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Market Release

SAFA Inaugural \$2 Billion Sustainability Bond Issued *Five-Year May 2029 Fixed Rate Sustainability Bond*

On 14 March 2024, the South Australian Government Financing Authority (SAFA) issued its inaugural \$2 billion fixed rate Sustainability Bond under its Sustainability Bond Framework.

The \$2 billion, 4% 24 May 2029 bond was issued via syndicated placement with Citi and Westpac and is expected to be increased in size over next year.

SAFA's Sustainability Bond Framework ("Framework") was launched on 30 November 2023 and identifies how SAFA's borrowings will be used by the Government of South Australia to fund critical programs and services. It outlines the types of investments and expenditures that the state makes to deliver on its environmental, social and governance ("ESG") priorities.

"The Framework is consistent with South Australia's ESG Commitments and provides transparency to investors on the use of issuance proceeds, highlighting South Australia's strong ESG credentials supported by its financing activities. SAFA is committed to contributing to the advancement of best practice in Sustainability Bond issuance and we look forward to our continued engagement with investors on our sustainable financing activities," said Anthony Coates, Chief Executive Officer at SAFA.

SAFA plays an integral role in the issuance of bonds and notes into the debt capital markets as part of the government's financing activities, with circa \$33 billion outstanding of which circa \$25 billion has a sustainability label aligned to the Framework.

The launch of the bond marks a significant milestone in SAFA's issuance program, and aligns with the Government of South Australia's Economic Statement released in 2023 which outlines a vision for an economy that is smart, sustainable and inclusive.

"South Australia's vision for an economy that is smart, sustainable and inclusive is a step closer with the issuance of the state's Sustainability Bond under the new Framework. This Framework is laying the groundwork to support investment in the state that will achieve positive social and environmental outcomes for South Australians. It builds on South Australia's focus on sustainability and decarbonisation, reaching the UN Sustainability Development Goals and this was reflected in the investors' response.

Westpac is proud to have assisted the South Australian Government Financing Authority through the process," said Charlotte Plaisant Millecamps, Director, Sustainable Markets at Westpac Institutional Bank.

"Citi is delighted to have worked with the South Australian Government Financing Authority to launch its inaugural sustainability bond issuance. This transaction leverages the Sustainability Bond Framework which Citi helped structure, harnessing the expertise of our Global Sustainable Debt Capital Markets team to ensure the framework reflects international best practice. The success of the bond issuance is an important milestone to reinforce South Australia's continued commitment to the clean energy transition, whilst also highlighting the role of the State's social programs," said Jolien Mikosza, Head of AUD Syndicate, Debt Capital Markets at Citi.

The Sustainability Bond Framework has been informed by market standards and aligns to the International Capital Markets Association ("ICMA") Green Bond Principles ("GBP"), Social Bond Principles ("SBP") and Sustainability Bond Guidelines ("SBG"). "Following the release of the Sustainability Bond Framework in November 2023, the launch of the new sustainability bond is a significant milestone in our engagement with investors in highlighting South Australia's strong ESG credentials and supports the Government's ongoing investment in a sustainable economy," said Peter King, Head of Financial Markets and Client Services at SAFA.

The Sustainability Bond Framework, South Australia's ESG Commitments and associated supporting documents are published at safa.sa.gov.au

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