students survey results for sense of belonging • Number of stations upgraded • Percentage of stations that are accessible to people with disabilities and limited mobility. • Geographic and population coverage
<p>Affordable Housing</p>	<ul style="list-style-type: none"> • Public-private partnerships to build new social housing • Upgrades or maintenance of existing social housing. 	<ul style="list-style-type: none"> • Number of new, upgraded or maintained properties
<p>Affordable Basic Infrastructure</p>	<p>Increasing access for households to the following public services:</p> <ul style="list-style-type: none"> • Clean drinking water • Sewers • Sanitation • Mass transport • Energy • Natural/green recreational spaces. 	<ul style="list-style-type: none"> • Number of projects completed

Issuer's Responsibility

TCorp is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from TCorp’s GSS Bonds. The work undertaken as part of this engagement included collection of documentation from TCorp and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by TCorp. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by TCorp.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁵ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. TCorp has disclosed to Sustainalytics that the proceeds from the GSS Bonds were fully allocated as of 30 June 2025.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of projects or assets to determine if impact was reported in line with the KPI selection methodology outlined in the Framework.	TCorp reported on at least one KPI per use of proceeds category.	None

⁵ Sustainalytics’ limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reporting

Table 3: Allocation of proceeds from the GSS Bonds

Use of Proceeds Category	Project Name	Project Description	Amount Allocated (AUD million)
Clean Transportation	M1 Metro Northwest and Bankstown Line ⁶	The project is the first fully automated electrified metro rail system in Australia that is expected to cover 66 km of route with 31 new stations.	5,933
	Parramatta Light Rail – Stage 1	This project involves a 12 km long electrified light rail line connecting Westmead to Carlingford via the Parramatta CBD and Camellia, with 16 stops and a total fleet of 13 light rail vehicles.	1,093
	Newcastle Light Rail	The Newcastle Light Rail is a 2.7 km electrified system that offers a frequent and dependable travel option through the city centre of Newcastle. It has a capacity to transport 1,200 passengers per hour and is a key part of the revitalization program of Newcastle’s CBD.	240
	CBD And Southeast Light Rail	This railway line involves a 12 km long network featuring two electrified lines and 19 stops. It was designed to provide services within the Sydney region and connect passengers to buses, trains, ferries and other light rail services.	800
Sustainable Water and Wastewater Management ⁷	Lower South Creek Treatment Program	The program includes upgrading the St Marys and Quakers Hill water recycling plants, which will enhance sustainability and result in significant energy and carbon savings.	344
	Green Square Trunk Stormwater Improvement ⁸	This project involved construction of a 2 km underground stormwater drain from Zetland to Alexandra Canal in Sydney’s inner southern suburbs, successfully reducing flooding, improving water quality and facilitating future developments in Green Square. Additionally, it contributed to water conservation by harvesting and purifying up to 900 kl of stormwater per day	-
	Waterway Naturalisation and Stormwater Improvement – Tranche 1 ⁹	This project aimed to replace old concrete sections with sandstone and stabilize banks using native plants, trees and rocks. Naturalizing Sydney’s stormwater channels increased their lifespan from 80 to over 150 years. The work also improved water quality, reduced flooding, enhanced community spaces and increased park access.	-
	Waterway Naturalisation and Stormwater Improvement – Tranche 2	This project focuses on replacing old, deteriorating concrete sections with durable sandstone and stabilizing riverbanks using native plants, trees and rocks. In collaboration with local councils and community input, several water-sensitive urban design projects were	52

⁶ Formerly known as Sydney Metro Northwest and Sydney Metro City and Southwest.

⁷ TCorp has confirmed that that the projects in this category i) have a vulnerability and adaptation plan in place; ii) exclude wastewater treatment driven by fossil fuel; and iii) exclude treatment of wastewater from fossil fuel operations, such as fracking.

⁸ Indicators are being provided for the final time for the Green Square Trunk Stormwater Improvement project, which received proceeds allocated from the now matured March 2025 Sustainability Bond; this asset has been removed from the asset pool because of the bond’s maturity.

⁹ Indicators are being provided for the final time for the Waterway Naturalisation and Stormwater Improvement – Tranche 1 project, which received proceeds allocated from the now matured March 2025 Sustainability Bond; this asset has been removed from the asset pool because of the bond’s maturity.

		constructed across three major catchments in Sydney. The aim of these works is to improve water quality, reduce the risk of flooding and enhance the overall environment, making the area more liveable. Additionally, the project provides better park access, creating more green spaces for the community to enjoy.	
Access to Essential Services	Public School Infrastructure ¹⁰	This project focuses on building new schools and upgrading existing ones in NSW to give children better access to high-quality education facilities. The new designs aim to create open, interactive and flexible indoor and outdoor learning spaces equipped with modern technology.	771
	Transport Access Program – Tranche 3	This project involves upgrade of train stations across Sydney, regional and intercity networks to improve accessibility for people with disabilities and limited mobility. The goal is to create safer, more accessible and integrated transport infrastructure for a better public transport experience.	668
	Critical Communications Enhancement Program ^{11,12}	This project aims to expand and improve the NSW Public Safety Network (PSN), providing better radio communication for emergency services. The upgrades will help the frontline responders to share information more effectively during emergencies, improve network reliability, enhance disaster response and enable connections with networks in other states for cross-border coordination.	738
Affordable Housing	Social Housing Maintenance and Upgrades	This project focuses on fast-tracking maintenance of social housing to improve property conditions, provide access to affordable and sustainable energy, and enhance the living experience for social housing residents and people on the NSW Housing Register ¹³ who are on low income ¹⁴ and in need of social housing assistance. It also supports jobs in construction and trades, while strengthening partnerships with community housing organizations.	247
	Aboriginal Housing Office Stimulus 2022 Program	This programme delivered new homes and upgraded existing Aboriginal housing ¹⁵ to improve living conditions for Aboriginal social housing residents. It also supported the local construction industry in several areas, including those affected by bushfires and drought in NSW.	183
Affordable Basic Infrastructure	National Parks Visitor Infrastructure	The programme aims to provide access to green recreational parks for the general population, with particular focus on women, children, older persons and persons with disabilities. It includes enhancing access to	126

¹⁰ Eligible public health and educational services are intended to be accessible regardless of ability to pay.

¹¹ TCorp has confirmed that the Critical Communications Enhancement Program serves emergency services organizations which include law enforcement agencies, supporting their business-as-usual (BAU) activities. As it is a single interoperable network, TCorp is unable to separate these expenditures from other socially impactful expenditures. However, the expenditures towards law enforcement agencies which are BAU, including policing and mob-control, are viewed as a deviation as mentioned in the SPO.

¹² TCorp has specified that the associated radio towers and equipment are mostly powered by solar energy except for a few in remote or rural areas with unsuitable climatic conditions that rely on fossil fuel. Additionally, fossil fuel-powered generators may be used as backup in case of emergencies.

¹³ NSW Government, "Communities and Justice", at: <https://dcj.nsw.gov.au/about-us/families-and-communities-statistics/annual-statistical-reports/asr-landing-page/asr-housing-page-1.html>

¹⁴ According to the NSW Government, people earning more than 50% but less than 80% of the NSW or Sydney median income are described as being on a low income. NSW Government, Department of Communities and Justice, "Affordable housing eligibility", at: <https://www.nsw.gov.au/housing-and-construction/social-affordable/affordable-rental-housing/understand#:~:text=Affordable%20housing%20eligibility,-Eligibility%20depends%20on&text=In%20NSW%2C%20affordable%20housing%20is,as%20childcare%20workers%20or%20cleaners>).

¹⁵ Aboriginal social housing projects aim to meet the housing needs of Aboriginal populations on very low or low income across New South Wales, with specific identity and income eligibility requirements. NSW Government, Aboriginal Housing Office, at: <https://aho.nsw.gov.au/housing/apply.html>

		<p>NSW national parks by upgrading and expanding park infrastructure, thereby improving the accessibility of a wide range of visitor experiences across NSW. Entry to the parks is free of charge for visitors, and vehicle entry is set at a concessional rate for veterans and pensioners.¹⁶</p> <p>The National Parks Visitor Infrastructure (NPVI) portfolio includes 10 major projects, including the Improving Access to National Parks initiative.</p> <p>Improving Access to National Parks Program focuses on upgrading visitor infrastructure and facilities, developing digital tools, expanding safety programmes, and improving mobile connectivity in national parks across NSW.</p>	
Total Allocated Amount			11,195
Total Unallocated Amount			0
Net Proceeds Raised			11,195

¹⁶ NSW, "NSW National Parks and Wildlife Service", at: <https://www.nationalparks.nsw.gov.au/passes-and-fees/discount-and-concession-passes#pensioner-and-veterans-concession-pass> .

Appendix 2

Table 4: Reported Impact of projects funded with proceeds from the GSS Bonds

Use of Proceeds Category	Project Name	Reported impact
Clean Transportation	M1 Metro Northwest and Bankstown Line	<ul style="list-style-type: none"> Total passenger trips in FY2025: 66.1 million Measured emissions from grid electricity in FY2025 (neutralized through renewable energy certificates): 112,762 tCO₂e
	Parramatta Light Rail – Stage 1	<ul style="list-style-type: none"> Total passenger trips in FY2025: 2.2 million Electricity for operations in FY2025: 3,941 MWh Total scope 2 and 3 emissions in FY2025: 2,759 tCO₂e
	Newcastle Light Rail	<ul style="list-style-type: none"> Total passenger trips in FY2025: 1.0 million Electricity for operations in FY2025: 1,913 MWh Total scope 2 and 3 emissions in FY2025: 1,339 tCO₂e
	CBD And Southeast Light Rail	<ul style="list-style-type: none"> Total passenger trips in FY2025: 37.3 million Electricity for operations in FY2025: 14,818 MWh Total scope 2 and 3 emissions in FY2025: 10,372 tCO₂e
Sustainable Water and Wastewater Management	Lower South Creek Treatment Program	<ul style="list-style-type: none"> Biosolids recovered from wastewater beneficially reused in FY2025: 100% (approx. 5,765 tonnes)
	Green Square trunk Stormwater Improvement ¹⁷	<ul style="list-style-type: none"> Amount of combined litter and sediment removed in FY2025: 27 tonnes
	Waterway Naturalisation and Stormwater Improvement – Tranche 1 ¹⁸	<ul style="list-style-type: none"> Amount of litter removed in FY2025: 829 m³ Amount of combined sediment and litter removed in FY2025: 298 tonnes
	Waterway Naturalisation and Stormwater Improvement – Tranche 2	<ul style="list-style-type: none"> Amount of combined sediment and organic matter removed in FY2025: 122 tonnes
Access to Essential Services	Public School Infrastructure	<ul style="list-style-type: none"> Number of new schools and major upgrades to date: 116 Total teaching spaces across NSW in 2024: 43,787 Total school enrolments across NSW in 2024: 780,578
	Transport Access Program – Tranche 3 (TAP3)	<ul style="list-style-type: none"> Percentage of train stations across NSW (including Metro stations) independently accessible to people with a physical disability and limited mobility in FY2025: 73% Train stations upgraded under TAP3 to date: 61
	Critical Communications Enhancement Program	<ul style="list-style-type: none"> Geographic coverage across NSW in FY2025: 65% (compared to 35% baseline in 2017)

¹⁷ TCorp has informed that the reported impact is up to March 2025.

¹⁸ Ibid.

		<ul style="list-style-type: none"> Population coverage across NSW in FY2025: 99.6% (compared to 80% baseline in 2017) Number of voice airtime minutes in emergency services organizations' communications in FY2025: 59 million (compared to 20.2 million baseline in FY2016)
Affordable Housing	Social Housing Maintenance and Upgrades ¹⁹	<ul style="list-style-type: none"> Number of properties maintained or upgraded under the Social Housing Maintenance COVID-19 Stimulus Program - Tranche 1 to date: 2,300 Number of properties maintained or upgraded under the Social Housing Maintenance COVID-19 Stimulus Program - Tranche 2 to date: 12,600 Number of properties maintained or upgraded under the Supplementary Capital Maintenance Program to date: 8,300
	Aboriginal Housing Office Stimulus 2022 Program ²⁰	<ul style="list-style-type: none"> Number of new Aboriginal social housing properties delivered to date: 180 Number of upgrades to Aboriginal social housing properties delivered to date: 6,500
Affordable Basic Infrastructure	National Parks Visitor Infrastructure	<ul style="list-style-type: none"> Number of subprojects completed to date: 673 (216 under Improving Access to National Parks), including 24 lookouts with mobility access Number of visitors to National Parks across NSW in FY2025: 60 million

¹⁹ Tranche 1 and 2 impact indicators are for FY2020 and FY2022 respectively and will not be updated annually, as they reflect one-off activities.

²⁰ Indicators under the Aboriginal Housing Office Stimulus 2022 Program will not be updated annually, as they reflect one-off activities.

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