

Second-Party Opinion

Queensland Treasury Corporation Sustainable Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the Queensland Treasury Corporation Sustainable Bond Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Renewable Energy, Clean Transportation, Sustainable Water and Wastewater Management, Green Buildings, Energy Efficiency, Environmentally Sustainable Management of Living Natural Resources and Land Use, Circular Economy and Pollution Prevention and Control, Climate Adaptation and Resilience, Terrestrial and Aquatic Biodiversity, Access to Essential Services - Education, Access to Essential Services - Healthcare, Social and Affordable Housing, and Socioeconomic Advancement and Empowerment – are aligned with those recognized by the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16.



PROJECT EVALUATION AND SELECTION Queensland Treasury Corporation's Sustainable Bond Committee will be responsible for the evaluation and selection of eligible expenditures in line with the Framework's eligibility criteria. The Committee comprises representatives from the Queensland Treasury Corporation and the Queensland Treasury. The Queensland Treasury Corporation has confirmed that environmental and social risk identification and mitigation are carried out as part of the Queensland Government's project approval process. Sustainalytics considers the project evaluation and selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS Queensland Treasury Corporation will manage proceeds on a notional allocation basis, tracking them through an internal information management and reporting system. The Queensland Treasury Corporation intends to allocate proceeds immediately after settlement, or in the event this does not occur, within 24 months following bond issuance. Pending allocation, proceeds will be temporarily invested in cash or cash equivalents. This is in line with market practice.



REPORTING Queensland Treasury Corporation commits to report the allocation and impact of proceeds on its website on an annual basis until maturity. In addition, it intends to report on relevant impact metrics on a best-efforts basis. Sustainalytics views the allocation and impact reporting as aligned with market practice.

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Reviewed by:

MORNINGSTAR

SUSTAINALYTICS



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Introduction

Queensland Treasury Corporation (“QTC”) is the central financing authority for the Queensland Government (the “Government”). QTC manages Queensland’s funding program and works with government owned corporations, departments, agencies, local governments and universities.

QTC has developed the Queensland Treasury Corporation Sustainable Bond Framework dated August 2025 (the “Framework”) under which it intends to issue green, social and sustainability bonds and use the proceeds to finance or refinance, in whole or in part, existing or future projects that aim to assist the Government in achieving its sustainability goals. The Framework defines eligibility criteria in nine environmental and four social categories:

The Framework defines eligible projects under the following environmental categories:

1. Renewable Energy
2. Clean Transportation
3. Sustainable Water and Wastewater Management
4. Green Buildings
5. Energy Efficiency
6. Environmentally Sustainable Management of Living Natural Resources and Land Use
7. Circular Economy and Pollution Prevention and Control
8. Climate Adaptation and Resilience
9. Terrestrial and Aquatic Biodiversity

The Framework defines eligible projects under the following social categories:

10. Access to Essential Services - Education
11. Access to Essential Services - Healthcare
12. Social and Affordable Housing
13. Socioeconomic Advancement and Empowerment

QTC engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (“SBG”), Green Bond Principles 2021 (“GBP”) and Social Bond Principles 2023 (“SBP”).¹ The Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent³ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2023, as administered by the International Capital Markets Association (“ICMA”).
- The credibility and anticipated positive impacts of the use of proceeds.
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.18, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with representatives of QTC to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of

¹ The Sustainability Bond Guidelines, Green Bond Principles, and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

² The Sustainable Bond Framework is available on Queensland Treasury Corporation’s website at: <https://www.qtc.com.au/>

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

proceeds and reporting aspects of the Framework. QTC representatives have confirmed (1) they understand it is the sole responsibility of QTC to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information; and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and QTC.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favor or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that QTC has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Sustainable Bond Framework

Sustainalytics is of the opinion that the Queensland Treasury Corporation Sustainable Bond Framework is credible, impactful and aligns with the SBG and the four core components of the GBP and SBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Renewable Energy, Clean Transportation, Sustainable Water and Wastewater Management, Green Buildings, Energy Efficiency, Environmentally Sustainable Management of Living Natural Resources and Land Use, Circular Economy and Pollution Prevention and Control, Climate Adaptation and Resilience, Terrestrial and Aquatic Biodiversity, Access to Essential Services - Education, Access to Essential Services - Healthcare, Social and Affordable Housing, Socioeconomic Advancement and Empowerment – are aligned with those recognized by the GBP and SBP.
 - QTC has defined a look back period for refinancing that includes operating expenditures (as captured under budget measures) incurred within the current fiscal year of bond issuance or the two preceding fiscal years. Sustainalytics considers this to be in line with market practice.
 - Sustainalytics notes that QTC intends to use the proceeds to finance or refinance, expenditures for a pool of existing or new projects and budget measures where budget measures include expense and capital measures with services delivery, capital enhancement, grant or subsidy impacts on the community.
 - Sustainalytics notes that certain expenditures have been included under multiple categories in the Framework. QTC has confirmed to Sustainalytics that it will ensure that there will be no double counting of allocation and impact for the financed projects, activities and assets in its annual reporting. QTC's Sustainable Bond Committee will assess the assets on an individual basis to determine which criteria they best meet under both categories.
 - Under the Renewable Energy category, QTC may finance or refinance research and development (R&D), construction, development, installation, acquisition, operation or maintenance of renewable energy projects, according to the following criteria:
 - Hydropower facilities that i) are run-of-river without artificial reservoir or low storage capacity; or ii) have a life-cycle carbon intensity below 50 gCO₂e/kWh; or iii) have a power density greater than 10 W/m².

- As of the date of this opinion, QTC has confirmed to Sustainalytics that, all new eligible hydropower projects are required to undergo environmental and social impact assessments conducted by an authorised body. These assessments are intended to identify and address potential significant environmental and social risks, controversies or negative impacts associated with the projects.
- Sustainalytics notes that financing may also be extended to impoundment facilities that are connected to Queensland's electricity grid and have a life-cycle carbon intensity below 50 gCO₂e/kWh. In the case of existing impoundment facilities, QTC has communicated that financing may result in an increase in the size of these facilities. As of the date of this opinion, for eligible projects resulting in an increased reservoir or dam size, QTC has confirmed that, environmental and social impact assessments are required to be carried out to identify and address potential significant environmental and social risks, controversies or negative impacts associated with the project.
- Pumped hydro storage facilities that support the deployment of renewable energy. As of the date of this opinion, QTC has confirmed that, environmental and social impact assessments are required to be carried out for new eligible pumped hydro storage projects to ensure potential environmental, economic and social impacts associated with the project are considered, and proposed actions to help avoid, minimise, mitigate or offset any potential impacts are in place. In this regard, environmental and social risk assessments are conducted through authorised agencies to identify and address significant controversies such as loss of habitat, biodiversity, and displacements of communities associated with eligible projects.⁴ For additional details, please see Section 2.
- Onshore wind energy facilities, such as the Wambo Wind Farm project.⁵
- Solar energy facilities.
- Energy storage facilities, such as batteries. QTC has confirmed that the storage assets being financed will be i) connected to renewable assets; or ii) connected to Queensland's electricity grid with the objective of supporting an increase in the generation or use of renewable electricity within the grid. QTC has communicated to Sustainalytics that expenditures will only be eligible where more than 67% of the newly enabled generation capacity in Queensland's grid is below the emission threshold of 100 gCO₂e/kWh, over a rolling five-year period.⁶
- Bioenergy facilities producing biomass or biofuels, as well as heating, cooling and cogeneration facilities utilising biofuels or biomass. QTC has communicated to Sustainalytics that feedstock may include:
 - Residue such as wood waste, agricultural waste, food and food processing waste. QTC has confirmed to Sustainalytics that the Framework excludes: i) biofuel blending facilities (mixing with fossil fuels) for biofuel processing; ii) energy crops, non-waste feedstock and feedstock that depletes carbon.
 - Biomass-based components of municipal waste. QTC has confirmed that if the feedstock is from municipal solid waste, most of the recyclables will be segregated before energy conversion.
 - Sewage gas. QTC has confirmed to Sustainalytics that the electricity production from sewage gas will abide by requirements under the Water sector criteria of the Climate Bonds Initiative (CBI).⁷
 - Landfill gas capture. For landfill and mixed residual waste, QTC has confirmed that landfill gas sites will be compliant with the criteria set

⁴ Queensland Sustainability Report, (2024), at: <https://s3.treasury.qld.gov.au/files/2024-queensland-sustainability-report.pdf>

⁵ Wambo Wind Farm, "Clean Renewable Energy", at: <https://wambowindfarm.com.au/#hero>

⁶ QTC has communicated to Sustainalytics that emission threshold will be determined annually as per methodological notes in Climate Bonds Initiative, "Electrical Grids and Storage Criteria Climate Bonds Standard", at: https://www.climatebonds.net/files/documents/Climate-Bonds_Electrical-Grids-Storage_Criteria-Brochure_2021.pdf

⁷ Water Infrastructure Criteria under the Climate Bonds Standard at https://www.climatebonds.net/files/files/Water%20Criteria%20Document%20Final_100822.pdf

- forth by the CBI as follows:⁸ i) 75% or more gas capture efficiency; ii) gas will be used to generate electricity and input to the natural gas grid or used as vehicle fuel; iii) the landfill will not accept further waste (with the exception of restoration materials). QTC has further confirmed that the Framework excludes the following sources: i) landfill gas captured for flaring; and ii) plastic-, rubber- or tire-derived fuels.
- Low-carbon hydrogen production equipment and facilities. QTC has communicated that financing will be limited to procurement of equipment for hydrogen production by electrolysis, which will be powered by renewables or with low-carbon energy sources with an average carbon intensity at or below 100g CO₂e/kWh.
 - Transmission and distribution (T&D) networks where more than 67% of newly enabled generation installed capacity in the system is from low carbon sources with an emissions threshold below 100 gCO₂e/kWh over a rolling five-year period.⁹ Sustainalytics notes that the Framework excludes expenditure related to T&D infrastructure that: i) directly supports gas turbines and coal plants; or ii) is connected to new fossil fuel power plants. Example projects include the CopperString 2.0 project, a high-voltage electricity transmission and distribution lines and renewable energy zones supporting renewable energy generation.¹⁰
 - Manufacturing, development or import of components of renewable energy technology, such as wind turbines, platforms, solar panels and inverters. QTC has confirmed to Sustainalytics that financing will be limited to facilities that are wholly dedicated to the production of renewable energy components.
 - Sustainalytics considers the investments in this category to be aligned with market practice.
- Under Clean Transportation, QTC may finance or refinance R&D, the development, manufacture, purchase, maintenance and upgrade of the following types of zero-emissions public transport and dedicated infrastructure:
- Zero direct tailpipe emission transport such as electric buses, electrified urban and inter-urban railway lines, and electric bus fleets and rolling stock.
 - Supporting infrastructure such as depots, interchanges, backup electricity generators for electric rail lines, charging stations and alternative fuel infrastructure dedicated to zero direct emissions transport.
 - Pedestrian walking and cycling lanes that encourage a shift towards active mobility.
 - Infrastructure for zero direct emission transport, such as electric charging stations, or alternative fuel infrastructure such as hydrogen fuelling stations. QTC may finance access roads and parking spaces with the intention of increasing access to low-carbon public transport. This may be achieved by improving accessibility to stations and providing parking options for commuters. QTC confirms that for the above associated infrastructure, financing will be limited to those directly linked to public transport.
 - QTC has communicated that example investments in this category may include : i) Gold Coast Light Rail Stage 3;¹¹ ii) Queensland Train Manufacturing Program;¹²

⁸ Climate Bonds Initiative, "Waste Management Criteria", "Criteria for landfill gas recovery", at: https://www.climatebonds.net/files/documents/Waste_Management_Criteria_August-2022.pdf

⁹ QTC has communicated to Sustainalytics that emission threshold will be determined annually as per methodological notes in Climate Bonds Initiative, "Electrical Grids and Storage Criteria Climate Bonds Standard", at: https://www.climatebonds.net/files/documents/Climate-Bonds_Electrical-Grids-Storage_Criteria-Brochure_2021.pdf

¹⁰ Powerlink Queensland, "CopperString 2032", at: <https://www.powerlink.com.au/projects/copperstring-2032>

¹¹ Gold Coast Light Rail Stage 3, at: <https://www.gclr3.com.au/goldline/gclr3>

¹² Queensland Train Manufacturing Program, at: <https://www.tmr.qld.gov.au/projects/programs/queensland-train-manufacturing-program>

- iii) Beerburrum to Nambour Rail Upgrade;¹³ iv) Logan and Gold Coast Faster Rail upgrade¹⁴ and v) QFleet Vehicle Emissions Reduction Strategy¹⁵
 - Sustainalytics considers the investments in this category to be aligned with market practice.
 - Under the Sustainable Water and Wastewater Management category, QTC may finance or refinance R&D, the construction, installation, expansion and operation of the following water infrastructure projects:
 - Projects related to i) water treatment, such as drinking water or wastewater treatment; ii) water storage facilities, such as aquifers storage, rainwater harvesting systems; and iii) desalination plants. As of the date of this opinion, QTC has confirmed, the following:
 - The wastewater treatment facilities will exclude the treatment of wastewater or the supply of treated water that is exclusively used for fossil fuel operations. Additionally, QTC has confirmed to Sustainalytics that: i) Integrated Water and Power plants powered by fossil fuel will be excluded; and ii) wastewater treatment facilities are subject to operating under State environmental regulations to identify and address potential negative environmental or social impact.
 - An appropriate waste management plan will be in place for brine disposal at desalination plants at the time of project commencement. Additionally, the desalination plants will be limited to those powered by renewable energy or those which have an average carbon intensity of electricity consumption at or below 100 gCO_{2e}/kWh.
 - Climate-resilient infrastructure to mitigate, manage floods, drought and storm water.
 - QTC has confirmed to Sustainalytics that it may finance projects supported by a climate change vulnerability assessment and adaptation plans to identify and responsibly manage the identified risks.
 - Sustainalytics considers the investments in this category to be aligned with market practice.
 - Under the Green Buildings category, QTC may finance or refinance the construction, acquisition, upgrade and refurbishment of residential, commercial, industrial and public assembly buildings. Sustainalytics notes the following:
 - QTC may finance or refinance buildings that meet regional, national or internationally recognized standards or certifications including:
 - NABERS Energy 5-star rating or above;¹⁶
 - Green Star 5-star rating or above;¹⁷
 - LEED Gold rating or above;¹⁸ or
 - An equivalent rating to the aforementioned certifications.¹⁹
 - Sustainalytics considers the investments in green buildings under the specified certification to be aligned with market practice while noting that it is market expectation to specify all eligible schemes and certifications. Further, Sustainalytics encourages QTC to report on any specific schemes and certifications it intends to use.
 - Under the Energy Efficiency category, QTC may finance or refinance R&D and improvements in the energy efficiency of existing buildings.
 - Sustainalytics notes that such expenditures may include the installation of solar photovoltaic systems, home batteries, solar water heaters, LED lighting, among other energy efficiency measures, that lead to energy or water efficient upgrades related to existing buildings.

¹³ Beerburrum to Nambour Rail Upgrade, at: <https://www.tmr.qld.gov.au/projects/beerburrum-to-nambour-rail-upgrade-stage-1>

¹⁴ Logan and Gold Coast Faster Rail upgrade, at : <https://www.yoursay-projects.tmr.qld.gov.au/logan-and-gold-coast-faster-rail>

¹⁵ QFleet Vehicle Emissions Reduction Strategy, at: <https://www.forgov.qld.gov.au/agency-to-agency-services/qfleet-vehicles/qfleet/qfleet-policies-strategies>

¹⁶ NABERS: <https://www.nabers.gov.au/about/what-nabers>

¹⁷ Green Star: <https://new.gbca.org.au/green-star/certification-process/>

¹⁸ LEED: <https://www.usgbc.org/leed>

¹⁹ Sustainalytics' opinion is limited to the certifications mentioned in the Framework.

- QTC has communicated to Sustainalytics that the expenditures related to this activity are limited to the retrofit expenditure and do not extend to the asset value of the building.
 - Sustainalytics considers the investments in this category to be aligned with market practice.
- Under Environmentally Sustainable Management of Living Natural Resources and Land Use, QTC may finance or refinance R&D, planning, development, and operations related to the following activities:
 - Sustainable Agriculture
 - Training and capacity building activities to help adapt to climate impacts such as droughts. While financing these activities do not directly mitigate climate change impacts, Sustainalytics recognizes that the financing supports efforts that can help participants better manage drought and climate risks.
 - Climate services and programmes aimed at improving resilience of farms and agricultural businesses against climate hazards such as droughts and to help mitigate their impact on business continuity. These may be in the form of grants or loans to businesses or individuals for financing their businesses for: i) purchase of new and permanent capital infrastructure and equipment such as water infrastructure including pipes, water tanks, water troughs, storage, mixing and feeding equipment, and grain storage; and ii) capacity building of farmers and graziers to prepare for and manage business and climate risks.
 - QTC has confirmed to Sustainalytics that: i) climate resilient projects would have vulnerability assessment and adaptation plans to identify and responsibly manage the identified risks; and ii) equipment or operations reliant on fossil fuel will be excluded from financing on a best effort basis. Sustainalytics acknowledges that the role of QTC is limited to the provision of financing and QTC does not have control on deciding the detailed criteria set by the programme or scheme. Nonetheless Sustainalytics encourages financed programmes to be supported by vulnerability assessment and adaptation plan and exclude equipment or operations reliant on fossil fuel.
 - Furthermore, for loans provided to businesses owned by individuals, QTC has confirmed to Sustainalytics that Government programmes and schemes financed, employs responsible lending through their application process which includes credit assessment as well as clear communication of the loan terms to the borrower.
 - Programmes aimed at reducing the negative environmental impact of fisheries and aquaculture associated with overfishing, habitat degradation, and unsustainable fishing practices. These could be in the form of phase out of Gillnet fishing, implementation of ecological risk assessments, promotion of low impact fishing technologies.
 - QTC has communicated to Sustainalytics that in the process of financing programmes that help enable participants to be better prepared for droughts, QTC will exclude financing of industrial livestock farming on a best endeavour basis. While Sustainalytics acknowledges the environmental benefit of investing in drought preparedness, Sustainalytics notes that large-scale industrial livestock production, especially ruminant farming, has a significant carbon footprint and limited decarbonization pathways. In the event that such activities may be financed, Sustainalytics does not recognize a clear environmental benefit from this activity. Further, Sustainalytics notes that it is market expectation to specify all eligible programs and encourages QTC to report on any specific schemes and programs it may finance.
 - Forestry and land conservation

- Under this activity, QTC may finance or refinance expenditures that support initiatives aimed at restoring ecosystems and enhancing biodiversity and promoting sustainable land use.
- For the management of Queensland's state forests, QTC confirms that the state of Queensland has a forest management system in place, certified to the Australian/New Zealand Standard™ for Sustainable Forest Management (AS/NZ 4708) under the Responsible Wood scheme.²⁰ QTC has confirmed that tree species that are well adapted to site conditions will be used for afforestation and reforestation projects.
 - Reforestation and afforestation projects include examples such as the Lakes²¹ and Daisy Hill projects,²² that are: i) undertaken by Queensland Parks and Wildlife Service (QPWS);²³ or ii) Government-supported conservation or restoration projects, including those under the Land Restoration fund²⁴ that comply with the Clean Energy Regulator Australian Carbon Credit Unit (ACCU) requirements.²⁵
 - Furthermore, QTC confirms that financing of conservation activities will not be undertaken on ecosystems affected by or related to negative externalities of the Queensland Government.
- QTC has communicated that the following activities will not be exclusively financed under the Framework: i) control, containment and eradication of invasive species and pests using biological, mechanical or physical methods; ii) agrochemicals (herbicides or insecticides) to control or eradicate invasive plants or insects; and iii) hunting, trapping or poisoning of vertebrate animals considered as pests. However, these activities may be undertaken during management of QPWS areas. As of the date of this opinion, QTC has confirmed that the QPWS will support or conduct research on impacts and ecology, and that the control of pests within its managed areas and pest management planning will be integrated into all relevant planning processes to address preservation of natural integrity and cultural resources. The QPWS system and Flame databases²⁶ are intended to be used for all aspects of pest management on QPWS land. QTC further confirms that the use of agrochemicals to control or eradicate invasive plants or insects are intended to be supplemented by a management plan that employs application only to targeted areas and will avoid spread to non-desired zones and other insects/species. Similarly, all QPWS managed areas are intended to be included in an approved pest strategy that outlines ground pest management priorities and actions to avoid or substantially minimize suffering to animals. Sustainalytics recognizes the benefits of intervention to protect biodiversity while also noting the importance of measures to mitigate potential risk associated with some aspects of the programmes to be financed.
- Sustainalytics notes that it is market expectation to specify all eligible programs and encourages QTC to report on any specific schemes and programmes it may finance.
 - Under Circular Economy and Pollution Prevention and Control, QTC may finance or refinance R&D, waste management projects including the refurbishment, reconditioning and repair of

²⁰ Queensland Government, "Forest certification", at: <https://www.dpi.qld.gov.au/business-priorities/forestry/state-native/certification>

²¹ Queensland Government, "Major property purchase to become Queensland's newest national park", at: <https://statements.qld.gov.au/statements/94393>.

²² Queensland Government, "Land purchase to extend Daisy Hill Conservation Park", at: <https://statements.qld.gov.au/statements/99661>.

²³ Queensland Government, "Parks and Forests", at: <https://parks.desi.qld.gov.au/management/plans-strategies/about-plans-and-strategies>

²⁴ Queensland Government, "Land Restoration Fund", at: <https://www.qld.gov.au/environment/climate/climate-change/land-restoration-fund/about/overview>

²⁵ Australian Government, "Clean energy Regulator", "Australian Carbon Credit Unit Scheme", at: <https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme>

facilities that promote waste collection and storage, sorting, separation and recovery. Sustainalytics notes that financing may include the following:

- For waste collection activities, QTC has confirmed to Sustainalytics that the intended projects include waste collection infrastructure with containers that will support segregation at source for recycling. Moreover, QTC has confirmed that waste collection vehicles intended to be financed would meet the following criteria: i) light commercial vehicles – either electric, or hybrid with direct emissions below 75 gCO₂e/km based on the World Harmonized Light-duty Vehicle Test Procedure (WLTP test procedure);²⁷ ii) commercial heavy trucks with zero direct emissions or direct emissions below 25 gCO₂/tkm.
- Projects that promote reuse, repair and recycling, including processing into secondary raw materials, and materials recycling facilities. QTC has confirmed that financing may be extended to the following:
 - Reuse and repair related activities that result in products converted to their original use with minimal or no further pre-processing required.
 - Projects that may include the physical or chemical recycling of plastic. Sustainalytics notes that chemical recycling would be financed only when: i) the life-cycle emissions of the recycled plastic are lower than virgin plastic production; ii) the process will be accompanied by robust waste management procedures to mitigate risks associated with the recycling of hazardous wastes; iii) projects are not intended for single-use consumer products; and iv) projects are not intended for plastic-to-fuel conversion.
 - As of the date of this opinion, QTC has confirmed that projects relating to the recycling of e-waste or waste from electrical and electronic equipment which adhere to Australian Standard (AS 5377:2022) or other equivalent acceptable standards, are eligible. This is intended to demonstrate robust waste management and mitigate potential associated risks.
 - An example of an eligible project would include the Sunshine Coast Council Materials Recycling Facility.²⁸
 - Projects related to composting and anaerobic digestion of green, garden, yard and food waste.
 - Financing of gas recovery systems from closed landfill sites compliant with the criteria for landfill gas as outlined for the bioenergy expenditure under the Renewable energy category of this Framework.
 - Energy from waste facilities using residual wastes²⁹ for energy recovery. Sustainalytics notes the financed facilities will operate in accordance with the Queensland Energy from Waste Policy, which stipulates that environmental impact management must conform to the Waste Incineration and Waste Treatment Best Available Techniques Reference Documents (BREF) standards.^{30,31} Sustainalytics recognizes that energy from waste could take out of circulation potentially recyclable materials and undermine two of the main objectives of a zero-waste circular economy, i.e. waste prevention and recycling. Additionally, for such projects to have low emissions intensities, the composition of residual waste, particularly fossil carbon content, is a crucial consideration. However, Sustainalytics also notes that due to constraints on recycling

²⁷ The World Harmonized Light-duty Vehicle Test Procedure test cycle uses real-driving data to replicate actual driving conditions, while the New European Driving Cycle test determines values based on a theoretical driving profile, which can lead to material differences in terms of CO₂ emissions. <https://publications.jrc.ec.europa.eu/repository/bitstream/JRC107662/kjna28724enn.pdf>

²⁸ Queensland Treasury Corporation, "Green Bond Annual Report 2025", at: <https://www.qtc.com.au/wp-content/uploads/2025/05/2025-QTC-Green-Bond-Annual-Report.pdf>

²⁹ Residual waste refers to waste that is not technically, environmentally, and economically practicable to reuse or recycle. Sustainalytics notes that any recyclables that could be segregated has been separated from the residual waste.

³⁰ Queensland Government, "Energy from Waste Policy", (2021), at: https://www.qld.gov.au/_data/assets/pdf_file/0020/118433/energy-from-waste-policy.pdf

³¹ European Commission, "BAT reference documents", at: <https://eippcb.jrc.ec.europa.eu/reference/>

- in many parts of the world, energy from waste can offer a better residual waste management option than landfills in many cases. Sustainalytics recommends QTC to finance projects that promote the removal of increasing amounts of recyclables, especially plastics and metals, and the monitoring of thermal efficiency of the financed facilities.
- QTC has confirmed to excluding financing of the following activities: i) treatment of hazardous waste; ii) refurbishment, reconditioning and repair of products specifically for use in the extraction of fossil fuels or that inherently rely on fossil fuels; iii) commercial-scale manufacturing or production of resource-efficient, low-carbon products without details on manufacturing process, assurance of sustainable sourcing, or a reasonable basis for substantial reduction of life-cycle emissions; iv) procurement of recycled/waste inputs intended for (non-medical) plastic packaging for single-use consumer products.
 - Sustainalytics considers investments in this category to be aligned with market practice.
- Under Climate Adaptation and Resilience, QTC may finance or refinance R&D and projects that increase the resilience of infrastructure and communities to prepare for and respond to climate change-related risks and disasters. QTC may invest in:
- Flood defences or drought mitigation and contingency measures including: i) fortifying flood resilience of water infrastructure and drought contingency assets; ii) related initiatives highlighted in sectoral adaptation plans;³² and iii) flood risk management programmes financing activities to support evidence-based response, mitigation and resilience strategies to manage river, creek and overland flood risk.³³ QTC excludes financing of business-as-usual renovations and retrofits. Furthermore, QTC has confirmed excluding financing of projects related to human health and well-being and small and medium enterprise adaptation under the sectoral adaptation plans
 - Nature-based solutions that promote adaptive floodplain management in river catchment areas.
 - Bushfire mitigation including upgrades and the procurement of new bushfire management and safety infrastructure, machinery and equipment such as high-resolution cameras or weather stations, including planned burn and bushfire response operations. QTC has confirmed to Sustainalytics that planned burns are accompanied by fire management practices.³⁴ These include conducting planned bushfires in cooler months which are controlled to remove accumulated vegetation, such as dry grass and leaf litter to reduce the fuel load that could otherwise feed catastrophic wildfires, particularly in warmer months. While Sustainalytics notes that the practice of prescribed burning is considered to have possible benefits on reducing the fuel load and reducing the risk of wildfires, these practices may become less effective over time owing to climate change.
 - Preparedness of emergency services, post-disaster response and assistance, including the training of staff, experts or volunteers and the development of or updates to an emergency response plan. QTC has confirmed to Sustainalytics that the Framework will only finance initiatives that address disasters or the impact of a climate-related hazard.
 - Disaster risk mitigation, reduction and management including initiatives covered by the Queensland Government's disaster funding programmes.
 - QTC has confirmed to Sustainalytics that financed projects would have a climate change vulnerability assessment and adaptation plans to identify and responsibly manage the identified risks.

³² Queensland Government, "Queensland's climate adaptation strategy", "Sector adaptation plans", at: <https://www.energyandclimate.qld.gov.au/climate/climate-adaptation-strategy#:~:text=Queensland%20Climate%20Resilient%20Councils%2C%20a,to%20support%20regional%20climate%20adaptation>

³³ Queensland Government, "Flood Risk Management Program", at: <https://www.qra.qld.gov.au/FRMP>.

³⁴ QTC has communicated to Sustainalytics that mitigation measures, including prescribed burns, will be undertaken in accordance with the Queensland Bushfire Plan, at: https://www.disaster.qld.gov.au/_data/assets/pdf_file/0021/340086/QLD-Bushfire-Plan.pdf

- Sustainalytics considers the investments in this category to be aligned with market practice.
- Under Terrestrial and Aquatic Biodiversity, QTC may finance or refinance R&D, infrastructure works, and educational initiatives focused on managing state and national parks, and marine reserves. This includes projects related to the conservation of land, waterways and biodiversity. Sustainalytics considers the following investments in this category to be aligned with market practice while noting that the eligible expenditures may include:
 - Financing of habitat protections, continuing investment in restoration, koala hospitals and research, as well as community education programs under the South East Queensland Koala Conservation Strategy.³⁵
 - Projects that contribute towards the recovery of Queensland's threatened flora and fauna species under the Threatened species grants.³⁶
 - Projects to protect and manage the Great Barrier Reef under the Reef 2050 Long-Term Sustainability Plan³⁷ and Reef 2050 Water Quality Improvement Plan.³⁸
- Sustainalytics notes that for its social use of proceeds, QTC has defined a target population to include the general public as well as people experiencing socioeconomic disadvantage; Aboriginal and Torres Strait Islander people; people with a disability; rural or remote communities; aging populations; people experiencing or at risk of homelessness; other vulnerable groups, including people affected by natural disasters.
- Under Access to Essential Services - Education, QTC may finance or refinance the construction, operation and maintenance of infrastructure and services that support the delivery of public education or vocational training at all levels in Queensland. QTC has confirmed that as part of the budget and policy initiatives, eligible projects may include the construction and refurbishment of public-school facilities and early childhood education and care services, with capital expenditure aimed at supporting social improvements. These improvements include those related to evolving educational needs and addressing high-priority health and safety requirements for students and staff. In addition, QTC confirms that financing will exclude funding private education, vocational training and related projects or grants in the sector. Sustainalytics notes that public schools in Queensland are free to all students and considers investments in this category socially impactful as they are expected to enhance access to affordable education in Queensland.
- Under Access to Essential Services - Healthcare, QTC may finance or refinance the acquisition, construction and operation of public hospitals and healthcare services. Sustainalytics notes that public healthcare in Queensland is accessible to all, regardless of a person's ability to pay. Sustainalytics considers investments under this category socially impactful as they are expected to enhance access to affordable healthcare in Queensland.
- Under Social and Affordable Housing, QTC may finance or refinance social or affordable housing programmes or schemes, delivered by government agencies and registered community housing providers³⁹. These programmes or schemes channel financing to: i) community housing providers; or ii) stamp duty concessions or exemptions, grant payments or low-deposit home loans to eligible recipients of the programs or schemes. Furthermore, QTC has confirmed to Sustainalytics that Government programmes and schemes financed, which cater to individuals, employ responsible lending through their application process which requires credit assessment as well as communicating the loan terms to borrowers. QTC has communicated to Sustainalytics that the financing may be extended for rental housing and homeownership.
 - Under social housing programmes or schemes, which is governed by Queensland's Community Housing Rent Policy,⁴⁰ an eligible applicant's total gross weekly assessable household income must be less than the income limits, as

³⁵ Queensland Government, "South East Queensland Koala Conservation Strategy 2020–2025", at:

https://environment.desi.qld.gov.au/_data/assets/pdf_file/0016/211732/seq-koala-conservation-strategy-2020-2025.pdf.

³⁶ Queensland Government, "Threatened species grants", at: <https://www.qld.gov.au/environment/plants-animals/conservation/threatened-species/our-work-and-partners/grants-and-funding/grants>

³⁷ Australian Government, "Reef 2050 Long-Term Sustainability", at: <https://www.dceew.gov.au/parks-heritage/great-barrier-reef/publications/reef-2050-long-term-sustainability-plan-2021-25>.

³⁸ Queensland Government, "Reef 2050 Water Quality Improvement Plan", at: https://www.reefplan.qld.gov.au/_data/assets/pdf_file/0017/46115/reef-2050-water-quality-improvement-plan-2017-22.pdf.

³⁹ Funded under the Housing Act 2003 (Qld) and required to implement the Social Housing Eligibility Criteria as required under section 14(2)(a) of the Housing Regulation 2015 (Qld), at: <https://www.legislation.qld.gov.au/view/pdf/asmade/sl-2015-0101>.

⁴⁰ Community Housing Rent Policy at: https://www.housing.qld.gov.au/_data/assets/pdf_file/0029/64568/community_housing_rent_policy.pdf

defined by the Queensland Government based on the number of people in the household.⁴¹ Sustainalytics notes that: the prescribed income thresholds are lower than 80% of median income in Queensland and rents are capped at 30% of household income.⁴² Based on the targeting, rent caps and the responsible lending practices, Sustainalytics views these investments as socially impactful.

- Under affordable housing programmes or schemes, the target population includes: i) very low and low to moderate income households; and ii) iii) first home buyer households.
 - The thresholds for 'very low' and 'low to moderate income' households, are defined in Queensland's Economic Development (Affordable Housing) Amendment Regulation 2024.⁴³ Sustainalytics notes that: i) very low-income households refer to households having a gross household income of 50% or less than the median household income for the local government area in which the household is situated, while low to moderate income households have incomes between 50% and 120% of the median household income; and ii) the rents and mortgages for these household income categories are capped at 30% of the gross household income. Although social finance related to affordable housing typically focuses on income earners at 80% of the median income or lower, Sustainalytics recognizes the potential positive impacts of expanding housing options for middle-income households in high-cost markets. For affordable housing projects, Sustainalytics considers it good practice to target low-income households that typically face significant socioeconomic barriers in accessing affordable housing. Sustainalytics acknowledges that the role of QTC is limited to the provision of financing and QTC does not have control on deciding the detailed criteria on the income groups and affordability mechanisms of Government programmes. However, Sustainalytics encourages the prioritizing of financing to affordable housing programmes that cater to households with income less than 80% of the median income.
 - In the case of first home buyer households, QTC may finance housing under government schemes that may not necessarily have income threshold criteria. Sustainalytics considers it good practice to finance affordable and social housing projects that i) have clearly defined low-income beneficiaries; and ii) where the minimum required payments are reasonably capped, preferably at less than 30% of the monthly household income. While Sustainalytics acknowledges the expected benefits of such programmes for first-time home buyers, Sustainalytics encourages, where feasible, to provide further disclosures on the affordable housing programmes financed, including relevant beneficiaries as defined by regional authorities, and to report on the social impacts achieved.
- Under Socioeconomic Advancement and Empowerment, QTC may finance or refinance projects services and programmes in the form of grants of subsidies provided by the Government and aimed at reducing inequalities and address social issues to ensure the wellbeing of a specific target population. QTC has communicated to Sustainalytics that the intended or realised social impact for the target population will be articulated in each program or financing initiative proposed for inclusion in the pool. Eligible expenditures may include programmes announced as part of the budget and policy measures⁴⁴ targeted towards the following:

⁴¹ Queensland Government, "Guide to applying for housing assistance", "Household income", At: <https://www.qld.gov.au/housing/public-community-housing/eligibility-applying-for-housing/guide-to-applying-for-housing-assistance/check-your-eligibility#Financial>
Queensland Government, Economic Development (Affordable Housing) Amendment Regulation", (2024), at:

<https://www.legislation.qld.gov.au/view/whole/html/asmade/sl-2024-0208>

⁴³ Queensland Government, Economic Development (Affordable Housing) Amendment Regulation", (2024), at:

<https://www.legislation.qld.gov.au/view/whole/html/asmade/sl-2024-0208>

⁴⁴ Queensland Government, "Budget Measures", "Budget Paper No. 4", at: <https://budget.qld.gov.au/files/Budget-2025-26-BP4-Budget-Measures.pdf>

- Women and women's economic security initiatives outlined in the Women's Budget Statement⁴⁵ including: i) women led small businesses^{46,47} financed through grant funding programs and mentoring programmes; ii) back to work program for businesses to provide employment opportunities for women experiencing long-term unemployment; iii) skill development for socioeconomically disadvantaged women; iv) support to increase access and participation in the Quantum and Advanced Technologies sectors, Women in Engineering and STEM⁴⁸ sectors; v) supporting older women, geographically disadvantaged First Nations high school girls, women released from custody at a risk of homelessness, and women in domestic and family violence shelters seeking to secure affordable and appropriate housing options.
- Aboriginal and Torres Strait Islander Partnerships financing activities including: i) business and economic development initiatives such as skills development, employment and business opportunities under the building and construction training policy,⁴⁹ enterprise development,⁵⁰ and youth employment programmes; ii) cultural heritage protection programmes; iii) programmes for discrete and remote communities such as alcohol management and support for addressing land administration issues; iv) family and social programs to help access family and personal historical records, and addressing domestic and family violence; v) grants to promote reconciliation, connect people to culture, and support communities through promoting indigenous languages; and vi) programmes to improve mental health and social emotional wellbeing outcomes, reduce harm and increase safety associated with alcohol and other drug use.⁵¹
- Providing financial assistance to victims of crime which covers expenses such as medical expenses, counselling, travel claims for medical and counselling appointments, clothing, loss of earnings, legal expense claims for making an application and recovery expenses.⁵²
- Child safety and the prevention of domestic and family violence through financing initiatives such as: i) working with parents, families, carers, and communities to promote health and wellbeing outcomes; ii) support kin to care for children to ensure child safety; iii) initiatives to significantly reduce the use of residential care⁵³ and ensure the safety and wellbeing of children and young people; and iv) family support and statutory child protection services, to ensure Aboriginal and Torres Strait Islander people and organisations have choice and control over decisions affecting their children.⁵⁴
- Employment and training initiatives such as support for job seekers groups that have faced historical marginalization such as First Nations peoples, people with a

⁴⁵ Queensland Government, "Women's Budget Statement", at: <https://budget.qld.gov.au/files/Budget-2025-26-Womens-Economic-Security-Statement.pdf>

⁴⁶ To be eligible for financing women led small businesses must fulfill the following criteria: i) majority female owned: have at least 51% of shares held by a woman or by women (at least six months before application); and ii) female led: have at least one primary executive decision-making position such as Chief Executive Officer, Chief Operating Officer, Chief Technology Officer, held by a woman (at least six months before application).

⁴⁷ Small businesses are defined as per OECD definition, at: <https://www.oecd.org/en/data/indicators/enterprises-by-business-size.html#:~:text=In%20small%20and%20medium%20sized,employ%2025%20or%20more%20people.>

⁴⁸ Science, Technology, Engineering and Mathematics.

⁴⁹ Queensland Government, "Department of Women, Aboriginal and Torres Strait Islander Partnerships and Multiculturalism", "Indigenous projects under the Building and Construction Training Policy", at: <https://www.tatsipca.qld.gov.au/our-work/aboriginal-torres-strait-islander-partnerships/business-economic-development/indigenous-projects-under-building-construction-training-policy>.

⁵⁰ Queensland Government, "Department of Women, Aboriginal and Torres Strait Islander Partnerships and Multiculturalism", "Enterprise development", at: <https://www.tatsipca.qld.gov.au/our-work/aboriginal-torres-strait-islander-partnerships/business-economic-development/enterprise-development>.

⁵¹ Queensland Government, "Aboriginal and Torres Strait Islander Partnerships", at: <https://www.tatsipca.qld.gov.au/our-work/aboriginal-torres-strait-islander-partnerships>

⁵² Queensland Government, "Victim Assist Queensland", at: <https://www.qld.gov.au/law/crime-and-police/victim-assist-queensland>

⁵³ Residential care refers to non-family-based accommodation and support services for children who are the subject of ongoing departmental intervention from a house parent or rostered residential care worker.

⁵⁴ Queensland Government, "Department of Child Safety, Seniors and Disability Services", "Annual Report 2023-2024", "Service Areas and Service Standards", "Child and Family Services" at: <https://www.publications.qld.gov.au/ckan-publications-attachments-prod/resources/b6a08cee-9506-42d0-9551-4718372d1313/2023-24-annual-report-for-department-of-child-safety-seniors-and-disability-services.pdf?ETag=1cf1268616ab986e1698d05b18f2679a>.

- disability, those impacted by temporary or long-term unemployment and workers who have lost their job due to climate change or climate transition projects.
- Programs, services and infrastructure that promote the inclusion, rights and social and economic participation of seniors and people with disability through investment in, accommodation support and respite services for individuals in need of full-time support, enabling community participation, delivering specialist disability accommodation, supported independent living and behaviour support services.⁵⁵
 - Recovery and emergency relief packages to support vulnerable communities that have been impacted by natural disasters.⁵⁶
 - Sustainalytics views these investments as socially impactful.
- QTC has confirmed to Sustainalytics that all social expenditures will exclude financing to law enforcement activities.
 - The Framework excludes financing involving the following: i) coal exploration, mining, extraction, refining or coal-based energy generation; ii) tobacco; iii) alcohol; iv) gambling; v) weapons; and vi) nuclear energy.
- Project Evaluation and Selection:
 - QTC’s Sustainable Bond Committee (“Committee”) will be responsible for the evaluation and selection of eligible expenditures in compliance with the Framework. The Committee comprises of representatives from QTC and Queensland Treasury.
 - Sustainalytics notes that the Queensland Government has a project approval process in place to assess and manage the environmental and social risk of the eligible projects being considered by QTC. Sustainalytics considers QTC’s screening for environmental and social risk management to be adequate. For additional details, please see Section 2.
 - Based on the establishment of the Sustainable Bond Committee and the presence of risk management systems, Sustainalytics considers this process to be in line with market practice.
 - Management of Proceeds:
 - Proceeds will be deposited into QTC’s main bank account and tracked through its internal information management and reporting systems. QTC will manage proceeds on a notional allocation basis. The Committee will be responsible for maintaining a register of eligible expenditures and approving the notional allocation of bond proceeds.
 - QTC intends to allocate proceeds immediately after settlement or issuance. In the event this does not occur, QTC commits to allocating proceeds within 24 months from the date of issuance. Pending full allocation, proceeds will be invested temporarily in cash and cash equivalents.
 - Based on the management of proceeds and disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
 - Reporting:
 - QTC commits to report the allocation and impact of proceeds on its website on an annual basis until maturity.
 - Allocation reporting will include: i) net proceeds of the Sustainable Finance Instruments outstanding; ii) a register of eligible expenditures including a brief description, amounts notionally allocated to the eligible expenditures, alignment of each eligible expenditure to the relevant ICMA category, UN SDG, and Climate Bonds Standard, where applicable; iii) overall net proceeds allocated, and any unallocated proceeds at the reporting period end; iv) extent of any co-financing for each eligible expenditure; v) disclosure of any eligible expenditures removed from the register and vi) disclosure of the underlying project status (i.e. under development, operational).
 - In addition, QTC is committed to reporting on environmental and social impact metrics on a best-efforts basis. Impact metrics may include, among others: i) greenhouse gas (GHG) emissions avoided (kt/a); ii) GHG emissions (tCO₂e or kgCO₂e per passenger/seat/capacity kms); iii) number of water treatment plants or facilities; iv) embodied emissions avoided (tCO₂e);

⁵⁵ Queensland Government, “Department of Child Safety, Seniors and Disability Services”, “Annual Report 2023-2024”, “Seniors and Disability Services” at: <https://www.publications.qld.gov.au/ckan-publications-attachments-prod/resources/b6a08cee-9506-42d0-9551-4718372d1313/2023-24-annual-report-for-department-of-child-safety-seniors-and-disability-services.pdf?ETag=1cf1268616ab986e1698d05b18f2679a>.

⁵⁶ Queensland Government, “Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts”, “Annual Report 2023-2024”, at: https://www.tatsipca.qld.gov.au/_media/documents/about/corporate-publications/annual-report/dtatsipca-annual-report-2023-24.pdf.

- v) area of land protected or under regenerative land processes (km or Ha); vi) waste diverted from landfill (tonnes); vii) number of native plants or trees planted; viii) number of students reached; ix) number of education facilities and/or initiatives x) number of individuals/families benefitting from subsidized housing; and xi) number of hospital beds.
- QTC may report on the associated impact of co-financing eligible expenditures, on a whole of project, asset or initiative basis. Sustainalytics further encourages QTC to report on the on the pro-rated impact of the co-financed projects in line with the recommendations of the Harmonised Framework for Impact Reporting. Moreover, QTC commits to obtain an external verification of their allocation and impact report annually.
- Based on QTC's commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Sustainable Bond Framework aligns with the SBG and the four core components of the GBP and SBP.

Section 2: Sustainability Strategy of Queensland Government

Contribution of QTC's Framework to Queensland Government's sustainability mandate

As the central financing authority for the Queensland Government, QTC aligns with the Queensland Government's legislated targets, commitments and policies.⁵⁷

The Government commits to achieving net zero emissions by 2050 and is in the process of developing an emissions reduction plan to meet this target.⁵⁸ QTC has communicated to Sustainalytics that the Queensland Government will develop an overarching net zero roadmap to be released by the end of 2025 outlining its vision and priorities to achieve net zero by 2050. The plan intends to provide a coordinated framework for six sectors : i) energy; ii) resources; iii) transport; iv) agriculture and land; v) industry; and vi) built environment.⁵⁹ QTC has communicated to Sustainalytics that the Queensland Government will update the renewable energy targets as part of delivering the energy sector emissions reduction plan. The Government's commitment to net zero by 2050 will be supported by energy policies aimed at providing a direction for Queensland's energy system, with timelines for delivering critical new energy infrastructure.⁶⁰

To enable and promote clean transportation, the Government has rolled out the Zero Emission Vehicle Strategy 2022–2032 (ZEV Strategy). Some key initiatives and actions are aimed at achieving cleaner, greener transport and energy networks that support the transition to zero emission vehicles.⁶¹ The Government in 2025-2026, has committed to increasing the agriculture sector to a AUD 30 billion (USD 18.51 billion) industry with initiatives such as investing AUD 37.7 million (USD 23.27 million) towards increasing water storage and capacity for agriculture, AUD 51.9 million (USD 32.04 million) for key drought resilience initiatives, AUD 450 million (USD 277.78 million) over five years as part of the Queensland Resilience and Risk Reduction Program.⁶² Additionally, the Government aims to allocate AUD 117.8 million (USD 72.72 million) to support natural resource management groups for habitat restoration and conservation projects.^{63,64}

In terms of social programmes, during 2025-2026 the Queensland Government will be investing AUD 814.8 million over 4 years (USD 502.96 million)⁶⁵ in Queensland's public schools including new primary and special schools. Furthermore, the Department of Health intends to build new hospitals and expand current healthcare capacity by providing 2,600 additional new beds.⁶⁶

As of May 2025, QTC has approximately AUD 13.1 billion (USD 8.1 billion)⁶⁷ in total outstandings over five green bond lines building upon its initial issuance in 2017.⁶⁸

⁵⁷ Queensland Government, "Queensland Sustainability Report", (2024), at: <https://s3.treasury.qld.gov.au/files/2024-queensland-sustainability-report.pdf>

⁵⁸ Queensland Government, "Queensland Treasury", "Climate", at: <https://www.energyandclimate.qld.gov.au/climate>

⁵⁹ Ibid.

⁶⁰ Queensland Government, "Clean economy pathway", at: <https://www.energyandclimate.qld.gov.au/climate/clean-economy-pathway>

⁶¹ Queensland Government, "Queensland's Zero Emission Vehicle Strategy", at: <https://www.qld.gov.au/transport/projects/electricvehicles/zero-emission-strategy>

⁶² Queensland Government, "Appropriation Bill 2025-26", at: <https://budget.qld.gov.au/files/Budget-2025-26-BP1-Speech.pdf>

⁶³ As of December 2024, the conversion rate is USD 1 = AUD 1.62

⁶⁴ Ibid.

⁶⁵ As of December 2024, the conversion rate is USD 1 = AUD 1.62

⁶⁶ Queensland Government, "Appropriation Bill 2025-26", at: <https://budget.qld.gov.au/files/Budget-2025-26-BP1-Speech.pdf>

⁶⁷ As of December 2024, the conversion rate is USD 1 = AUD 1.62

⁶⁸ QTC, "Non-benchmark bonds", "Outstandings by maturity", at: <https://www.qtc.com.au/institutional-investors/aud-non-benchmark-bonds/>

Sustainalytics is of the opinion that the QTC Sustainable Bond Framework is aligned with the Queensland Government's overall sustainability strategy and initiatives and will help it progress towards the Queensland Government's key environmental and social priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have a positive environmental and social impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) land use and biodiversity loss associated with large-scale infrastructure projects; ii) emissions, effluents and waste generated during construction; iii) occupational health and safety; iv) community relations; and v) risks related to corruption and bribery.

Sustainalytics is of the opinion that the Queensland Government is able to manage and/or mitigate potential risks through implementation of the following:

- To address land use and biodiversity loss associated with large-scale infrastructure projects, the Government's Coordinator-General (CG) is responsible for planning, delivering and coordinating such projects to ensure that the negative environmental impacts are adequately managed.⁶⁹ The CG and the responsible Minister administer Queensland's State Development and Public Works Organisation Act 1971,⁷⁰ which outlines several mitigation and prevention measures such as coordinating a project declaration and environmental assessment; facilitating land acquisitions for large-scale infrastructure projects; Conducting Environmental Impact Statements (EIS) or targeted Impact Assessment Reports for CG assessment.⁷¹ The Act mandates major projects to conduct thorough greenhouse gas assessments as part of their EIS. In terms of the risks associated with land use change and biodiversity loss, the Government signed a bilateral agreement with the Australian Government under Section 45 of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)⁷² which outlines a legal framework to protect and manage heritage sites, marine areas, wetlands, wildlife trade and threatened and migratory species.
- Regarding issues related to waste management, the Government has a Waste Management and Resource Recovery Strategy to advance increased sustainable waste management practices and reduce waste generated by businesses, industries and households.⁷³ The Waste Reduction and Recycling and Other Legislation Amendment Act 2023 (WRROLA Act) outlines measures to promote the circular economy principle to promote waste avoidance and minimise the impact of waste on the environment and human health.⁷⁴
- To address occupational health and safety, the state's Work Health and Safety Act 2011 (WHS Act) sets out the requirements for healthy and safe workplaces. All workers are protected by the WHS Act, including employees, contractors, subcontractors, outworkers, apprentices, trainees, work experience students, volunteers and employers. In addition to covering health and safety definitions and duties, the WHS Act lays out requirements for incident notifications, compliance and enforcement and dispute resolution, among other requirements.⁷⁵
- In terms of managing community relations, social impact assessments that are administered for large-scale projects in Queensland must incorporate a social baseline for communities that are influenced by such projects, and gauge and expand management plans for potential positive and negative impacts.⁷⁶ Furthermore, Australia is classified as a Designated Country under the Equator Principles, highlighting

⁶⁹ Queensland Government, "Coordinator-General", at: <https://www.statedevelopment.qld.gov.au/coordinator-general#:~:text=The%20role%20of%20the%20Coordinator,jobs%20in%20post%2DDepression%20times.>

⁷⁰ Queensland Government, "State Development and Public Works Organisation Act 1971", (2023), at: <https://www.legislation.qld.gov.au/view/pdf/inforce/current/act-1971-055>

⁷¹ Queensland Sustainability Report 2024, at: <https://s3.treasury.qld.gov.au/files/2024-queensland-sustainability-report.pdf>

⁷² Queensland Government, "EPBC Act Bilateral Agreement", at: <https://www.qld.gov.au/environment/management/environmental/eis-process/bilateral-agreement>

⁷³ Queensland Government, "Waste Management and Resource Recovery Strategy", (2019), at: https://www.qld.gov.au/_data/assets/pdf_file/0028/103798/qld-waste-management-resource-recovery-strategy.pdf

⁷⁴ Queensland Government, "Waste policy and legislation changes", (2023), at: <https://www.qld.gov.au/environment/circular-economy/waste-reduction/policy-legislation/changes>

⁷⁵ Queensland Government, "Work Health and Safety Act 2011", at: <https://www.business.qld.gov.au/running-business/whs/whs-laws/whs-act>

⁷⁶ Queensland Sustainability Report 2024, at: <https://s3.treasury.qld.gov.au/files/2024-queensland-sustainability-report.pdf>

the presence of strong environmental and social governance systems, legislation, and institutional capacity to mitigate local environmental and social risks.⁷⁷

- Regarding risks related to corruption and bribery, Queensland's Crime and Corruption Commission⁷⁸ has been mandated to combat and reduce corruption in the public sector under the Crime and Corruption Act 2001⁷⁹ and Police Powers and Responsibilities Act 2000⁸⁰. This includes investigating systemic corruption, promoting transparency,⁸¹ while also taking measures to prevent corruption by providing guidance on corruption risks and offering training to public servants.⁸²

Based on these policies, standards and assessments, Sustainalytics is of the opinion that QTC under the legislation of Queensland Government, has adequate measures in place and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All 10 use of proceeds categories are aligned with those recognized by GBP or SBP. Sustainalytics has focused on where the impact is specifically relevant in the local context.

Importance of financing low carbon transport in Queensland

Australia's transport sector was the third-biggest contributor to the country's GHG emissions, accounting for 21% of national emissions in 2023. Since 2005, emissions from the transport sector have risen by 19% and are expected to become the largest source of emissions in Australia by 2030.⁸³ In Queensland, the transport sector was responsible for 17.3% of the total GHG emissions in 2022.⁸⁴

To meet its 2050 net zero target and decarbonize the transport sector, the Queensland Government has taken up several initiatives such as the Queensland Transport Strategy⁸⁵ ("QTS") and introducing the QFleet Vehicle Emissions Reduction Strategy 2025-2030.⁸⁶ The Emissions Reduction Strategy allows QFleet to broaden its vehicle offerings, and include low-emission options such as EVs, hybrids and plug-in hybrids, thereby catering to the varied operational needs of agencies across Queensland.⁸⁷ In this regard, the Emissions Reduction Strategy outlines the target of achieving an overall reduction of 10% in tailpipe emission by FY30 compared to an FY24 baseline.⁸⁸ To address emissions reduction in new passenger vehicles, QFleet seeks to update its procurement criteria to ensure that only vehicles considered to be fuel efficient are procured and made available to lease. Furthermore, QFleet has set emissions limits based on each vehicle category made available for lease to customer agencies.⁸⁹

As part of the QTS, Queensland also aims to invest in zero-emissions rail transport and associated infrastructure for both freight and passenger rail to increase mobility and accessibility throughout Queensland.

⁷⁷ Equator Principles, "About the Equator Principles", at: <https://equator-principles.com/about-the-equator-principles/>

⁷⁸ Crime and Corruption Commission Queensland, at:

<https://www.ccc.qld.gov.au/about/corruption#:~:text=The%20CCC%20is%20Queensland's%20anti,Powers%20and%20Responsibilities%20Act%202000.>

⁷⁹ Crime and Corruption Act 2001, at: <https://www.legislation.qld.gov.au/view/pdf/inforce/current/act-2001-069>

⁸⁰ Police Powers and Responsibilities Act 2000, at: <https://www.legislation.qld.gov.au/view/pdf/inforce/current/act-2000-005>

⁸¹ Legal Aid Queensland, at: https://www.legalaid.qld.gov.au/Find-legal-information/Criminal-justice/Crime-and-Corruption-Commission-and-Australian-Criminal-Intelligence-Commission?utm_source=chatgpt.com

⁸² Crime and Corruption Commission Queensland, at: <https://www.ccc.qld.gov.au/public-sector/corruption-prevention>

⁸³ Australian Government, Department of Infrastructure, Transport, Regional Development, Communication and the Arts, "Towards net zero for transport and infrastructure", at: <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/towards-net-zero-transport-and-infrastructure>

⁸⁴ Government of Australia, Department of Climate Change, Energy, the Environment and Water "Australia's National Greenhouse Accounts" at: <https://greenhouseaccounts.climatechange.gov.au/>

⁸⁵ Queensland Government, "Queensland Transport Strategy", at: <https://www.tmr.qld.gov.au/queenslandtransportstrategy>

⁸⁶ Queensland Government, "QFleet Vehicle Emissions Reduction Strategy 2025-2030", at:

https://www.forgov.qld.gov.au/_data/assets/pdf_file/0033/594339/qfleet-vehicle-emissions-reduction-strategy-2025-230-web-version.pdf#:~:text=To%20support%20this%20approach%2C%20the%20Crisafulli%20Government%20is,fleet%20by%2010%25%20over%20the%20next%20five%20years.

⁸⁷ Ibid.

⁸⁸ Ibid.

⁸⁹ Queensland Government, "QFleet Vehicle Emissions Reduction Strategy 2025-2030", at:

https://www.forgov.qld.gov.au/_data/assets/pdf_file/0033/594339/qfleet-vehicle-emissions-reduction-strategy-2025-230-web-version.pdf#:~:text=To%20support%20this%20approach%2C%20the%20Crisafulli%20Government%20is,fleet%20by%2010%25%20over%20the%20next%20five%20years.

Based on the above context, Sustainalytics is of the opinion that QTC's financing in low carbon transport is expected to contribute to Queensland's transition to a low-carbon economy and the achievement of the local and national climate targets.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Sustainable Bond Framework are expected to help advance the following SDG(s) and target(s):

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Green Buildings	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Environmentally sustainable management of living natural resources and land use	2. Zero Hunger	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality
	14. Life Below Water	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from

		land-based activities, including marine debris and nutrient pollution
	15. Life on Land	<p>15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally</p> <p>15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world</p> <p>15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species</p>
Circular economy and Pollution prevention and control	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Climate adaptation and resilience	13. Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
Terrestrial & Aquatic Biodiversity	14. Life Below Water	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution
	15. Life on Land	<p>15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements</p> <p>15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally</p>
Access to Essential Services - Education	4. Quality Education	<p>4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes</p> <p>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations</p>
	8. Decent Work and Economic Growth	8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training
Access to Essential Services - Healthcare	3. Good Health and Well-Being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

	5. Gender Equality	5.6 Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences
Social and Affordable Housing	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
Socio-Economic Advancement	1. No Poverty	1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
	5. Gender equality	5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation
	8. Decent work and economic growth	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
	10. Reduce inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
	16. Peace, justice and strong institutions	16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children

Conclusion

Queensland Treasury Corporation has developed the Queensland Treasury Corporation Sustainable Bond Framework under which it may issue green, social and sustainability bonds, and use the proceeds to finance or refinance in whole or in part new and existing projects in the eligible categories. Sustainalytics considers that the eligible projects and programmes are expected to have a positive environmental and social impact in Queensland.

The Queensland Treasury Corporation Sustainable Bond Framework outlines a process for tracking, allocating and managing proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics believes that the Queensland Treasury Corporation Sustainable Bond Framework is aligned with the overall sustainability strategy of the Queensland Treasury Corporation and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16. Additionally, Sustainalytics is of the opinion that the Queensland Government has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that the Queensland Treasury Corporation is well positioned to issue green, social and sustainability bonds and that the Queensland Treasury Corporation Sustainable Bond Framework is robust, transparent and in alignment with the four core components of the Sustainability Bond Guidelines 2021, Green Bond Principles 2021 and Social Bond Principles 2023.

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