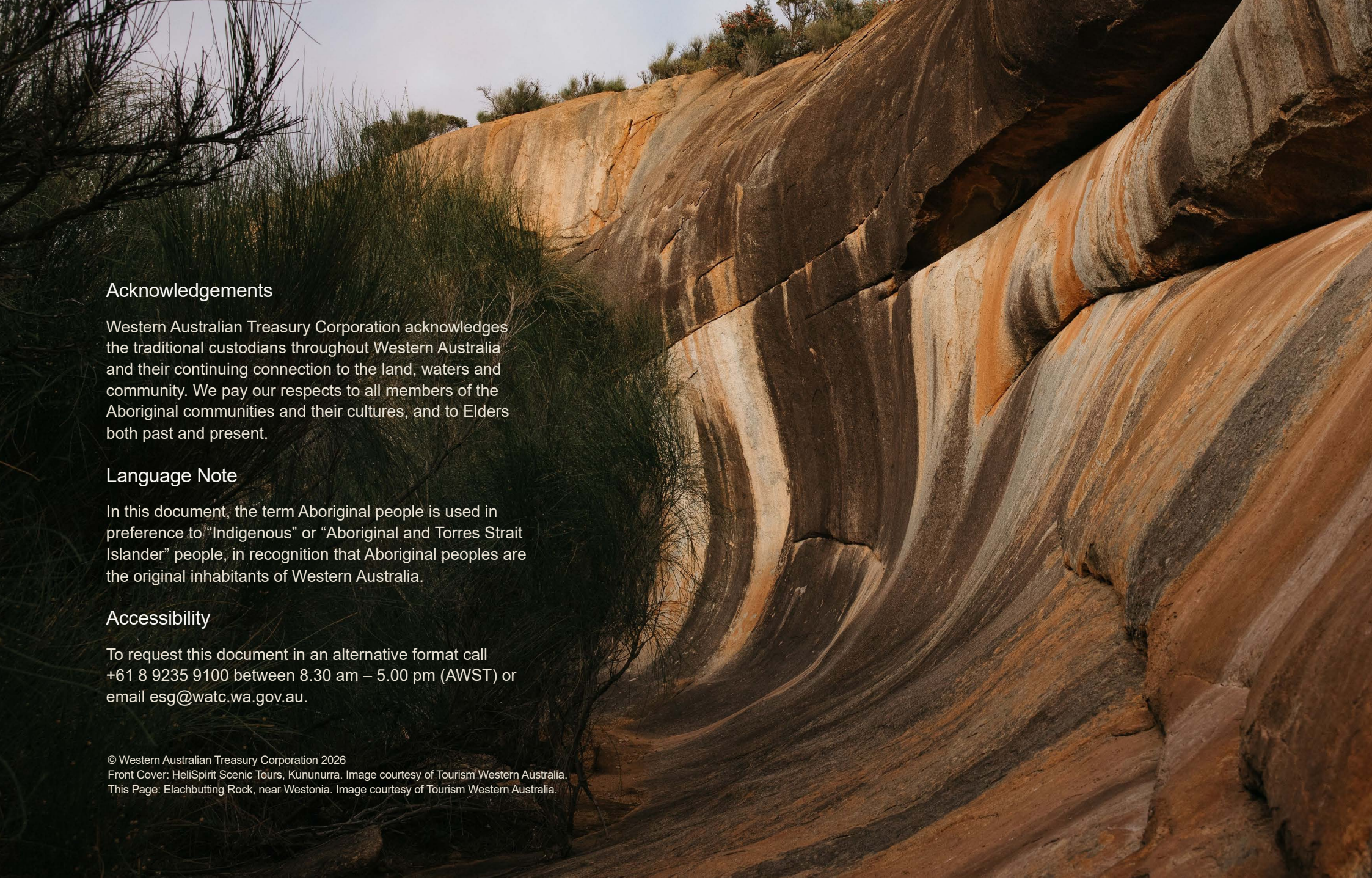
Sustainable Bond Program

Allocation and Impact Report

May 2026

WESTERN AUSTRALIAN
TREASURY CORPORATION

Financial Solutions
for the Benefit of All
Western Australians



Acknowledgements

Western Australian Treasury Corporation acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

Language Note

In this document, the term Aboriginal people is used in preference to "Indigenous" or "Aboriginal and Torres Strait Islander" people, in recognition that Aboriginal peoples are the original inhabitants of Western Australia.

Accessibility

To request this document in an alternative format call +61 8 9235 9100 between 8.30 am – 5.00 pm (AWST) or email esg@watc.wa.gov.au.

Front Cover: HeliSpirit Scenic Tours, Kununurra. Image courtesy of Tourism Western Australia.
This Page: Elachbutting Rock, near Westonia. Image courtesy of Tourism Western Australia.

Chairperson's Foreword

As Under Treasurer of Western Australia and Chairperson of Western Australian Treasury Corporation, I am passionate about delivering good fiscal, economic and sustainability outcomes for the State. Accordingly, I am pleased to endorse our third *Sustainable Bond Program Allocation and Impact Report*, which provides an update on the allocation of green bond proceeds raised up to the end of March 2026 and highlights the environmental impacts across Western Australia generated by funded projects.

A significant focus of this year's report is the release of Western Australian Treasury Corporation's enhanced Impact Framework. We have strengthened the way we measure and communicate impact by establishing a transparent and logical line of sight from government policy priorities to project-level outcomes. By articulating the connections from policy and projects to measurable outcomes, and ultimately long-term impacts, the framework brings to life the tangible progress being made that the Sustainable Bond Program has helped facilitate.

I am proud of the progress reflected in this year's report and remain committed to continuously improving our approach as expectations and best practice evolve with a whole-of-government approach to this critical work.

A special thank you to the Western Australian Government entities that have collaborated on this project, including:

- Department of Biodiversity, Conservation and Attractions
- Department of Energy and Economic Diversification
- Department of Treasury and Finance
- Department of Transport and Major Infrastructure
- Department of Water and Environmental Regulation
- Forest Products Commission
- Horizon Power
- Main Roads Western Australia
- Public Transport Authority of Western Australia
- Synergy
- Water Corporation
- Western Power.

Joann Wilkie PSM

UNDER TREASURER,
DEPARTMENT OF TREASURY AND FINANCE

CHAIRPERSON,
WESTERN AUSTRALIAN
TREASURY CORPORATION

May 2026

Yeagarup Dunes, Pemberton.
Image courtesy of Tourism Western Australia.

Contents

Allocation and Impact Data Pack

To enhance transparency and support analysis, a supplementary data pack has been released alongside this publication providing detailed information on allocations, outputs, outcomes and attribution.
We recommend reviewing these resources together to gain the most value from our impact reporting.

Download Data Pack

Providing Feedback

Should you wish to contact us directly to discuss this publication or find out more about our Sustainable Bond Program, use the link below.

Contact us today

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Key Highlights

Cliffs at Red Bluff Beach, Kalbarri National Park.
Image courtesy of Tourism Western Australia.

Significant and Meaningful Developments

Key updates to our Sustainable Bond Program since December 2024.

Projects Operational

Four projects within our green bond project pool are now fully operational.

The Large-scale Batteries, Solar Schools Program, Active Transport Infrastructure and Electric Vehicle initiatives have been successfully implemented, demonstrating the State's capacity to deliver transformational projects to completion and full operational status.

Allocation of Proceeds

Over half of our green bond proceeds are funding infrastructure critical for the energy transition.

With all proceeds from our 2033 and 2035 green bonds allocated[1], 59% will support emissions reduction in electricity generation, including 54% for energy transition infrastructure in the State's main electricity network.

Avoided Emissions

New and operational projects in the green bond project pool have increased emissions avoided.

All three large-scale batteries have been commissioned with forecast emissions avoided of 247,370 tCO_2e p.a. The recent addition to the project pool of the Electric Bus Fleet project has forecast emissions avoided of 3,853 tCO_2e p.a. once the 130 new buses are in operation.

New Impact Framework

Linking Government policy to meaningful outcomes.

Providing investors enhanced, quantifiable and tangible evidence of climate mitigation and adaptation outcomes on the projects funded by our green bonds linked to State Government policies and initiatives.

New Nature-focused Theme

***Enhancing and protecting our natural capital* theme added to the green bond project pool.**

This fourth theme with three new projects amplifies the environmental impact of our project pool and provides investors with exposure to ICMA-aligned biodiversity and nature initiatives.

Purpose-Built Calculation Methodologies

Providing quantitative evidence of the outcomes generated by each project.

Enhancing transparency for investors with detailed calculation methodologies and formulas for forecast and actual emissions avoided and reduced.

[1] For proceeds raised up to the end of March 2026.

Expanding Energy Transition Infrastructure for a Resilient Future

How an integrated approach and coordinated investment is driving decarbonisation of the world's largest isolated electricity grid.

With more than 7,800 kilometres of transmission lines and over one million customers[2] the South West Interconnected System (SWIS) is the largest isolated electricity grid in the world. Beyond Perth, the system extends to Albany in the south, Kalgoorlie in the east and Kalbarri in the north and supplies electricity to more than 85 per cent of Western Australia's residential population.

The Western Australian Government is advancing the decarbonisation of the SWIS through a co-ordinated, system-wide approach supported by clear policy direction and targeted investment. The expanding energy transition infrastructure pipeline now encompasses large-scale wind and solar generation, extensive rooftop solar, utility-scale battery storage, and a staged program of major transmission upgrades and new corridors designed to connect high-quality renewable energy projects, with further developments progressing in line with the *SWIS Transmission Plan*.

Western Australian Treasury Corporation's (WATC) green bonds contribute to achieving the State Government's decarbonisation objectives for the SWIS, with over half of the proceeds raised from WATC's 2033 and 2035 green bonds[3] having been allocated to assist funding energy transition infrastructure in the SWIS. The cumulative effect of this integrated approach to expansion and targeted investment has seen renewables penetration of the SWIS reach an average of over 50 per cent over the full six months comprising spring and summer 2025/26 and has led to a 26 per cent reduction in the SWIS emissions factor from 2021 to 2025.

Yandin Wind Farm.
Image courtesy of Western Power.

[2] *Australian Energy Council*.

[3] For proceeds raised up to the end of March 2026.

Integration within the SWIS

Policy Objective and Supporting Actions

Policy

Phase out State-owned coal-fired generation from the SWIS by 2030 (established in 2022).

Supporting Actions

- Grow renewable generation
- Enable renewable storage

Green Bond Projects

Windfarms

Addition of State-owned wind generation to the renewable energy supply.

↑ 205 MW expected installation capacity

Clean Energy Link

Expansion of the grid to connect to new renewable energy generation.

↑ 1,400 MW of renewable energy*

Large-Scale Batteries

Addition of three large-scale batteries to capture excess renewable energy.

↑ 3,100 MWh of storage capacity

Standalone Power Systems

Deployment of thousands of off-grid renewables-based power systems in regional areas at fringes of the SWIS.

Designed to run on up to 90% renewable energy.

Proceeds Allocation

54%

More than half of green bond proceeds allocated to SWIS.

Proceeds from our 2033 and 2035 green bonds have been fully allocated as at March 2026, with 59% allocated to projects under Theme 1 – *Reducing emissions from electricity generation*, including 54% attributable to energy transition infrastructure within the SWIS.

Measurable Impact

We are on target to phase out coal by 2030.

Since 2020, SWIS renewables penetration has nearly doubled and there is more work in the pipeline.

50%+

Renewables Penetration

The SWIS reached an average of over 50% renewables penetration for the full six months comprising spring and summer 2025/26 demonstrating the system's potential.

↓26%

Emissions Reduction

The SWIS emissions factor in 2025 was 0.50 $kgCO_2$ per kWh* marking a reduction of 26% from 0.68 $kgCO_2$ in 2021.

* The majority of additional renewable capacity supported expected to be privately funded.

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CEO Insights

Longreach Bay, Rottnest Island.
Image courtesy of Tourism Western Australia.

Strengthening Our Role in Sustainable Finance

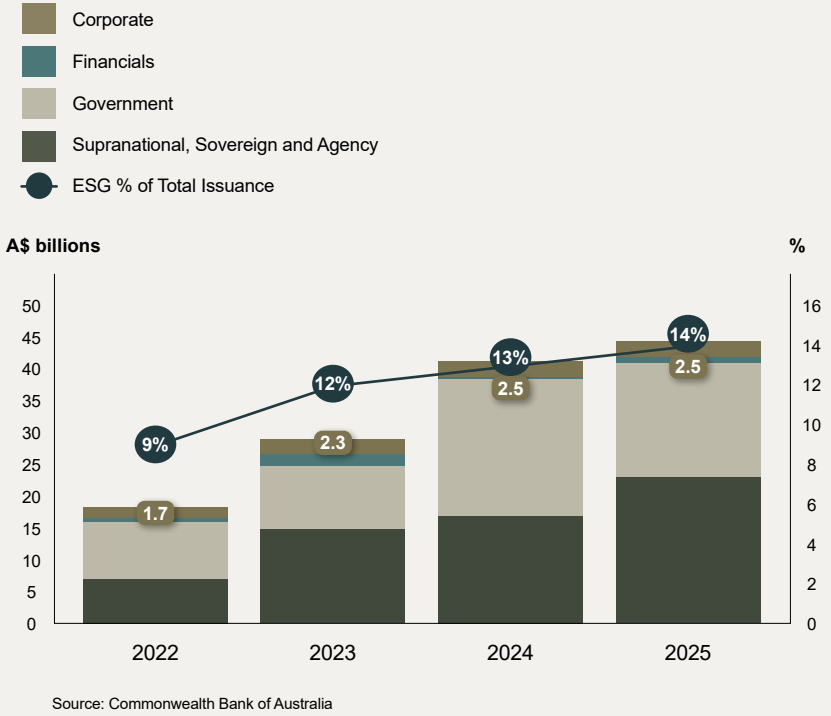
The release of our third *Sustainable Bond Program Allocation and Impact Report* demonstrates Western Australian Treasury Corporation's (WATC) ongoing commitment to the Sustainable Bond market in Australia. WATC is now established as a major participant in this market, proactively addressing the increasingly diverse requirements of our investor base. The success of our Sustainable Bond Program is also a clear indicator of the State's continued commitment to improving ESG outcomes, the credibility of which has been reflected through the breadth of investor participation in our green bond issuances under the *Sustainability Bond Framework*, including:

- Our inaugural July 2033 maturity green bond issued in June 2023 attracted 25 new investors, many with specific green mandates.
- Our October 2035 maturity green bond issued in May 2025 achieved a record offshore allocation of over 50 per cent, with the vast majority being in Europe, the world's leading sustainable finance jurisdiction.
- Our $2 billion October 2039 maturity green bond issued in April 2026 demonstrated strong investor momentum, achieving a record 3.9x oversubscription – our largest for a green bond – and lifting green-labelled issuance to over 14 per cent of WATC's term debt outstanding.

Our expanded issuance program is contributing to the Australian sustainable bond market's continued growth in volume of issuance, breadth of issuers and increasing proportion of total debt issuance, having reached 14 per cent of the Australian Debt Capital market's total new issuance in 2025.

Australian Sustainable Percentage of Total Issuance

Financial Years 2022 to 2025



Source: Commonwealth Bank of Australia

New Framework Evidencing Project Outcomes

Our new Impact Framework, developed in response to ESG impact investors seeking more tangible evidence of climate mitigation, links overarching Western Australian Government policy to the projects funded by our green bonds. The introduction of fit-for-purpose methodologies ensures outcomes can be quantified, most notably in the reporting of emissions avoided. Several projects in our green bond pool are materially contributing to the State's emissions reduction objective, as demonstrated by Western Australia's main electricity grid achieving an average renewables penetration of 56 per cent in November 2025.

New Environmental Theme

Three additional projects have been incorproated into our green bond pool under our newest theme, *Enhancing and protecting our natural capital*. The integration of nature and biodiversity projects amplifies the environmental impact of our project pool, whilst providing investors with exposure to biodiversity and nature outcomes.

Green Bond Issuances

Our reputation as a major participant in the Australian Sustainable Bond market is now firmly established, with strong demand for our issuances, a growing investor base attracted to Western Australia, and an increasing proportion of green bonds within our total term debt outstanding.

2033

This release attracted 25 new institutional investors many with specific green mandates.

July 2033
Green Bond
Issued June 2023
A$ 1.9 Billion
4.25% p.a. Fixed Rate
Issue Rating: AAA / Aa1
3x oversubscribed

2035

More than 50 per cent of this issuance was allocated to offshore investors, a record for WATC.

October 2035
Green Bond
Issued May 2025
A$ 2.0 Billion
4.75% p.a. Fixed Rate
Issue Rating: AAA / Aa1
2.75x oversubscribed

2039

This release saw our green issuance lift to sit at 14 per cent of our total term debt outstanding.

October 2039
Green Bond
Issued April 2026
A$ 2.0 Billion
5.75% p.a. Fixed Rate
Issue Rating: AAA / Aa1
3.9x oversubscribed

Whole of Borrowing Program Alignment to Green and Social Outcomes

In September 2025 WATC released the investor market update *Funding Sustainable Infrastructure*. This presented the results of innovative analysis undertaken by WATC demonstrating that the State Government's $38.0 billion Infrastructure Program (spanning July 2025 to June 2029) is approximately 80 per cent aligned to internationally recognised green and social bond principles. As WATC's entire borrowing program assists in funding the State Government's Infrastructure Program, the analysis provided deeper insights for our entire investor base on what their capital is contributing to, supporting the diverse range of investor due diligence for incorporating ESG and other factors into their risk assessment and capital allocation decisions.

WATC's green bond project pool is designed to assist funding the most environmentally impactful subset of the Western Australian Government's infrastructure commitments that will assist in realising high priority environmental policy commitments, such as the decision to phase out State-owned coal-fired power generation by 2030. Importantly, the Sustainable Bond Program is also integrated within WATC's overall fixed-rate benchmark bond program, providing our entire investor base with the following features:

- **Increased Liquidity**
  We are providing highly liquid bond lines for each of our green bond issuances which will build to around $5 billion each over time, as with our regular bond issuances.
- **Financing Future Impact**
  Prioritising proceeds allocation towards projects in progress or completed in the year of issuance, enabling investors to contribute capital to improving future outcomes.
- **Reporting Transparency**
  Delivering high-quality, comprehensive reporting that meets the expectations of ESG impact investors, while providing broader assurance to all investors of our transparency and integrity.

Deeper Insights into Our Investor Base

To deepen our understanding of our investor base, we analysed participants in our benchmark bond issuances from 2023 to 2025 using publicly available information and the Responsible Investment Association Australasia's *Responsible Investment Spectrum*. The majority of our investors fall in the 'responsible' segment, adopting a wide range of strategies to integrate ESG and sustainability outcomes into their decision-making. This insight has enabled us to more effectively tailor our engagement with investors and investor advocacy groups through our investor relations activities. It has also helped improve the relevance of our ESG disclosures, and for WATC to act as an effective conduit between the market and the Western Australian Government in providing feedback on evolving investor sentiment on ESG related priorities.

Continually Seeking to Evolve and Improve

As an intended long-term issuer, we closely observe the sustainable finance market noting the strong growth within Australia in recent years. Requirements are quickly evolving and, in some cases, shifting from a purely voluntary space to being more structured and regulated. Accordingly, we continue to review our *Sustainability Bond Framework* to ensure we remain at the forefront of best practice. Key developments include:

- **Australian Sustainable Finance Taxonomy Working Group**
  We contributed to a national working group coordinated by the Australian Sustainable Finance Institute (ASFI), which supported the development of guidance for applying the Australian Sustainable Finance Taxonomy (ASFT) to use-of-proceeds for labelled bond issuance. The publication of this *guidance* introduces a new level of rigour and credibility to the Australian market.
- **Our Initial Taxonomy Alignment**
  In the last quarter of 2025 we published an initial review of our green bond project pool against the technical screening criteria of the ASFT which showed at least 95 per cent alignment of eligible expenditure on climate mitigation projects.
  WATC's leadership in the application of the taxonomy was recognised by ASFI, stating in November 2025:

> *"This leadership sets a benchmark for credible green expenditure, helping mobilise global capital toward Western Australia's green economic transition and supporting the State's ambition to become a global renewable energy superpower."*

As use of the ASFT becomes more widespread, aided by the application guidelines and ongoing refinements planned by ASFI, WATC will consider how the taxonomy can be effectively referenced within our *Sustainability Bond Framework*.

Kaylene Gulich PSM

CHIEF EXECUTIVE OFFICER,
WESTERN AUSTRALIAN TREASURY CORPORATION

May 2026

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New Impact Framework

Beringbooding Rock, near Mukinbudin.
Image courtesy of Tourism Western Australia.

Linking Government Policy to Meaningful Outcomes

Our new Impact Framework provides a clearer, more cohesive view of how our State's policy objectives and the projects in our green bond project pool connect to deliver outcomes.

The framework demonstrates a whole-of-program approach to sustainability representing the Western Australian Government's integrated response to tackling environmental and climate challenges. Importantly, it also establishes a clear line of sight for investors to better understand the impacts and associated benefits of investing in our green bonds. Western Australian Government policy underpins the framework and is linked to green bond projects grouped under the themes from our green bond project pool. Outcomes focus on the tangible benefits delivered including actual, estimated and forecast emission reductions, progress status updates and any associated social co-benefits.

These are supported by clearly defined, fit-for-purpose calculation methodologies, to strengthen the interpretability and consistency of outcome measurements and enable meaningful comparison across projects and over time. The cumulative impact of these results are also provided to reinforce the broader vision and long-term sustainability benefits.

Clear line of sight

Policy

Establishes the strategic direction and objectives determined by the Western Australian Government and ensures an integrated, whole-of-program approach to meet climate and sustainability objectives more efficiently and effectively.

Projects

Includes those in WATC's green bond project pool grouped via key policy-driven themes:

1. Reducing emissions from electricity generation
2. Transport infrastructure to support net-zero transition
3. Enhancing climate change adaptation and resilience.
4. Enhancing and Protecting our Natural Capital

Outcomes

Defined as the more immediate results derived from the green bond project pool. These include actual, estimated and forecast data, project status updates and social co-benefits. Data is formulated using a defined range of calculation methodologies.

Impact

The cumulative long-term benefits of the State's actions to tackle environmental and climate changes within the framework and how they link to globally recognised sustainability targets. Ultimately delivering a more sustainable future for all Western Australians.

The Framework in Action

For more information on the policies and projects in our framework, click on the links below.

Theme	Policies	Projects	Outcomes		Impact
1 **Reducing emissions from electricity generation**	**Transforming energy generation and use** • Phase out coal-fired power stations by 2030 • Lower costs for consumers • Enhanced reliability and security • Support new technologies • 80% reduction in Western Australian Government emissions by 2030	Windfarms	Reduced emissions from energy generation	Forecast emissions avoided: 211,094 tCO_2e/year	Contribution to net-zero 2050 from reduction in emissions from energy generation and usage
		Standalone Power Systems		Number of systems deployed: 597 cumulative	
		Solar Schools Program		Estimated emissions avoided FY25: 1,162 tCO_2e	
		Clean Energy Link		Forecast transmission capacity installed: 1,000 MW	
		Large-Scale Batteries		Estimated emissions avoided FY25: 52,393 tCO_2e	
		Advanced Metering Infrastructure	Reduced emissions from energy use	Estimated emissions avoided FY25: 46,630 tCO_2e	
		LED Streetlights		Estimated emissions avoided FY25: 11,568 tCO_2e	
2 **Transport infrastructure to support net-zero transition**	**Lower-carbon transport** • Increased uptake of EVs • Lower GHG emissions and improved air quality • Improved public, freight and active transport options	Electric Bus Fleet	Reduced emissions from transport (electrification, reduced car dependency)	Estimated emissions avoided FY25: 1,017 tCO_2e	Contribution to net-zero 2050 from reduction in emissions from transport
		Electric Vehicle Initiatives		Estimated emissions avoided FY25: 809 tCO_2e	
		METRONET		New electrified rail: 53 km in FY25; 72 km cumulative	
		Active Transport Infrastructure		Completion of Boorloo Bridge and 26 km of new shared pathways	
3 **Enhancing climate change adaptation and resilience**	**Resilient cities and regions** • Enhanced water security and certainty for water users	Renewable Desalination Plant	Secure, sustainable climate-independent water supply	Forecast supply of drinking water: 50GL/year (Stage 1)	Contribution to long-term climate resilience whilst mitigating climate change

Project Status Key Development · Partly Operational · Fully Operational

New Theme for the Green Bond Project Pool

In early 2026 we announced a fourth theme for the green bond project pool, *Enhancing and Protecting our Natural Capital*. The new theme is aligned to delivering on the biodiversity and nature policy priorities of the Western Australian Government and will bring the following benefits to the Sustainable Bond Program:

- **Amplify the environmental impact of the pool**
  The addition broadens eligible projects to include biodiversity, ecosystem restoration and nature-based solutions.
- **Delivery of multiple co-benefits**
  Supports social and cultural outcomes while contributing to carbon sequestration and climate resilience.
- **Expanded investor opportunities**
  Provides our investor base with exposure to ICMA-aligned biodiversity and nature-focused projects.

The initial set of projects that align with this theme support Western Australian Government strategies to protect and restore native flora and fauna and support the transition of the timber industry away from native forest logging. The three new projects will extend the scope of WATC's Impact Framework as outlined below. Detailed descriptions of each project are included in the *Impact Reporting* section of this report. The estimated eligible expenditures for these three new projects is shown in the Eligible Project Pool Expenditure table in the *Green Bonds Allocations* section and will receive proceeds allocation from WATC's third green bond issued in April 2026.

Theme	Policies	Projects	Outcomes		Impact
4 Enhancing and protecting our natural capital	**Sustainable timber** • Secure a long-term softwood supply for Western Australia's construction sector • Replace native forest timber to support the transition away from native forest logging • Just transition for timber workers and regional communities	Softwood Plantation Investment Scheme	Increased area of sustainably managed plantation forestry supporting timber industry transition away from native forest harvesting.	Increase in area under sustainable forest management (hectares and %)	A lasting transformation in how land, forests and ecosystems are managed in Western Australia, delivering permanent protection of high-value natural areas, improved health and resilience of native forests, and a sustainable transition in land use that safeguards biodiversity, ecosystem services and natural capital for future generations.
	Expansion of WA's conservation estate • Protect high-value Terrestrial and marine ecosystems • Deliver joint management of conservation land with Traditional Owners	Plan for our Parks	Expansion and long-term protection of the State's conservation estate, enhancing biodiversity outcomes across terrestrial and marine ecosystems.	Increase in protected areas (hectares and %)	
	South West native forest management • Forest Management Plan 2024–2033 (statutory) • Active forest management and ecological resilience to improve forest health and resilience and conserve biodiversity	Forest Management Plan	Improved ecological condition and long term resilience of South West native forests through active forest management and conservation focused practices.	• Protection and management of land (hectares) • Outcomes from ecological thinning	

Project Status Key ○ Development ◒ Partly Operational ● Fully Operational

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Environmental and Climate Priorities

WOW Wilderness EcoCruises, Southern Forests, Walpole.
Image courtesy of Tourism Western Australia.

What Makes Western Australia Unique

Western Australia encompasses an incredibly large land area of 2.5 million km^2, close to the same size as Western Europe but with a population of only 3 million people (11 per cent of Australia's population). Over 80 per cent of the population reside in the South West corner that covers only around 5% of the State's land area with the remainder living in remote locations across the rest of the State. Given the vast distances between our communities we require innovative solutions to equitably deliver essential services such as energy and water. This vastness also creates extreme climatic diversity, with Western Australia containing five climatic zones, including tropical, arid and temparate climates.

Western Australia contains over 90 distinct Aboriginal language groups, each representing an Aboriginal country with its own cultural and linguistic identity. The cultural history and diversity of Western Australia creates opportunities for use of traditional knowledge to look after and protect the State's natural assets.

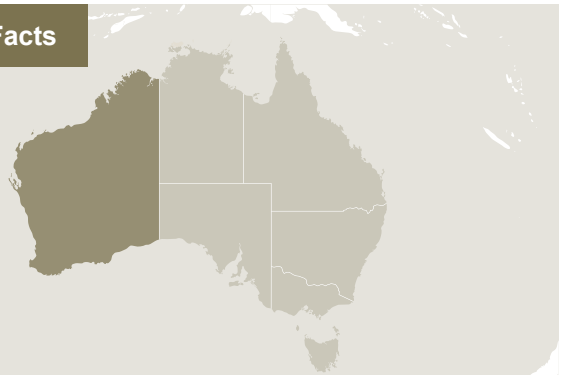
From an economic perspective, Western Australia has a strong GSP per capita of A$148.6 thousand (FY25), with a diverse economy that is driven by resource and export-oriented industries (mining, energy and agriculture) and services industries (health care, construction, education and retail).

Given these unique demographic, cultural and biodiversity aspects, coupled with the resource intensive economic drivers of the State, there are significant challenges for developing an effective and integrated plan for achieving continuous improvement in environmental and social outcomes for the State to which the Western Australian Government is deeply committed.

Government Policies and Priorities

The Western Australian Government has a clear set of priorities for addressing environmental and climate challenges, which centre on reducing emissions, strengthening resilience and protecting natural capital. The *Western Australian Climate Policy (2020)* solidified our State's goal of net-zero emissions by 2050 and outlined in practical terms the actions being taken to enhance climate resilience and support the low carbon transition. This policy is the cornerstone of the Western Australian Government's climate transition plans and is foundational to our *Sustainable Bond Program* and Impact Framework.

Western Australian Facts



33%

Our State makes up 33% of Australia's total land mass.

11%

11% of Australia's population calls our State home.

5/8

Our State spans 5/8 NCC climate zones.

8/15

We are home to 8 of Australia's 15 biodiversity hotspots.

45%

We are responsible for 45% of Australia's resources exports.

20%

We are accountable for 20% of Australia's total emissions.

Climate Mitigation

The Western Australian Government is working to achieve *net-zero emissions by 2050* via a multifaceted approach that includes:

- **Transition of energy systems**
  Phasing out State-owned coal-fired power generation is on track supporting the broader goal to cut government emissions by 80 per cent by 2030. There is also substantial investment in *network expansion and infrastructure upgrades* to accelerate *renewable energy sector growth*.
- **Decarbonisation of industry**
  A clear, actionable plan is in place to cut emissions across all major sectors, driving measurable progress toward climate objectives. The largest emitters are subject to robust *Federal legislation*, ensuring accountability and alignment with national decarbonisation targets.
- **New green industries and technologies**
  Actively driving investment and support for *cutting-edge solutions* is accelerating our transition to a sustainable economy. Leading efforts to transform the iron and steel sector through low-carbon technologies are positioning our State as a global hub for *green metals*.
- **Carbon reductions and removals**
  Strategies include accelerating *carbon farming investment* to unlock long-term benefits, expanding *Western Australia's conservation estate* to enhance carbon sequestration and supporting development and deployment of cutting-edge *Carbon Capture, Utilisation, and Storage (CCUS) technologies*.

Adaptation and Resilience

Multiple strategies are being implemented to ensure both the Western Australian community and economy are resilient to risks posed by climate change. The State's *Climate Adaptation Strategy* provides key directions to support and accelerate climate change adaptation to mitigate the risks posed by climate change. These include investing in climate independent

water security, with major desalination projects underway, water usage education, drought resilience initiatives and agricultural innovation hubs tailored to our unique climate.

Biodiversity and Nature

The Western Australian Government is enhancing biodiversity by significantly expanding conservation regions and protecting native forests in partnership with Traditional Owners. In recent years the State's conservation estate was expanded by 6.5 million hectares, an increase of 28 per cent, and has banned logging in native forests. Aboriginal knowledge continues to be crucial to co-management of protected land and conservation projects initiated through the *Aboriginal Ranger Program*.

Government Investment in Environmental and Social Infrastructure

In 2025, the Western Australian Government's infrastructure program was assessed against the International Capital Market Association's Green and Social Bond Principles. The assessment found that close to 80 per cent of committed infrastructure expenditure[4] aligns with these principles, demonstrating our State's commitment beyond our Sustainable Bond Program to climate mitigation, environmental resilience and social equity[5].

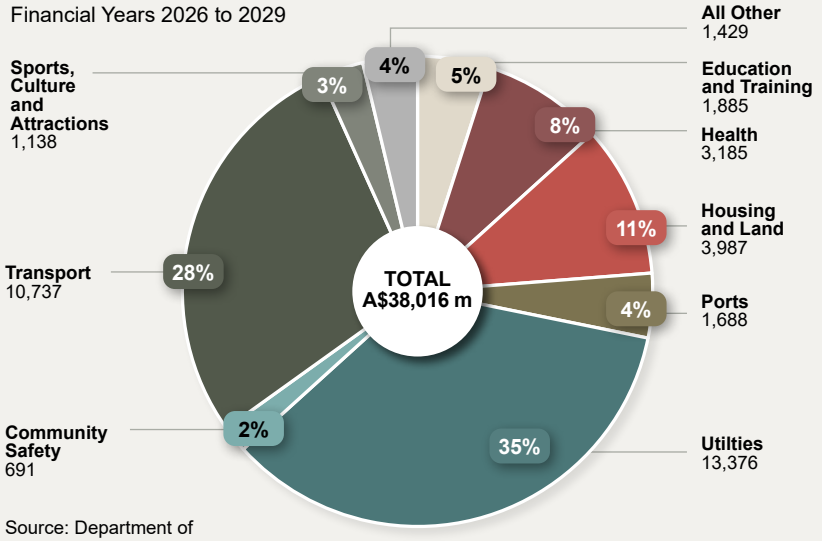
Over the next four years, the largest share of Government infrastructure funding is directed towards the themes of renewable energy and energy efficiency, access to essential services and clean transportation. Planned infrastructure developments include large scale windfarms and battery expansion, electric bus and ferry fleets, a renewable powered desalination plant, a new world-class Women and Babies Hospital and upgrades to remote Aboriginal community water services. Whilst the majority of the State's infrastructure program aligns with the Green and Social Bond Principles for which the whole of WATC's borrowing program contributes to financing, high-impact initiatives selected for inclusion in the green bond project pool are those that focus on achieving transformational environmental outcomes beyond traditional government investment, providing genuine 'additionality' for our investors.

[4] Analysis focused solely on infrastructure and did not include State investments via grants, subsidies and operational expenditure.

[5] Infrastructure projects outside these categories are classified as unaligned to Green and Social Bond Principles, as their primary purpose does not align with these principles. The majority of this unaligned expenditure relates to investment in the State's road network.

Asset Investment Program (A$ millions)

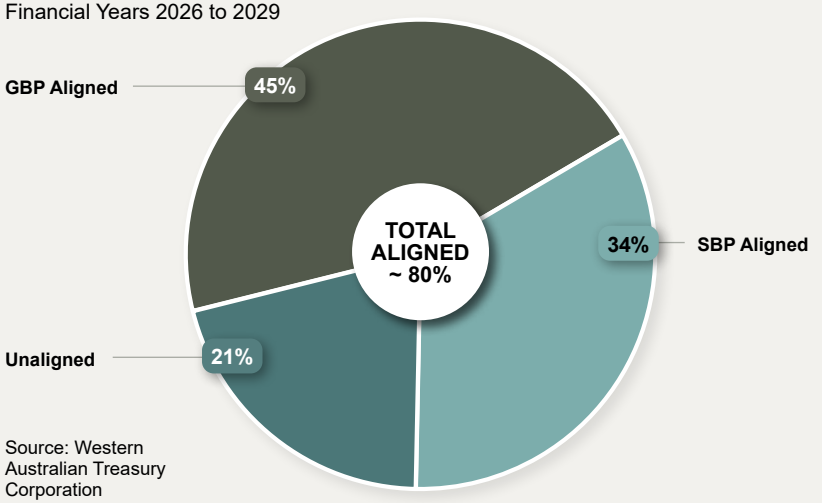
Financial Years 2026 to 2029



Source: Department of Treasury and Finance

Asset Investment Program Alignment

Financial Years 2026 to 2029



Source: Western Australian Treasury Corporation

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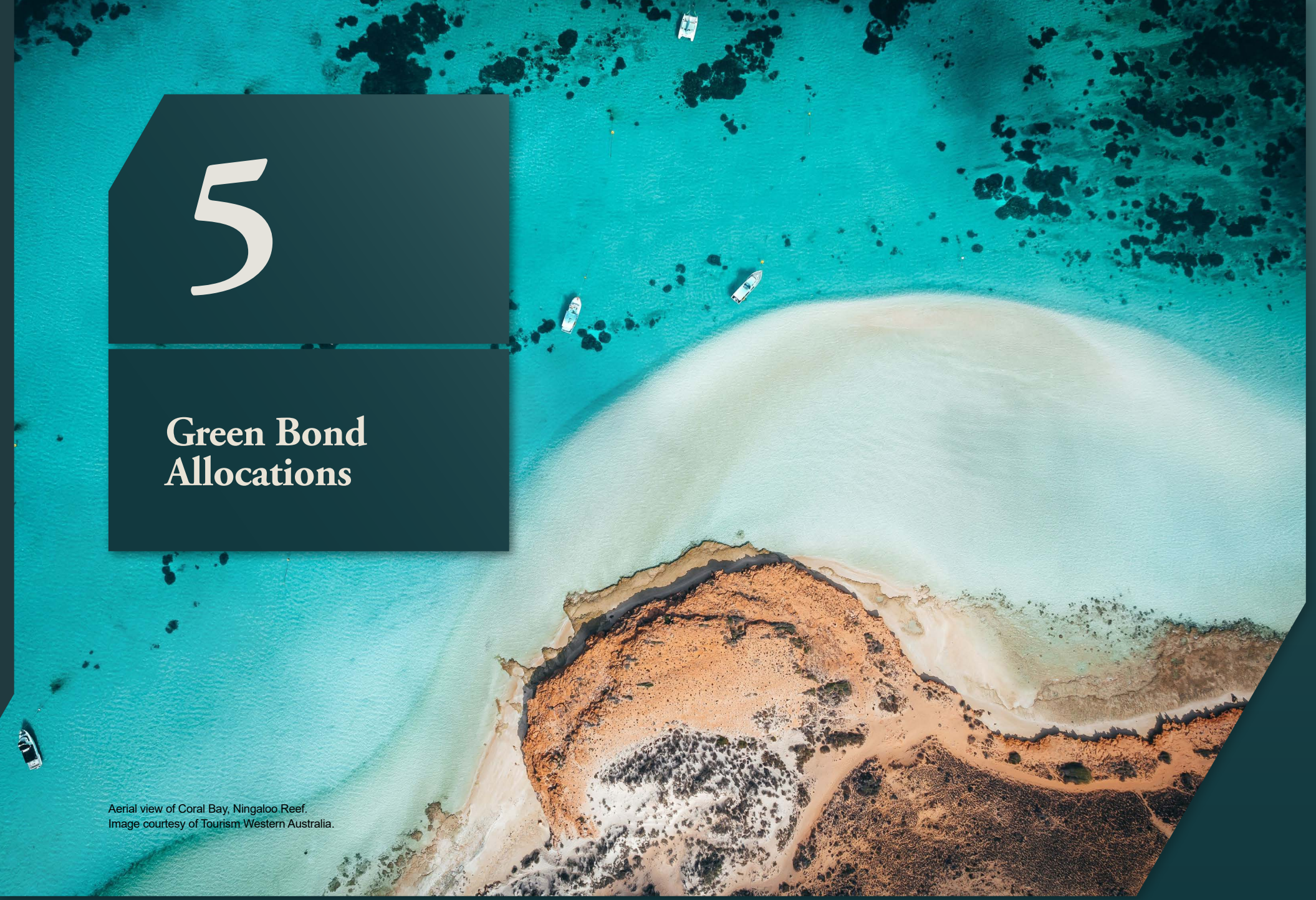
Green Bond Allocations



Aerial view of Coral Bay, Ningaloo Reef.
Image courtesy of Tourism Western Australia.

Green Bond Project Pool Composition

Proceeds raised through our green bond issuances are allocated to our green bond project pool, a curated selection of environmentally significant State infrastructure investments, organised around themes that support key Government policy objectives. These projects convert policy into measurable environmental outcomes and social co-benefits. To date, the primary theme has been *Reducing emissions from electricity generation* which underpins increased renewable energy penetration in the State's main electricity grid and enables the planned phase-out of State-owned coal-fired power generation by 2030. Projects across the pool also benefit from this transition, gaining access to renewable energy that amplifies the decarbonisation of electrified transport networks, including car, bus and rail, and supports lower-emissions operation of desalination facilities.

This section details the purpose and composition of the pool and how proceeds are allocated, demonstrating our commitment to transparency and impact reporting. Beyond the financial allocations, this section highlights the strategic alignment of the Western Australian Government's ESG priorities and showcases the tangible benefits that are supported by our green bond program.

Proceeds Allocations Strategy

In May 2025, WATC issued a second green bond maturing in October 2035. The proceeds allocation strategy for this bond was guided by two key principles, both designed to maximise additionality and impact:

- **Targeting current and forward expenditure**
  Proceeds allocation was prioritised towards projects with significant infrastructure spending occurring, or were completed, in 2024–25 year of issuance and the 2025–26 financial year, ensuring a strong link between bond allocation and projects actively under delivery.
- **Prioritising emissions reduction**
  Consistent with our July 2033 maturity green bond, at least 50 per cent of proceeds were allocated to projects chosen under the primary theme of *Reducing emissions from electricity generation*. This reflects the Western Australian Government's focus on decarbonisation and the critical role of clean energy in enabling broader environmental outcomes, particularly those linked to electrification. Ultimately this target was significantly exceeded, with 65 per cent of proceeds allocated to Theme 1, as shown in the Detailed Project Pool Allocations table on the following page.

Eligible Project Pool Expenditure (A$m)

As at 30 June 2025

Theme	Incurred to 30/06/2025	Forward expenditure*	Total
1 Reducing emissions from electricity generation	2,824	3,414	6,238
2 Transport infrastructure to support net-zero transition	5,726	1,555	7,281
3 Enhancing climate change adaptation and resilience	631	2,197	2,828
4 Enhancing and protecting our natural capital	231	466	697
Total	**9,412**	**7,632**	**17,044**

Source: Western Australian Treasury Corporation

* Forward expenditure approximates the eligible expenditure expected for projects currently allocated to the pool from July 2025 onwards. This will be subject to revision and excludes any direct funding to the projects from the Australian Government.

Detailed Project Pool Allocations ($m)

As at 31 March 2026

ICMA Green Bond Category	Green Bond Allocations	2033	2035	Total
Reducing emissions from electricity generation				
Renewable Energy	Wind Farms	40	200	240
	Standalone Power Systems	100	80	180
	Solar Schools Program	9	1	10
	Clean Energy Link	0	350	350
	Large-Scale Batteries	1,268	600	1,868
Energy Efficiency	Advanced Metering Infrastructure	140	60	200
	LED Streetlights	25	3	28
		1,582	**1,294**	**2,876**
Transport infrastructure to support net-zero transition				
Clean Transportation	METRONET	1,088	227	1,315
	Electric Vehicle Initiatives	40	29	69
	Active Infrastructure	65	0	65
	Electric Bus Fleet	0	150	150
		1,193	**406**	**1,599**
Enhancing climate change adaptation and resilience				
Sustainable Water	Renewable Desalination Plant	75	300	375
		75	**300**	**375**
Total		**2,850**	**2,000**	**4,850**

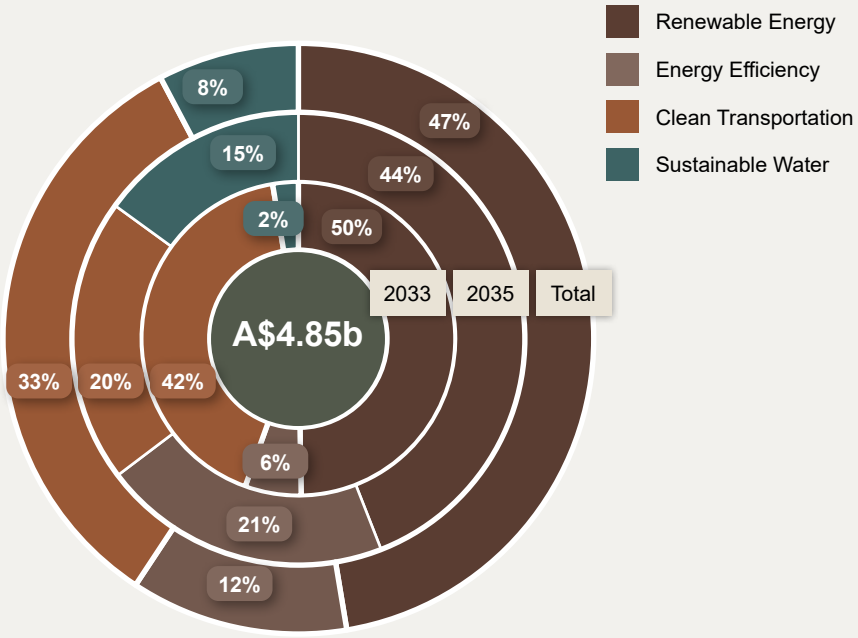
Source: Western Australian Treasury Corporation

Proceeds Allocation

All proceeds allocated from the July 2033 and October 2035 maturity green bonds, representing all issuances under these bonds to 31 March 2026, have been for financing the projects listed in the table.

2033 and 2035 Bond Allocation per ICMA Category

As at 31 March 2026



Source: Western Australian Treasury Corporation

6

Impact Reporting

Serpentine Falls, Serpentine National Park.
Image courtesy of Tourism Western Australia.

Environmental Theme 1

Reducing Emissions from Electricity Generation

Electricity generation is a major contributor to Western Australia's emissions profile. This theme focuses on projects that accelerate the decarbonisation of the State's energy system, including renewable energy generation, power storage solutions, and grid upgrades. These investments underpin the Western Australian Government's commitment to phasing out State-owned coal-fired power generation by 2030 and significantly increasing renewable generation. This is also an enabling theme for maximising the impact (i.e. emissions avoided) of the energy intensive infrastructure projects being financed through Themes 2 and 3 that will benefit from an increasingly decarbonised grid.

Frenchman Peak, Cape Le Grand National Park.
Image courtesy of Tourism Western Australia.

Wind Farms

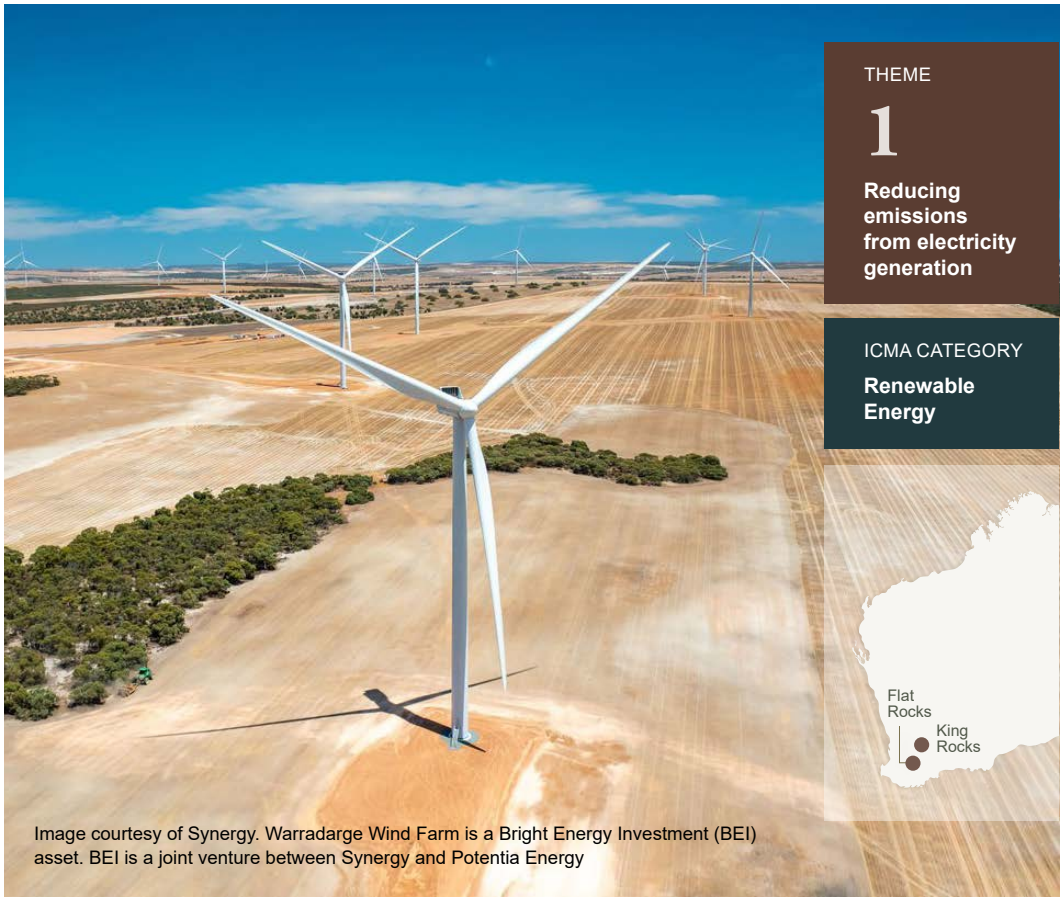


Image courtesy of Synergy. Warradarge Wind Farm is a Bright Energy Investment (BEI) asset. BEI is a joint venture between Synergy and Potentia Energy

Construction of King Rocks Windfarm commenced in late 2025 with completion expected by 2027. The project will feature 17 turbines with a total capacity of 105 MW, create approximately 200 jobs during construction and ongoing operational roles for decades. The project also strengthens grid reliability and supports Western Australia's clean energy mix alongside large-scale batteries and solar PV. Flat Rocks Wind Farm (Stage 2) remains in the planning phase, with development throughout 2024–2025 and construction to follow. Once complete, it will add up to 100 MW capacity, supporting energy supply for key infrastructure, including the Alkimos desalination plant currently under development. This project plays a strategic role in the State's adaptation and resilience priorities, ensuring climate-independent water security while contributing to emissions reduction.

Project Details

Description	Construction of large-scale wind farms.
Policy	Supports Western Australia's energy transition by increasing large-scale renewable electricity generation within the SWIS and enabling the retirement of State-owned coal-fired power generation by 2030.
Location	Wheatbelt (inland WA ~150–350 km from Perth).
Technology / Scale	King Rocks: 17 turbines, 105 MW Flat Rocks: 24 turbines, 100 MW
Status / Key dates	King Rocks: Construction began Oct 2025; Practical completion estimated in 2027. Flat Rocks: Pre-construction planning activities in progress.

Allocations

Via Green Bonds	2033: **$40m**	2035: **$200m**

Outcomes and Impact

Primary Outcomes (Direct)	**King Rocks:** Projected emissions avoided: **211,094 tCO_2e/year** Capacity added: **105 MW** Projected annual generation: **Up to 413,910 MWh** Equivalent: **Powering 70,000 households** **Flat Rocks:** Forecast capacity added: **100 MW** Avoided emissions and annual generation to be reported post construction.
Social Co-Benefits	**King Rocks:** Up to 200 jobs during construction.

More Information

Synergy (King Rocks) →

Water Corporation (Flat Rocks) →

Standalone Power Systems

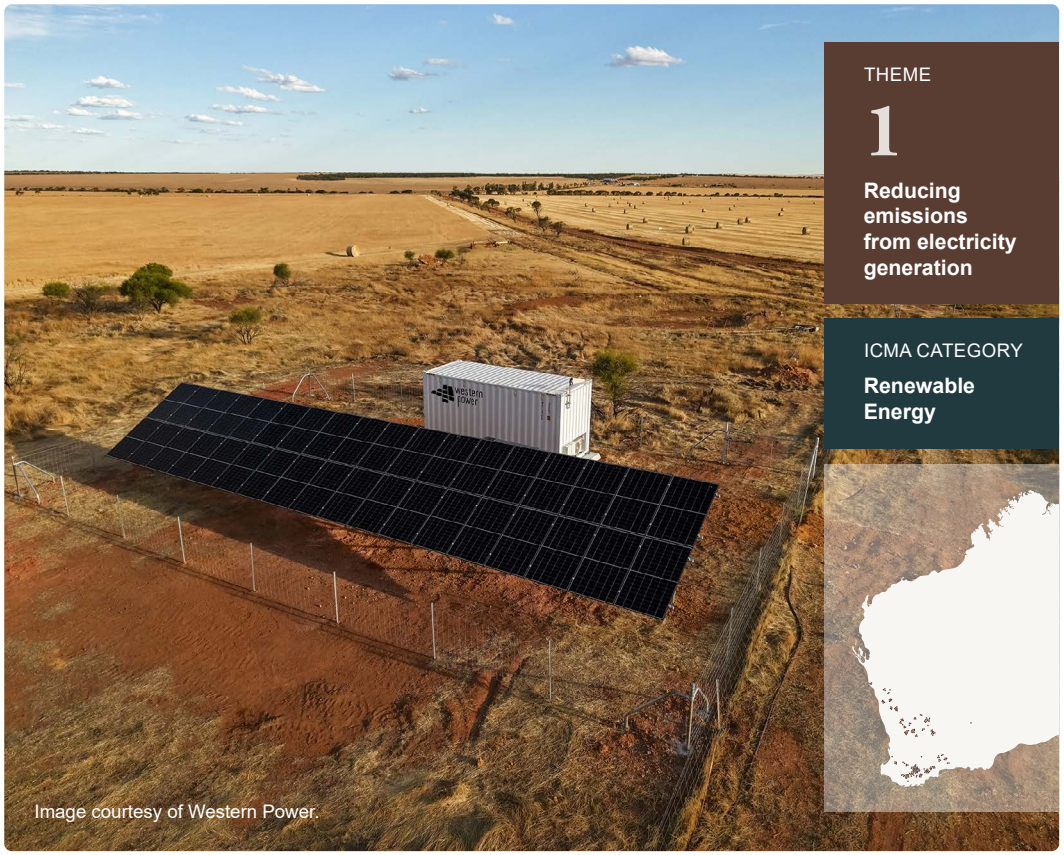


Image courtesy of Western Power.

Standalone Power Systems (SPS) replace traditional overhead powerlines and reduce dependence on fossil fuel microgrids in regional and remote areas. SPS represent a transformative approach to energy delivery, particularly for regional and 'fringe-of-grid' customers. Each SPS unit is a self-sufficient energy solution which consists of solar panels and a PV inverter for primary generation, battery storage to ensure supply and back-up diesel generation for reliability during periods of low solar. SPS improve reliability and safety, reduce emissions, by displacing non-renewable energy sources, improve network resilience against weather impact, and reduce network maintenance costs. Overtime, SPS technology has improved enabling a higher renewable energy contribution with estimated modelled output of 90 per cent per unit. Thousands of units are expected to be deployed over the life of the project. Beyond emissions reduction, SPS improves reliability, reduces bushfire risk from overhead lines and delivers social co-benefits through a safer and more resilient energy supply.

[6] As at the date of this report.

Project Details

Description	Network of decentralised renewables systems.
Policy	Supports the Western Australian Energy Transformation Strategy and enhances reliability and resilience, consistent with the Bushfire Risk Management and Resilience Policy.
Location	Regional and remote Western Australia.
Technology / Scale	Solar PV, Battery and Backup Generator.
Status / Key dates	Rollout continues within the SWIS and in remote Western Australia, with thousands of units forecast to be deployed by the end of the project.

Allocations

Via Green Bonds	2033: **$100m**	2035: **$80m**

Outcomes and Impact

Primary Outcomes (Direct)	SPS units installed: **597 (cumulative[6])** Progress: **930 km power lines removed to date**
Social Co-Benefits	Improved power reliability and safety in remote areas. Reduced bushfire risk.

More Information

Horizon Power →

Western Power →

Solar Schools Program

Image courtesy of Horizon Power.

Solar Schools Program has equipped 35 schools in remote and regional areas with solar PV systems to reduce emissions, lower energy costs, and foster sustainability awareness amongst students. The program aligns with Western Australia's Sectoral Emissions Reduction Strategy by reducing reliance on grid electricity through on-site renewable generation, supporting the State's transition of energy systems and decarbonisation goals. By installing solar PV systems, schools cut daytime energy costs, as solar production coincides with peak demand during school hours, while also reducing emissions and enhancing network resilience. Beyond financial and operational benefits, the distributed nature of these installations provides network support by easing local constraints during high-load periods and contributes to the State's Climate Adaptation Strategy through improved reliability. Importantly, the program delivers educational value by integrating real-time solar generation data into the curriculum, fostering STEM learning and promoting environmental stewardship among students.

Project Details

Description	Solar PV systems at schools in regional and remote areas.
Policy	Supports the Western Australian Energy Transformation Strategy and the Schools Clean Energy Technology Fund, delivering improved system efficiency and clean energy education outcomes.
Location	Public schools across Western Australia.
Technology / Scale	Solar PV systems.
Status / Key dates	Fully operational November 2025.

Final Allocations

Total Expenditure	**$9.7m (eligible expenditure $9.7m)**		
Via Green Bonds	2033: **$8.8m**	2035: **$0.9m**	Total: **$9.7m**
Expenditure Funded by Green Bond	**91%**	**9%**	**100%**

Outcomes and Impact

Primary Outcomes (Direct)	Estimated emissions avoided: **1,162 tCO_2e in FY25** Average renewable energy generation: **2,005 MWh/ year**
Social Co-Benefits	Reduction in schools' annual electricity costs by around one quarter. STEM (Science, Technology, Engineering and Mathematics) learning outcomes for students.

More Information

Horizon Power

Clean Energy Link

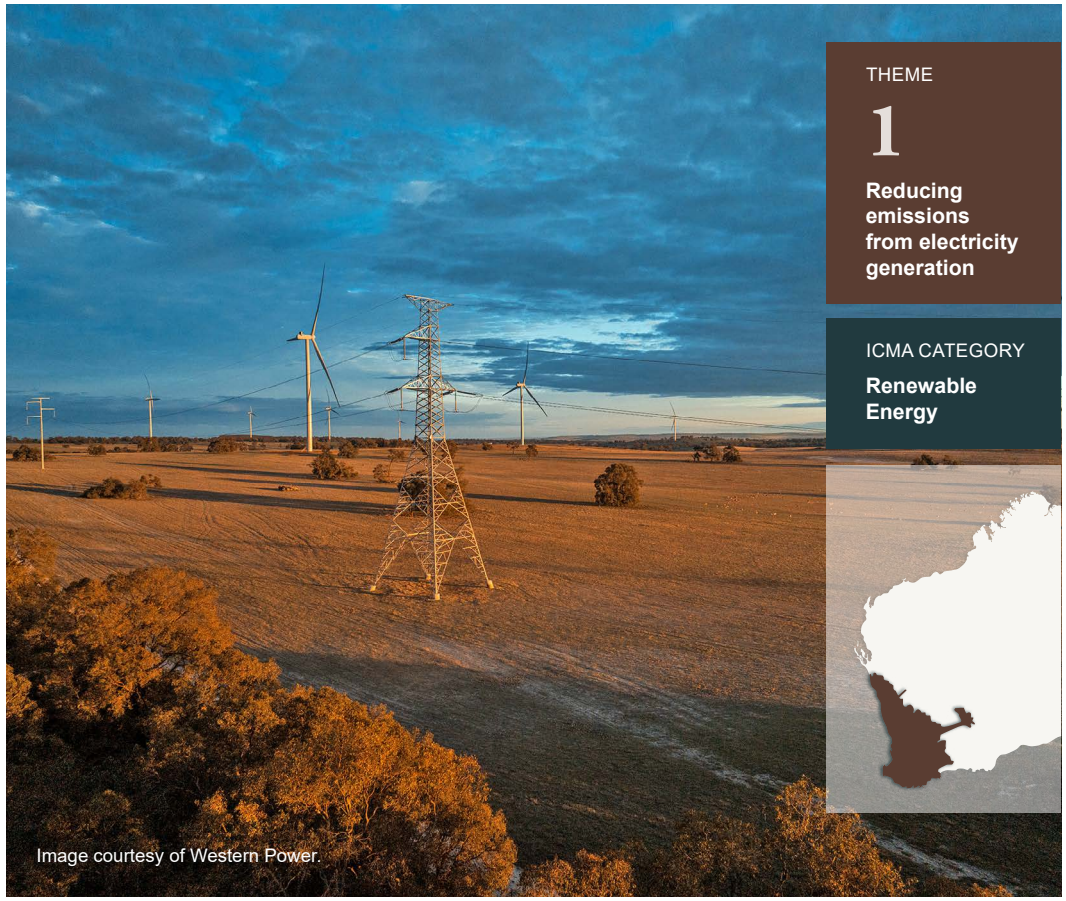


Image courtesy of Western Power.

This major infrastructure initiative expands the State's electricity network to enable future private and publicly funded renewable energy projects to connect to the grid, unlocking transmission capacity in the Wheatbelt and Mid West regions where significant renewable energy development is already underway. The *SWIS Transmission Plan*, which this project is a part of, is structured across three phases. Phase One - Stage 1 of the Northern Corridor (NC) involves the construction of new high voltage transmission lines and terminal infrastructure, alongside upgrades to existing assets and reinforcement works. This critical build out will enable large scale renewable projects to connect to the grid, improve system reliability, and reduce network congestion. Construction commenced in late 2025 across four key sites between Malaga and Three Springs. The project underpins the State's decarbonisation and electrification objectives. It provides important social co benefits including improved network reliability, regional employment opportunities and facilitates broader economic growth.

Project Details

Description	Connect new renewable energy generation to the SWIS through implementation of Phase One - Stage 1 (Northern Corridor) of the SWIS Transmission Plan.
Policy	Supports the SWIS Transmission Plan by expanding network capacity to connect new renewable generation and facilitate increased renewable supply to the SWIS. The SWIS Transmission Plan is structured across three phases.
Location	South West.
Technology / Scale	High-voltage transmission infrastructure; new lines and terminal builds; upgrades to existing network.
Status / Key dates	SWIS Transmission Plan Phase One: 2025–2030 (in progress) Phase Two: 2030–2035 Economic growth and diversification Phase Three: 2035+ Powering global decarbonisation

Allocations

Via Green Bonds	2033: **$0m**	2035: **$350m**

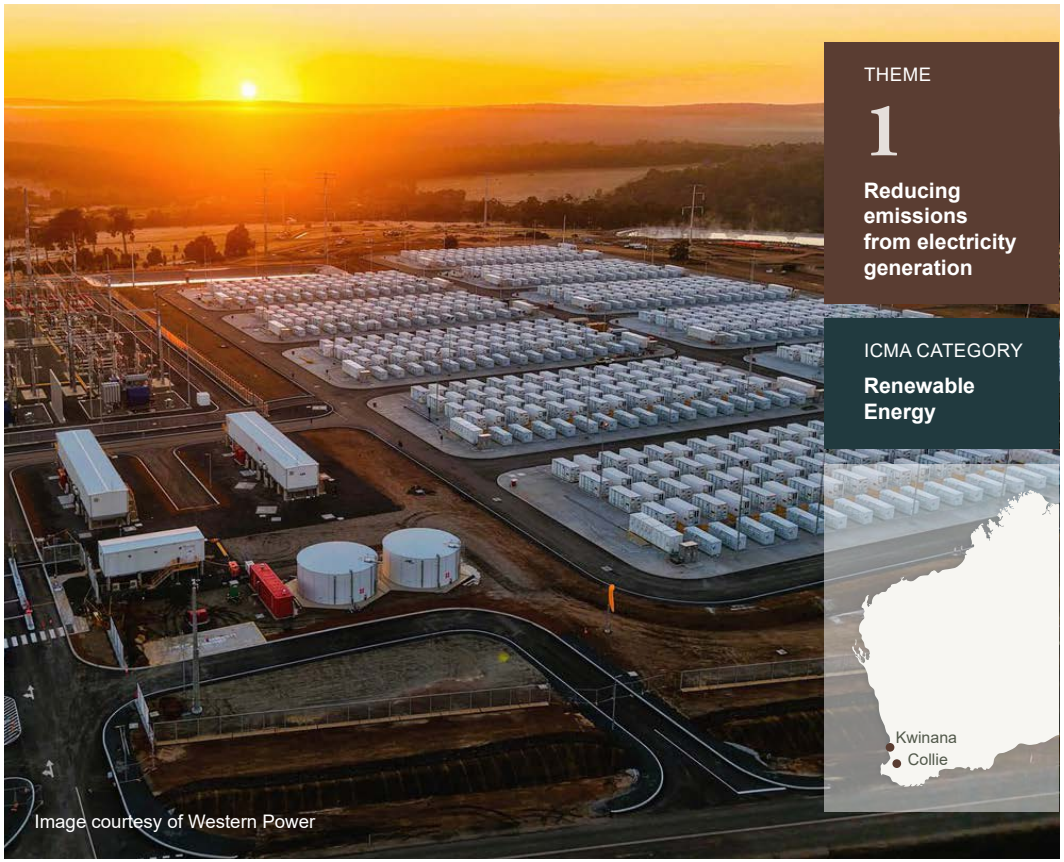
Outcomes and Impact

Primary Outcomes (Direct)	Estimated forecast installed capacity: **1,000MW** Estimated forecast renewable energy added to SWIS: **1,400MW**
Social Co-Benefits	Network reliability improvements, employment and economic growth in regional communities.

More Information

Western Power

Large-Scale Batteries



Large-Scale Batteries are a critical enabler of our transition to a low-carbon future. They strengthen our State's energy infrastructure, enhance reliability, support renewables integration and reduce reliance on fossil fuels. The batteries are mainly charged using excess roof top solar energy, which is often the largest source of generation in the SWIS[7] and was previously curtailed before the batteries were commissioned. These systems, which are some of the largest in the southern hemisphere, improve network resilience against outages and supply fluctuations. They also significantly reduce emissions by avoiding thermal generation during peak periods, and provide essential ancillary services such as frequency control and voltage support, contributing to a more secure and efficient electricity network. In addition, they have contributed to local economic development through job creation in metro areas and in the town of Collie, which is transitioning away from coal mining and generation.

[7] Western Australia has some of the highest levels of installed roof top solar in the world with over 40 per cent of households in the SWIS having rooftop solar.

Project Details

Description	Grid-scale batteries storage installations at two locations across three lots, KBESS Stage 1 and KBESS Stage 2 and CBESS.
Policy	Supports the retirement of State-owned coal-fired power plants, enhances SWIS reliability, and contributes to emissions reduction goals by providing dispatchable capacity and grid stability.
Location	Kwinana (industrial area ~30 km south of Perth) Collie (regional town ~210 km south of Perth)
Technology / Scale	Lithium-ion Battery Energy Storage Systems, comprising a high-capacity Battery Energy Storage System (BESS), advanced inverter technology for grid stability and frequency control and intelligent systems to optimise dispatch and manage peak demand.
Status / Key dates	Fully operational December 2025.

Final Allocations

Total Expenditure	**$2,460m (eligible expenditure $2,460m)**		
Via Green Bonds	2033: **$1,268m**	2035: **$600m**	Total: **$1,868m**
Expenditure Funded by Green Bond	**52%**	**24%**	**76%**

Outcomes and Impact

Primary Outcomes (Direct)	Estimated emissions avoided: **52,393 tCO_2e in FY25** Peak Power Output: **825 MW (rated capacity)** Energy Storage: **3,500 MWh (rated energy capacity)**
Social Co-Benefits	Just transition from coal mining and coal-fired power generation in the town of Collie where the largest battery was constructed.

More Information

Synergy →

Advanced Metering Infrastructure

Image courtesy of Western Power

THEME
1
Reducing emissions from electricity generation

ICMA CATEGORY
Energy Efficiency

Advanced Metering Infrastructure (AMI) is key to Western Australia's modern energy system, enabling a smarter, more efficient, and customer-centric electricity network. AMI allows real-time data collection, improved demand management and enhanced system reliability. This large-scale rollout replaces legacy metering, while optimising network operations and reducing peak demand through better load management. Each AMI system includes two-way communication between the meter and network, remote reading and advanced analytics platforms for dynamic pricing, outage detection, and demand forecasting. AMI also delivers significant social and environmental benefits. By empowering customers with detailed consumption data, AMI encourages energy efficiency and supports the integration of distributed energy resources such as rooftop solar and battery storage. The system also enhances network resilience by enabling faster detection and restoration of network outages, reducing the duration and disturbance of supply interruptions.

Project Details

Description	Large-scale installation of AMI systems.
Policy	Supports Western Australia's Energy Transformation Strategy by improving system efficiency, resilience, and demand side participation while contributing to emissions reduction.
Location	South West.
Technology / Scale	Installation of 1.2m smart metering systems by mid-2027, covering over 99% of the SWIS.
Status / Key dates	Roll-out commenced: FY24 Progressive deployment forecast through to mid-2027.

Allocations

Via Green Bonds	2033: **$140m**	2035: **$60m**

Outcomes and Impact

Primary Outcomes (Direct)	Estimated emissions avoided: **46,630 tCO_2e in FY25** Meters installed: **970,482 (cumulative)** Coverage: **73% of households, businesses (cumulative[8])** Expansion plan: **Additional 140,337 meters in FY26**
Social Co-Benefits	Encourages energy efficiency. Faster outage restoration, reduced overall power costs.

More Information

Western Power →

[8] As at the date of this report.

LED Streetlights

Image courtesy of Western Power

This project is a major initiative to improve energy efficiency, reduce emissions, and enhance public safety across Western Australia. Light Emitting Diodes (LED) consume substantially less energy than other conventional types of lighting including high pressure sodium, metal halide, mercury and compact fluorescent. LED lights also have a comparatively longer operational life, reducing long-term maintenance costs and improving reliability. Each LED streetlight installation includes high-efficiency LED luminaires designed for optimal light distribution and reduced glare, real time fault reporting to detect issues, leading to faster repairs and reduced downtime. The upgrade of traditional lighting supports Western Australia's decarbonisation objectives by lowering electricity demand and associated greenhouse gas emissions. Beyond energy savings, the program enhances community safety through better illumination and reduces community energy costs. The LED Streetlights program is progressively rolling out in local road networks across the SWIS, with a significant number of legacy lights already replaced and further installations continuing toward full conversion over the next decade.

Project Details

Description	Replacing traditional streetlights on local road networks with LED technology.
Policy	Supports Western Australia's Energy Transformation Strategy implementing through Western Power's Public Lighting Asset Management Strategy, to improve energy efficiency, public safety and electricity network performance.
Location	South West.
Technology / Scale	Aim to progressively replace all streetlights in the SWIS area with LED technology over the next decade.
Status / Key dates	Approximately 50% of streetlights converted.

Allocations

Via Green Bonds	2033: **$25m**	2035: **$3m**

Outcomes and Impact

Primary Outcomes (Direct)	Estimated emissions avoided: **11,568 tCO_2e in FY25** LED units installed: **110,838 (cumulative[9])** Estimated energy savings: **22,683 MWh in FY25**
Social Co-Benefits	Enhanced public safety and reduced energy costs.

More Information

Western Power →

[9] As at the date of this report.

Environmental Theme 2

Transport Infrastructure to Support Net-Zero Transition

Transport accounts for around 17 per cent of Western Australia's emissions and their reduction a key component in the State's pathway to net-zero. This theme focuses on projects that expand clean transport options, such as electric bus fleets, and enhance infrastructure to support low-carbon mobility. These initiatives are a key enabler for emissions reductions by the household sector while also improving accessibility and delivering broader social co-benefits. Underpinning this transition is the need for increased renewable electricity generation, as found in Theme 1, to enable the shift toward sustainable electrified transport.

Whiteman Park Solar Farm.
Image courtesy of METRONET.

Electric Bus Fleet

Image courtesy of Department of Transport.

THEME

2

Transport infrastructure to support net-zero transition

ICMA CATEGORY

Clean Transportation

Project Details

Description	Replacing retiring diesel-powered buses with a new fleet of locally built electric buses.
Policy	State Government clean transport and low emission transport initiatives, together with the 'Made in WA' local manufacturing strategy, support local job opportunities.
Location	Perth Metropolitan Area.
Technology / Scale	130 battery-electric buses, depot charging upgrades.
Status / Key dates	29 electric buses added in FY25, with around 130 to be completed in this phase. This is the first phase of a larger roll out plan to convert the entire fleet of 1,797 buses.

Allocations

Via Green Bonds	2033: **$0m**	2035: **$150m**

Outcomes and Impact

Primary Outcomes (Direct)	Estimated grid emissions avoided: **1,017 tCO_2e in FY25** Total buses delivered: **119 (cumulative[11])**
Social Co-Benefits	Local job creation, reduced noise, improved air quality.

The State is transforming Perth's public transport by replacing retiring diesel-powered buses with a new fleet of locally built electric buses. The project contributes to reduced transport emissions; improves passenger experience and supports Western Australia's climate objectives. To accommodate the growing fleet, the State is upgrading bus depots. Four key depots have been electrified, with further sites under construction to support fleet expansion and ensure the network is future ready[10]. The program also incorporates advanced charging systems supported by smart energy management tools, enabling efficient off peak charging and integration with on site renewable energy. Solar generation and battery storage systems at early sites demonstrate the State's commitment to building a resilient, future focused public transport network. With the fleet being built locally, it is strengthening the State's manufacturing capability and supporting skilled jobs. Additionally, communities across the metro area benefit from reduced noise and improved air quality.

[10] The Commonwealth Government has committed $125m to support the delivery of electric bus charging infrastructure in Perth, which is excluded from this project's eligible expenditure.

[11] As at the date of this report.

Electric Vehicle Initiatives

Image courtesy of Department of Transport

This major clean transportation investment expands the availability of public electric vehicle (EV) charging infrastructure, supports long distance regional travel, and incentivises EV uptake through State rebate schemes. These initiatives reduce tailpipe emissions and enables cleaner transport choices. The State's EV network is one of the longest in the world, spanning more than 7,000 km. It includes 110 fast charging stations across 49 sites, typically less than 200 km apart. The infrastructure connects Perth to far-reaching regional centres, enabling reliable long distance travel and reducing range anxiety for EV users. The project was completed in July 2025, based on the final EV rebate completion timeline, with the commissioning of all charging sites aligned to the increasing pace of EV adoption across Western Australia. Growth in uptake has also been supported by the State's Zero Emissions Vehicle Rebate Scheme. Beyond environmental benefits, the EV initiatives deliver social co benefits such as increased regional connectivity, reduced noise and economic support for local government, small businesses and community organisations installing charging infrastructure.

Project Details

Description	EV charging network expansion and rebate incentives.
Policy	State Electric Vehicle Strategy (2023), supporting the rollout of public EV charging infrastructure and enabling electric vehicle uptake.
Location	Statewide.
Technology / Scale	Fast charging DC technology, smart charging systems, real time monitoring, integrated payment system and data enabled platform.
Status / Key dates	Fully operational July 2025 (based on EV rebate completion timeline).

Final Allocations

Total Expenditure	**$79.1m (eligible expenditure $79.1m)**		
Via Green Bonds	2033: **$40m**	2035: **$29m**	Total: **$69m**
Expenditure Funded by Green Bond	**51%**	**36%**	**88%**

Outcomes and Impact

Primary Outcomes (Direct)	Estimated emissions avoided: **809 tCO_2e in FY25** Network charging distributed: **1,266 MWh in FY25** Network Coverage: **7,000 km in FY25 / 110 stations** Number of rebates: **14,426**
Social Co-Benefits	Increased regional connectivity, reduced noise and air pollution, economic benefits for installing locations.

More Information

Synergy →

METRONET

Image courtesy of METRONET

METRONET is one of the largest public transport infrastructure programs in Australia, designed to deliver a more connected and accessible Perth metropolitan region. Delivered through a series of new high-capacity rail lines, new and upgraded stations with waterwise design and climate resilient materials, removal of level crossings to enhance public safety and performance and precinct developments enabling sustainable, higher density communities around transport hubs. METRONET supports economic growth, reduces transport emissions, and improves liveability for communities across Perth. By expanding high-capacity rail services and encouraging a shift from private vehicle use to public transport, METRONET contributes meaningfully to Western Australia's decarbonisation objectives. It is part of the Western Australian Government's long term plan to link transport and urban development in order to support Perth's sustainable growth over the coming 50 to 100 years. A key part of this is encouraging higher density housing near stations, including options for social and affordable homes.

Project Details

Description	Integrated rail network.
Policy	Supports Western Australia's net-zero transition by expanding integrated rail infrastructure to enable sustainable land use planning and improve transport equity.
Location	Perth metropolitan area.
Technology / Scale	Integrated rail and station infrastructure including new rail lines, extensions, level crossing removals, signalling upgrades, and precinct development.
Status / Key dates	End of FY25: completion of two new lines, rail extension and major upgrades to an existing line. Early 2026: new Midland Station opened, marking completion of core METRONET rail expansion.

Allocations

Via Green Bonds	2033: **$1,088m**	2035: **$227m**

Outcomes and Impact

Primary Outcomes (Direct)	Km of new rail: **53 km in FY25; 72 km (cumulative[12])** Stations added/refurbished: **24** Total Transperth train network patronage: **3.7% increase in FY25**
Social Co-Benefits	Improved liveability, more affordable public transport, Aboriginal employment and procurement.

More Information

METRONET →

Sustainability achievement →

[12] As at the date of this report.

Active Transport Infrastructure

Image courtesy of Department of Transport

This program focuses on expanding and enhancing the State's Principal Shared Path (PSP) network and related cycling and pedestrian links, closing critical gaps in metropolitan corridors and improving access for commuters. PSPs are a high standard facility that are typically four metres wide, well lit, and grade separated at intersections. They provide safer, uninterrupted journeys and enable people of all ages and abilities across Western Australia to walk, wheel and ride. The Boorloo Bridge, built as part of this program, improves access across the Swan River, by providing a safe, high quality river crossing. Its design integrates Aboriginal cultural heritage, ensuring the structure reflects the area's significance. The initiative enhances transport resilience, supports the mode shift from private vehicles, reduces congestion and contributes to Western Australia's decarbonisation goals. In addition it facilitates healthier lifestyles and safer offroad travel by minimising interruptions from other traffic to create more enjoyable walking and riding experiences.

[13] $53m funded by Commonwealth Government.

Project Details

Description	Delivery of integrated network of high-quality paths under Principal Shared Path (PSP) initiative.
Policy	Supports Western Australia's net zero transition and the Western Australia Active Transport Strategy by enabling a clean transportation shift through expanded active transport infrastructure that promotes healthier communities.
Location	Perth metropolitan area and selected regional corridors.
Technology / Scale	Expansion and upgrade of the Principal Shared Paths.
Status / Key dates	Fully operational June 2025.

Final Allocations

Total Expenditure	**$325.1m (eligible expenditure $272.1m[13])**		
Via Green Bonds	2033: **$65m**	2035: **$0m**	Total: **$65m**
Expenditure Funded by Green Bond	**20%**	**0%**	**20%**

Outcomes and Impact

Primary Outcomes (Direct)	Infrastructure delivered: **26 km of shared paths, along with the completion of the Boorloo Bridge.**
Social Co-Benefits	Supporting healthier lifestyles and public safety.

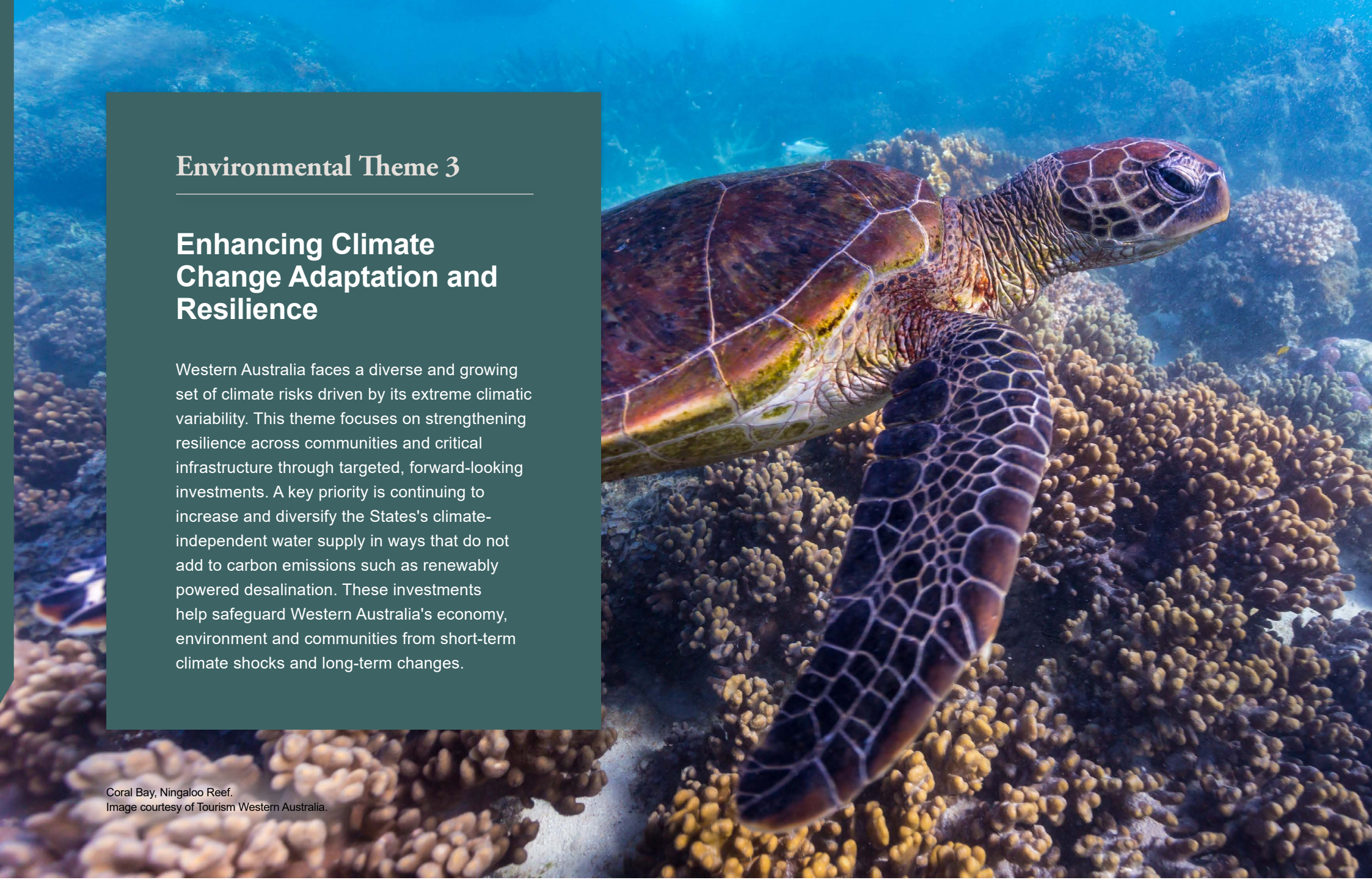
More Information

Department of Transport →

Environmental Theme 3

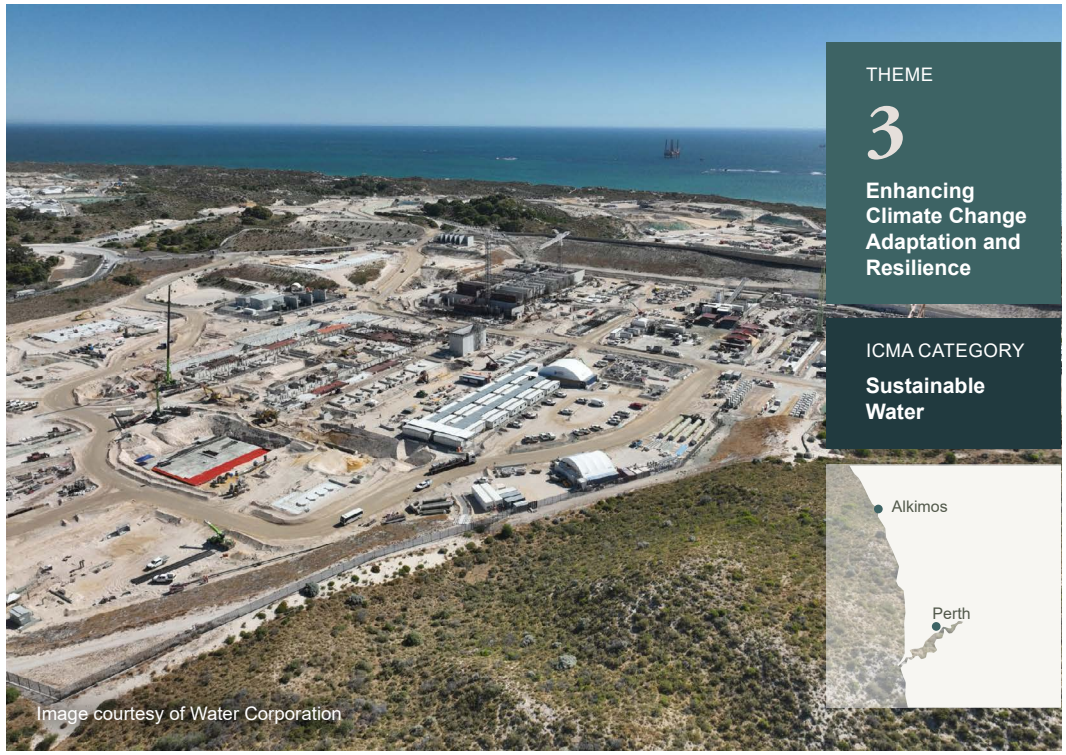
Enhancing Climate Change Adaptation and Resilience

Western Australia faces a diverse and growing set of climate risks driven by its extreme climatic variability. This theme focuses on strengthening resilience across communities and critical infrastructure through targeted, forward-looking investments. A key priority is continuing to increase and diversify the States's climate-independent water supply in ways that do not add to carbon emissions such as renewably powered desalination. These investments help safeguard Western Australia's economy, environment and communities from short-term climate shocks and long-term changes.



Coral Bay, Ningaloo Reef.
Image courtesy of Tourism Western Australia.

Renewable Desalination Plant



Perth's next major water source is a seawater desalination facility at Alkimos, designed to strengthen climate-independent water security and reduce reliance on groundwater. Located within the Alkimos Water Precinct, the project includes two subsea tunnels for seawater intake and brine outfall, constructed using tunnel boring machines to minimise beach and seabed disturbance. Offshore tunnelling commenced in 2025 and will be completed by September 2026. Power connection works to the Western Power Yanchep Substation were completed in October 2025. Construction of the desalination plant structures is on schedule for completion in 2026–27. Commissioning works will commence in 2027 with plant operation to commence in 2028. Construction of the Alkimos–Wanneroo trunk main is progressing to schedule. Approximately 1,500 jobs will be created across the project, along with economic benefits through local manufacturing and a range of educational opportunities. By 2030, 330 MW of new renewable energy will offset the power requirements of this plant and Perth's two existing metropolitan desalination plants, supporting net-zero Scope 1 and 2 emissions reductions across construction and operations and ensuring that this new infrastructure supports the State's climate mitigation objectives.

Project Details

Description	Construction of a new renewably powered seawater desalination facility.
Policy	Supports climate resilience and water security while contributing to Western Australia's net-zero transition through net-zero Scope 1 and 2 emissions reductions across construction and operations.
Location	Alkimos (coastal suburb ~45 km north of Perth).
Technology / Scale	Reverse osmosis desalination: Stage 1 – 50 GL/year (≈157,700 m³/day); provision for Stage 2 –50GL/year (≈157,700 m³/day) – 100GL annually. Marine intake (~2.6 km) and outfall (~4.0 km) tunnels.
Status / Key dates	Site and enabling works: 2023–2024 (complete) Offshore tunnelling: 2025 (in progress) Marine works: Jan–May 2026 Trunk main: Targeted for 2027 Operational commencement: Mid-2028

Allocations

Via Green Bonds	2033: **$75m**	2035: **$300m**

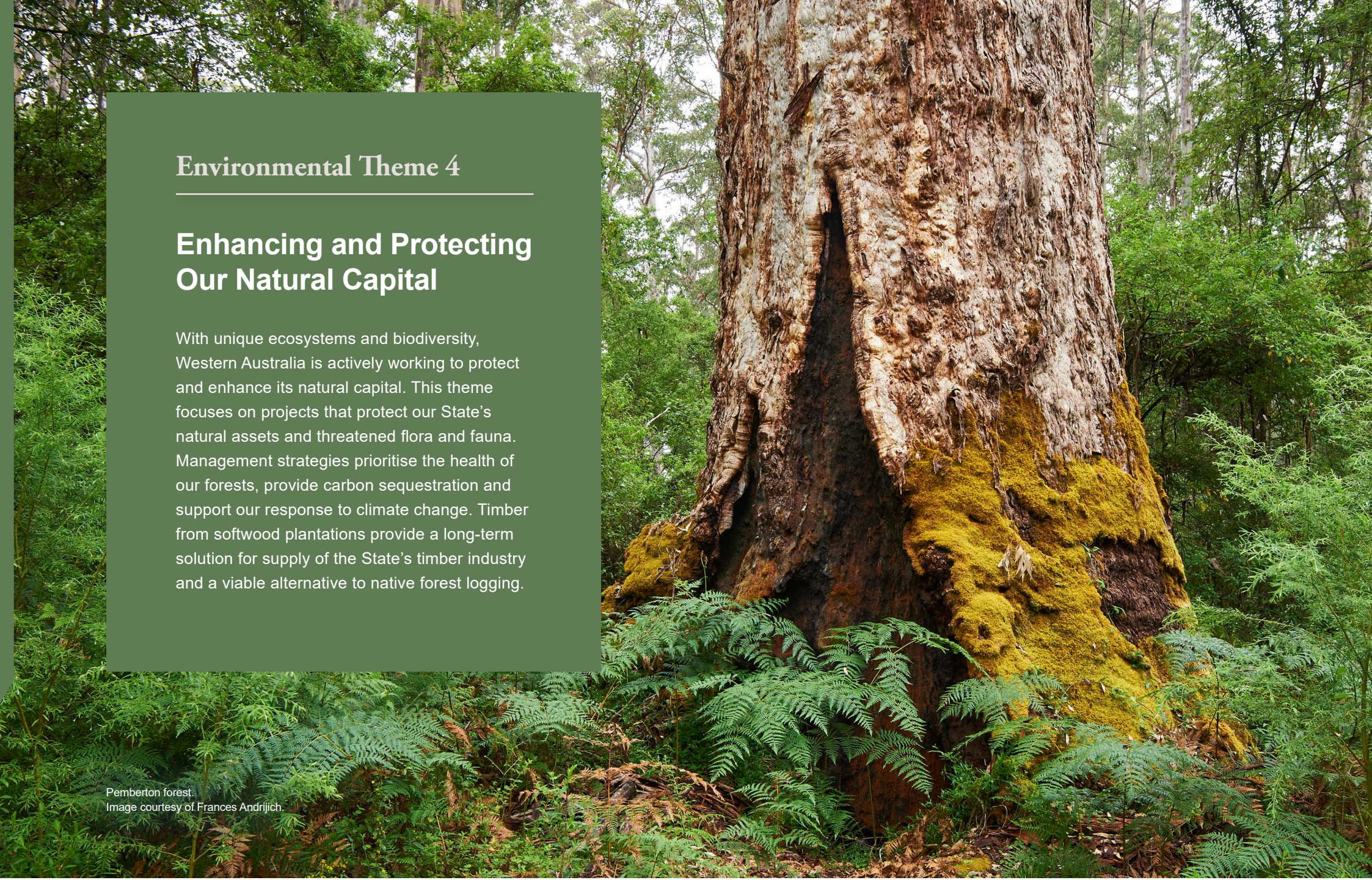
Outcomes and Impact

Primary Outcomes (Direct)	Water Output: **50 GL/year (S1)** Equivalent Households: **~287,000[14] (S1)**
Social Co-Benefits	~1,500 jobs created across project, including local manufacturing.

More Information

Water Corporation →

[14] Based on 2023–24 average household water consumption published by Australian Bureau of Statistics.



Environmental Theme 4

Enhancing and Protecting Our Natural Capital

With unique ecosystems and biodiversity, Western Australia is actively working to protect and enhance its natural capital. This theme focuses on projects that protect our State's natural assets and threatened flora and fauna. Management strategies prioritise the health of our forests, provide carbon sequestration and support our response to climate change. Timber from softwood plantations provide a long-term solution for supply of the State's timber industry and a viable alternative to native forest logging.

Pemberton forest.
Image courtesy of Frances Andrijich.

Softwood Plantation Investment Scheme

This project sees the expansion of Western Australia's softwood estate through strategic land acquisition and the establishment of new plantations. Timber from these plantations will supply the softwood processing sector and support the State's housing and construction industry. It supports the long-term supply of timber to industry following the ceasing of commercial timber harvesting under the Forest Management Plan. The project also supports the State's response to climate change and is expected to deliver environmental co-benefits including carbon sequestration. The Scheme is underway with thousands of hectares acquired and millions of seedlings planted. Additionally, the project supports employment of over 1,900 people and through harvesting and management activities.

Project Details

Description	Expansion of softwood plantation estate.
Policy	Helps facilitate the transition of the timber industry away from native forest harvesting and is supported by the Carbon Farming Initiative and Australian Carbon Credit Unit (ACCU) policy framework.
Location	South West.
Technology / Scale	Sustainable softwood plantation forestry (estate expansion through land acquisition and new plantation establishment).
Status / Key dates	Ongoing. Commenced July 2021, with delivery milestones achieved to date. Program scheduled to run through to June 2031.

Allocations

Via Green Bonds	Yet to be allocated	Yet to be allocated

Outcomes and Impact

Primary Outcomes[15] (Direct)	An additional 6,000 hectares brought under sustainable forest management. 8 million trees planted to expand plantation stock. 15 ACCU projects registered in the ACCU carbon market.
Social Co-Benefits	Regional employment, just transition from native logging industry to softwood industry and local business opportunities.

More Information

Forest Products Commission →

[15] As at the date of this report.

Plan for Our Parks

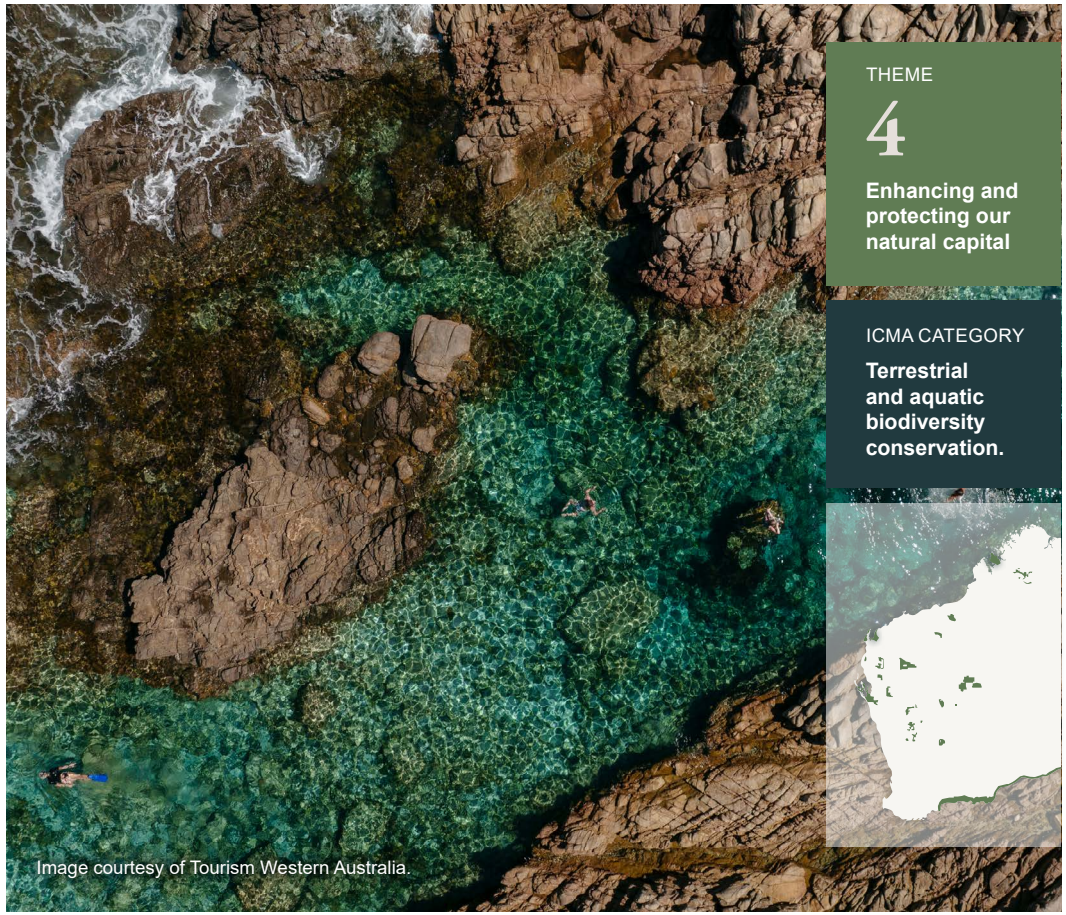


Image courtesy of Tourism Western Australia.

This project has created more than 6.5 million hectares of new national and marine parks and other conservation reserves across Western Australia. This represents a 28 per cent increase to the existing conservation estate, making it the biggest conservation project in Western Australia's history. The reserves cover a land size equivalent to Lithuania and protect and conserve the State's natural assets including wetlands, rangelands, forests, marine areas and threatened flora and fauna. Most of the reserves are jointly vested and managed with Traditional Owners, creating culturally meaningful employment in regional and remote parts of Western Australia.

Project Details

Description	Expansion of Western Australia's conservation estate through the establishment of new national and marine parks and conservation reserves, increasing protected areas by more than 6.5 million hectares.
Policy	Supports Western Australia's conservation estate expansion policy, delivering terrestrial and aquatic biodiversity conservation through joint management of conservation land with Traditional Owners.
Location	Statewide – terrestrial and marine conservation areas.
Technology / Scale	Large scale conservation estate expansion and protected area management.
Status / Key dates	Implemented, with ongoing management of newly established conservation areas.

Allocations

Via Green Bonds	Yet to be allocated	Yet to be allocated

Outcomes and Impact

Primary Outcomes[16] (Direct)	6.5 million hectares of land added to conservation reserves.
Social Co-Benefits	Enhancement of Aboriginal employment, training and empowerment.

More Information

Department of Biodiversity, Conservation and Attractions →

[16] As at the date of this report.

Forest Management Plan

Image courtesy of Alan Gill. Department of Biodiversity, Conservation and Attractions.

The Forest Management Plan 2024–2033 (FMP) provides a statutory framework for the management of approximately 2.4 million hectares in the South West of Western Australia, mostly native forest. The land is being managed for health and resilience, a move away from large scale commercial timber harvesting. Activities include protecting at least 400,000 hectares of karri, jarrah and wandoo forest, implementing new forest and fire research programs and increasing nature-based tourism and recreation opportunities. Supported by science and research, the FMP prioritises forest health and biodiversity to meet the socio-economic and cultural aspirations of current and future generations.

Project Details

Description	Management of South West native forests to improve forest health, resilience and biodiversity outcomes.
Policy	Forest Management Plan 2024–2033 (statutory framework for sustainable forest management, conservation and resilience).
Location	South West.
Technology / Scale	Large scale native forest management and conservation across the South West forest estate.
Status / Key dates	Ongoing implementation under the *Forest Management Plan 2024–2033*.

Allocations

Via Green Bonds	Yet to be allocated	Yet to be allocated

Outcomes and Impact

Primary Outcomes[17] (Direct)	5,500 hectares of new conservation reserves added for protection and management. 1,590 hectares of forest managed through ecological thinning.
Social Co-Benefits	Strengthened communities by protecting forests for recreation, cooperative management with Aboriginal people and ensuring sustainable use.

More Information

Department of Biodiversity, Conservation and Attractions →

[17] As at the date of this report.

7

Independent Assurance

Aerial view of Eagle Stone Rock, near Nungarin.
Image courtesy of Tourism Western Australia.

External Reviews and Assurance

"We have assigned an SQS1 Sustainability Quality Score (excellent) to Western Australian Treasury Corporation's green bonds… The issuances are aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles and have incorporated all Moody's identified best practices."

– Moody's Ratings

The Western Australian Treasury Corporation (WATC) places a strong emphasis on independent reviews for all issuances under our *Sustainability Bond Framework*. These reviews provide assurance regarding alignment with international market standards, the quality of the eligible project pool, and the integrity of use of proceeds and impact reporting.

The *Sustainability Bond Framework* is supported by a Second Party Opinion (SPO) provided by Sustainalytics, which assessed the framework at inception in 2023 and following its update in 2025, confirming its alignment with the core components of the International Capital Market Association (ICMA) Green and Social Bond Principles. WATC continues to rely on this Sustainalytics SPO as the primary external review of the framework's design, governance, eligibility criteria and reporting commitments.

New Pre- and Post-issuance Second Party Opinions from Moody's Ratings

During the current reporting period, WATC also obtained both *pre-issuance* and a *post-issuance* Second Party Opinions (SPO) from Moody's Ratings covering its June 2023 and May 2025 green bond issuances under the framework. These reviews provide additional issuance-specific assurance and enhance transparency for investors.

The Moody's pre issuance SPO assessed the strength and credibility of the *Sustainability Bond Framework* and confirmed alignment with the four core components of the ICMA Green Bond Principles, as well as consistency with all Moody's identified market best practices. The assessment focused on the ICMA categories to which proceeds from the June 2023 and May 2025 issuances were allocated. These categories received the highest score for contribution to sustainability, and Moody's assigned the issuances an overall Sustainability Quality Score of SQS1 (Excellent).

"The issuances demonstrate a high overall contribution to sustainability, reflecting the relevance and magnitude of the eligible project categories."

– Moody's Ratings

Following issuance, Moody's conducted a post-issuance review confirming that proceeds were allocated in accordance with the framework and issuance commitments, that allocations were completed within the stated timeframe, and that projects continued to meet the relevant eligibility criteria. Moody's also reviewed WATC's allocation and impact reporting and concluded that reported indicators were clear, relevant and consistent with framework commitments. The post-issuance review received the highest rating of 'Best Practices' for alignment with the ICMA principles and WATC's *Sustainability Bond Framework*.

Together, these external reviews provide complementary assurance. The Sustainalytics SPO supports confidence in the integrity of the Sustainability Bond Framework, while the Moody's pre-issuance and post-issuance reviews provide issuance level validation of project eligibility, allocation outcomes and impact reporting. This reinforces WATC's commitment to transparency and recognition as market best practice.

8

Appendix

Echidna along the Coral Coast Highway.
Image courtesy of Tourism Western Australia.

Benefits Calculation Methodology

To support transparency, we are including all our calculation methodologies as part of this report. These include the formulas for forecast and actual emissions avoided and reduced, providing quantitative evidence of the outcomes generated by each project. Where emissions reduction information is not available from the relevant entity, we have undertaken best-efforts to calculate indicative emissions avoided using relevant proxy data sources. Key elements of the calculation approaches are set out below. Forecast impacts assume full operational performance based on installed capacity and expected utilisation factors. No pro-rata adjustments are applied as these will be introduced in future reporting periods when actual operational data is available. When calculating forecast emissions avoided, a zero emissions factor has been applied to electricity generated from renewable sources. This is considered standard practice and consistent with national and international reporting standards[17].

Wind Farms

The environmental impact of the wind farm projects is measured by the displacement of the more carbon-intensive electricity generation within the South West Interconnect System (SWIS) electricity grid. The methodology utilises the total renewable energy exported to the grid to calculate the volume of avoided greenhouse gas emissions.

Data sources: Synergy; Department of Climate Change, Energy, the Environment and Water.

Solar Schools Program

The methodology for calculating the environmental impact of the Solar Schools Program is based on the displacement of grid supplied electricity with on site renewable generation. The reported avoided emissions represent the aggregation of impacts across all schools participating in the program. As schools are distributed across different geographical areas within the North West Interconnected System and remote regions, avoided emissions are calculated at the individual school level using localised grid emission factors, and then aggregated to derive the program level impact. This approach ensures an accurate reflection of avoided carbon emissions across diverse operating contexts.

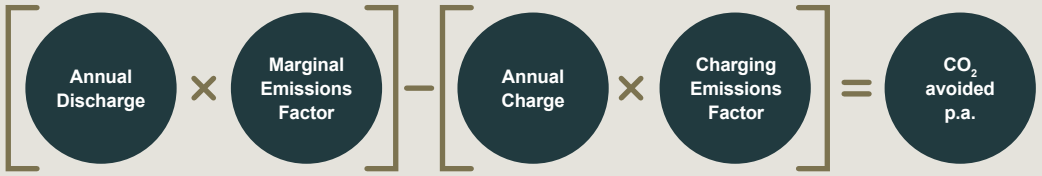
Data sources: Horizon Power.

[17] *National Greenhouse Account Factors 2025, Department of Climate Change, Energy, the Environment and Water*

Large-Scale Batteries

The environmental impact is assessed by evaluating the extent to which stored energy from large-scale batteries displaces higher emission generation on the grid. Avoided emissions are calculated by comparing the emissions associated with battery discharge – using the marginal grid emissions factor at the time of export – with the emissions incurred during battery charging. The reported results represent the aggregated impact of the three large scale battery installations. Calculations are applied to each battery site separately to reflect site specific operating profiles and grid conditions, with individual emissions impacts then aggregated to derive the total project level outcome.

Data sources: Synergy; Department of Climate Change, Energy, the Environment and Water; Australian Energy Market Operator.



Advanced Metering Infrastructure

The environmental impact is measured by the reduction in household electricity consumption enabled by smart meters. AMI provides real time energy usage insights that support improved customer behaviour, demand management, and more efficient network operation.

Data sources: Western Power; Australian Energy Market Commission; European Commission; UNFCCC, BIT; Department of Climate Change, Energy, the Environment and Water.

LED Streetlights

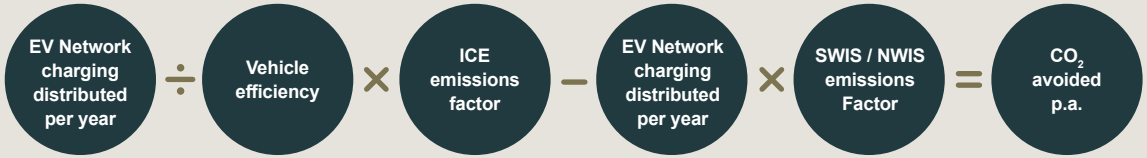
The environmental impact is calculated by estimating the reduction in electricity consumption achieved through replacing legacy Mercury Vapour (MV) streetlights with more energy-efficient LED units. The methodology compares the estimated annual electricity demand of equivalent MV streetlights against LED performance, using weighted-average MV wattage, standard operating hours, and an average energy efficiency improvement factor. Energy savings are converted to avoided greenhouse gas emissions using the applicable grid emissions intensity.

Data sources: Western Power

Electric Vehicle Initiatives

The environmental impact of the Electric Vehicle (EV) Initiative is calculated by assessing the reduction in greenhouse gas emissions achieved through replacing internal combustion engine (ICE) vehicles with electric vehicles. The methodology compares a baseline scenario, continued use of petrol-powered vehicles, with a project scenario in which these vehicles are replaced by EVs that are charged on the network grid.

Data sources: Synergy; Horizon Power; National Transport Commission; Australian Government Green Vehicle Guide; Department of Climate Change, Energy, the Environment and Water.



Electric Bus Fleet

The environmental impact of the Electric Bus Fleet is quantified by comparing the greenhouse gas emissions produced by conventional diesel buses with the emissions associated with electric bus operation. This assessment reflects the direct displacement of diesel consumption through the adoption of electric buses also taking into account the emissions associated with the electricity utilised.

Data sources: Department of Transport and Major Infrastructure; Australian Transport; Department of Climate Change, Energy, the Environment and Water.

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