

Sound Transit 2023 Green Bond Annual Report





Sound Transit is planning and building the most ambitious transit expansion in the country. Our green bond issuer credibility derives from the construction and operation of an environmentally friendly public transit network. Series 2015, 2016, and 2021 bond issuances are compliant with International Capital Market Association (ICMA) Green Bond Principles.

Sound Transit's headquarters are in Seattle, Washington. We serve the region with Link light rail, Sounder trains, ST Express buses, and soon, bus rapid transit. When construction is complete, we will serve 16 cities across Pierce, King, and Snohomish counties with 116 miles of light rail.

In 2023, we began service on the Hilltop Tacoma Link Extension. We also advanced construction of the East Link Extension, Lynnwood Link Extension, and Federal Way Link Extension. These extensions will open sequentially from 2024 to 2026, and they will greatly expand the existing system and further connect the community.

This report contains a detailed review of Sound Transit's annual sustainability results and how green bond proceeds help us achieve our goals.

Thank you for your interest,

A handwritten signature in black ink, appearing to read "Jeff Clark".

Jeff Clark
Deputy Executive Director
Financial Operations





Introduction

Green bond proceeds finance projects that propel Sound Transit’s Sustainability Plan, which includes reducing car trips by carrying more transit riders; fostering transit-oriented development and improved transit access region-wide; designing and building greener projects; and operating fleets and facilities efficiently.

Sound Transit Green Bond Issues follow the criteria set forth in the International Capital Market Association’s Green Bond Principles of June 2021:

- Pollution prevention and control
- Clean transportation

Improving regional quality of life

Sound Transit’s mission to plan, build, and operate our regional transit system is essential to the Central Puget Sound region’s sustainable future. The voter-approved plan will enable more people to travel affordably and reliably on environmentally friendly buses and trains throughout the region’s growing communities.

What does sustainability mean to Sound Transit?

Sound Transit’s core mission is to connect more people to more places efficiently, affordably, reliably, and sustainably. Investing in transit builds a better future, cleans the environment, and supports both healthy communities and vibrant economies. At Sound Transit, sustainability is about more than the natural environment; sustainability is a holistic goal that protects and enhances People, Planet, and Prosperity.

At Sound Transit, we think about how to deliver our mission with respect to People, Planet, and Prosperity.

- We help **People** move freely, affordably, and healthily by providing regional transit service.
- We promote stewardship that conserves the **Planet**’s natural environment.
- We support community **Prosperity** by providing affordable mobility and access to opportunity.

Sound Transit implements sustainability initiatives through a robust Environmental and Sustainability Management System (ESMS). This tool helps the agency control environmental impacts, monitor compliance with environmental regulations, achieve annual environmental and sustainability targets, and demonstrate continuous performance improvement.

Since 2007, Sound Transit has been among a select number of transit agencies nationwide to achieve international ISO 14001 certification of its ESMS.

2023 Key Performance Indicators

The table below presents the Key Performance Indicators (KPIs), as defined in the 2019 Sustainability Plan. The table also shows the KPIs in relation to their associated priorities, long-term goals, and short-term goals, per the Sustainability Plan. The KPIs reflect current progress compared to the 2019 Sustainability Plan's baseline year of 2018. Note that the KPIs below are a subset of the 2019 Sustainability Plan's metrics.

Priority: **People**

Long-term goals: Social equity addressed and implemented as an agency value

Applicable short-term goals	Key Performance Indicator	Baseline value	2023 value and/or percent change
Contribute to an affordable housing revolving loan fund	# of dollars contributed to affordable housing revolving loan fund	Contributions began in 2019	\$4 million contribution in 2023, total commitment of \$20 million
Build staff awareness and capacity to integrate equity into all business lines	% of staff trained in equity and inclusion	37% of staff trained	<ul style="list-style-type: none"> • 97% of staff completed Equal Employment Opportunity Training • 74% of staff completed Implicit Bias Training • 51% of staff completed Inclusion Training • 14% of staff completed Microaggressions in the Workplace Training
Meet or exceed workforce diversity goals for construction contractors: Goals: <ul style="list-style-type: none"> • 21% people of color • 12% women • 20% apprentices 	% of hours worked by diverse communities on ST job sites	<ul style="list-style-type: none"> • 29% by people of color • 7% by women • 20% by apprentices 	<ul style="list-style-type: none"> • 40% by people of color • 8% by women • 16% by apprentices

Long-term goals: All staff champion sustainability

Certify key staff to green design and building management professional accreditations	# of staff trained to sustainable professional accreditations	<ul style="list-style-type: none"> • 22 new Envision Sustainability Professionals • 17 new LEED Accredited Professionals • 5 other new sustainability certifications 	<ul style="list-style-type: none"> • 48 Envision Sustainability Professionals • 12 LEED Accredited Professionals • 12 other sustainability certifications
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Priority: Planet

Long-term goals: Achieve carbon-free operations

Applicable short-term goals	Key Performance Indicator	Baseline value	2023 value and/or percent change
Reduce greenhouse gas emissions by 10 percent	% change in greenhouse gas emissions	66,230 tonnes of CO2e	45,899 tonnes of CO2e; 31% reduction since 2018
	% change in criteria air pollutants	<ul style="list-style-type: none"> • Particulate Matter: 11,078 lbs • Volatile Organic Compounds: 15,485 lbs • NOx: 399,828 lbs • CO: 193,411 lbs • SOx: 9,986 lbs 	<ul style="list-style-type: none"> • Particulate Matter: 7,709 lbs; 30% decrease since 2018 • Volatile Organic Compounds: 11,137 lbs; 28% decrease since 2018 • NOx: 355,076 lbs; 11% decrease since 2018 • CO: 203,287 lbs; 5% increase since 2018 • SOx: 8,484 lbs; 15% decrease since 2018
Increase production from solar panels to 750 KW	# of kW of renewable energy production	<ul style="list-style-type: none"> • 76,257 kWh produced • 66.1 KW installed total 	<ul style="list-style-type: none"> • 172,730 kWh produced in 2023 • 231 KW installed total
Purchase available cost-effective, carbon-free electricity	% change in renewable electricity procurement	85% electricity from clean and renewable sources	88% electricity from clean and renewable sources in 2023; 4% increase since 2018
Decrease total energy use 5 percent for all facilities built before 2018	% of facility energy reduced	26,910,384 KBtu	26,953,938 kBTu; 0% reduction since 2018

Long-term goals: Enhance ecosystem functions

Achieve 100% environmental compliance (zero fineable violations)	# of fineable environmental compliance violations	4	0
Reduce total water use by 10% at all existing facilities and sites established before 2018	% change in agency water use	27,521 CCF used	23,023 CCF used; 16% decrease since 2018

Priority: Prosperity

Long-term goals: Build resilience to climate change and natural or manmade disasters

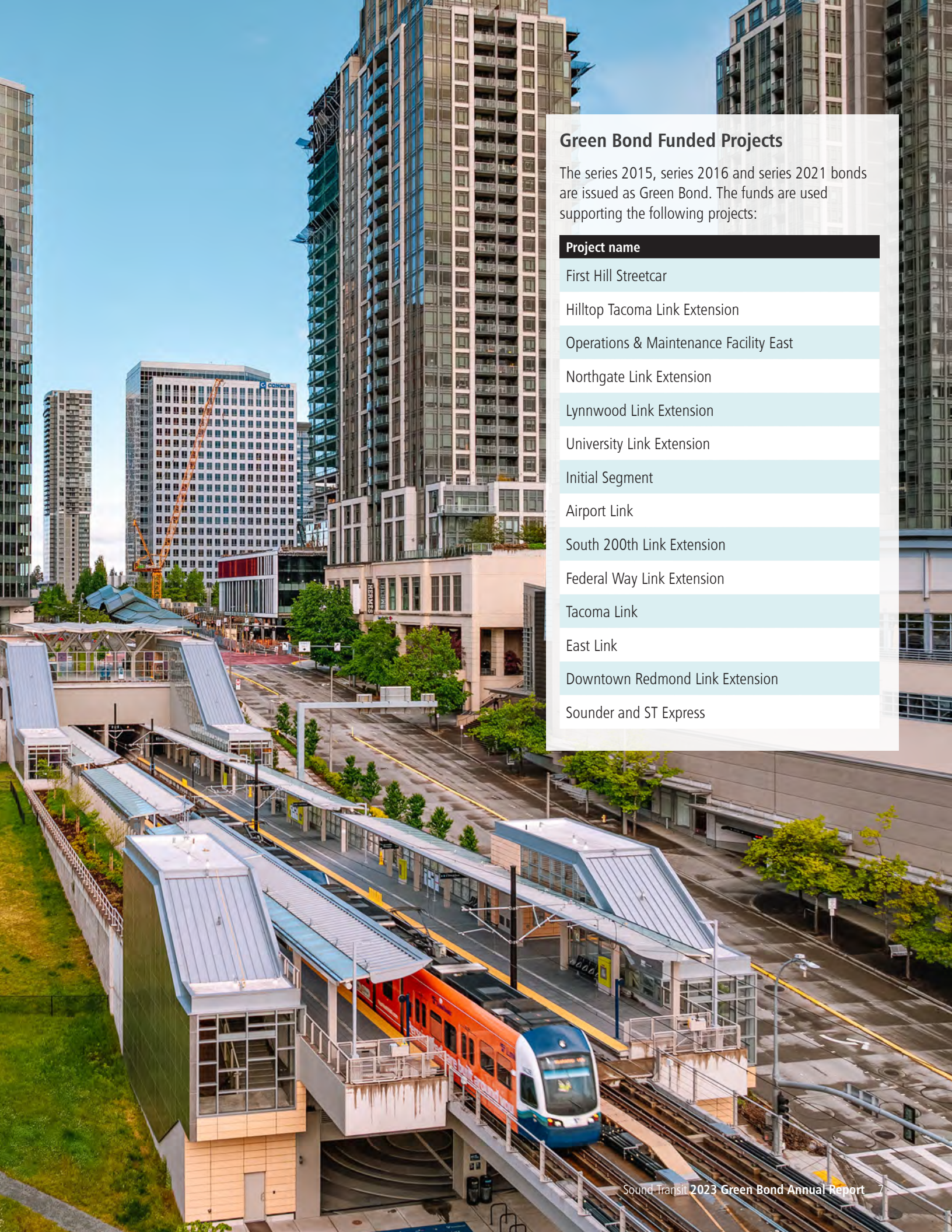
Applicable short-term goals	Key Performance Indicator	Baseline value	2023 value and/or percent change
Develop staff awareness of individual roles in emergency preparedness	% of staff trained in emergency preparedness	Training began in 2019	<ul style="list-style-type: none"> • 254 staff trained in core safety training • 62 staff attended safety lunch and learns • 127 staff trained in a non-revenue vehicle safe driving course • 116 staff certified in First Aid/CPR/AED • 44 staff trained in Stop The Bleed • 45 staff trained in De-Escalation/Personal Safety • 1,263 staff trained in Safety Management Systems
	% of projects that include Climate Change Vulnerability Assessments	Assessments began in 2019	100% of eligible projects

Long-term goals: Maximize operational efficiency

Divert 50% of office waste to recycling or compost	% of waste diverted	35%	39%
Include green methods or features in at least 75% of all new agency procurements	% increase in # of and dollar value of procurements	<ul style="list-style-type: none"> • 19% of new procurements • \$299M in value 	<ul style="list-style-type: none"> • 65 procurements; 19% of procurements – 0% increase in number of procurements since 2018 • \$472M in value – 58% increase since 2018

Environmental Policy

Attached as Appendix A, the Environmental Policy shows the depth and breadth of Sound Transit’s commitment to improving regional quality of life and making lasting change. You can find additional information at [soundtransit.org/About-Sound-Transit/Environment-and-sustainability](https://www.soundtransit.org/About-Sound-Transit/Environment-and-sustainability)



Green Bond Funded Projects

The series 2015, series 2016 and series 2021 bonds are issued as Green Bond. The funds are used supporting the following projects:

Project name

First Hill Streetcar

Hilltop Tacoma Link Extension

Operations & Maintenance Facility East

Northgate Link Extension

Lynnwood Link Extension

University Link Extension

Initial Segment

Airport Link

South 200th Link Extension

Federal Way Link Extension

Tacoma Link

East Link

Downtown Redmond Link Extension

Souder and ST Express

Appendix A: The Environmental Policy



Sound Transit integrates environmental ethics and sustainable business practices into planning, design, construction, and operations. Sound Transit's Environmental Policy was adopted by the Sound Transit Board in April 2004. Environmental stewardship is a responsibility of all employees, contractors, and consultants.

SOUND TRANSIT ENVIRONMENTAL POLICY

Sound Transit is committed to the protection of the environment for present and future generations as we provide high capacity transit to the Puget Sound region. Sound Transit has been a catalyst and model for engaging federal and state partners to resolve environmental issues that apply to our program. We will continue to be an environmental leader in the State of Washington through the integration of the following principles into our daily business practices:



We will fully comply with all environmental laws and regulations. We will **strive to exceed compliance** by the continual improvement of our environmental performance through cost-effective innovation and self-assessment.



We will **restore the environment by providing mitigation and corrective action**, and will monitor to ensure that environmental commitments are implemented. We will improve our ability to manage and account for environmental risk.



We will **avoid environmental degradation** by minimizing releases to air, water, and land. We will prevent pollution and conserve resources by reducing waste, reusing materials, recycling, and preferentially purchasing materials with recycled content.



We will **increase the awareness of environmental issues** among agency employees through education and training. We will continue to educate the public about the environmental benefits of our transit system. We will build relationships with our contractors, vendors, consultants, and transit partners during planning, design, construction, and operation to protect and enhance the environment.



In order to implement this Policy, Sound Transit has established and maintains an **Environmental & Sustainability Management System (ESMS)** with environmental objectives and targets that are measurable, meaningful, and understandable. The goals and progress of this Policy and the ESMS are communicated to agency board members, officers, employees, and the public.



ENVIRONMENTAL & SUSTAINABILITY MANAGEMENT SYSTEM (ESMS) Sound Transit manages and improves environmental performance through a system certified to the ISO 14001 international environmental standard. **SUSTAINABILITY INITIATIVE** The Sound Transit Board authorized the Sustainability Initiative in 2007. The initiative requires that sustainable practices be incorporated throughout all Sound Transit activities. It also requires that targets be established as part of the ESMS program and that progress reports be provided to the Board. The CEO subsequently issued an Executive Order directing staff to implement the Sustainability Initiative. The ESMS is managed by an intra-agency Steering Committee. Additional information is available on soundtransit.org and <https://sharepoint.soundtransit.org/sites/legal/EC/EMS/default.aspx>. Send questions or comments to esms@soundtransit.org



 **SOUNDTRANSIT**