

République et Canton de Genève

Green bonds

November 8, 2017



REPUBLIQUE
ET CANTON
DE GENEVE

POST TENEBRAS LUX

Département des finances
Direction générale des finances de l'Etat

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Summary and objectives

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- Financing of high energy performance buildings (HPE) in the field of health services and medical research
- Extend the investor base to those sensitive to sustainable finance
- Demonstrate the canton's commitment towards sustainable development
- Independent opinion from Vigeo Eiris assessing the canton's commitment as advanced (highest assessment)
- Inaugural green bond issue from a Swiss public sector entity

Canton's commitment

Canton's commitment to sustainable development

- New cantonal Constitution since 2012
 - Sustainable development as a guiding principle of public action (art. 10) and role of the canton to reduce greenhouse gas emissions (art. 158)
- Agenda 21: law on public action to sustainable development
 - 5-year plan and associated indicators
 - Response to the 17 sustainable development goals of the United Nations (Agenda 2030)
 - 40% reduction of greenhouse gas emissions by 2030 (vs 1990) and management of the effects of climate change on the cantonal territory
 - Environmental management system covering purchasing policy, energy, waste and mobility

Eligible projects

High energy performance buildings

- Minimum of high energy performance standard (HPE) required for the construction of buildings under supervision of the canton
- For new buildings, the HPE standard corresponds to the MINERGIE® label or the following cumulated criterias:
 - Heating needs below or equal to 80% of the permitted heating needs (norm SIA 380/1)
 - Share of non-renewable energy to cover heating needs and warm sanitary water below or equal to 60% of the permitted heating needs (norm SIA 380/1)
 - Respect of target thresholds defined by the norm SIA 380/4 for ventilation/air conditioning and lighting
- Annual reporting of environmental benefits of the building portfolio to measure progress

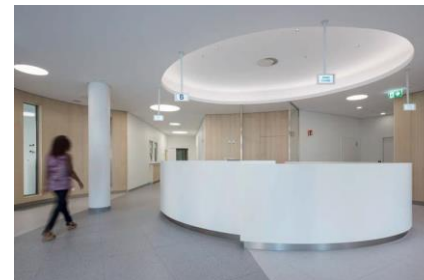
Centre médical universitaire (CMU) – stages 5 and 6

Commissioning: November 2016

Cost: 344 million

Concept :

- Performant building envelope
- Activities allocated according to their orientation
- Heat supply linked to existing network
- Management of solar energy through specific store systems
- Recycling of heat
- Day light prioritized as a source of lighting
- Performance lights
- Limited consumption of warm water



Bâtiment des lits 2 (Gustave Juliard)

Commissioning: March 2017

Cost: 253 million

Concept :

- 56% of heating needs covered by energy recycling
- 13% of heating needs covered by solar energy (500m²)
- Only 31% of heating needs covered by warm water network
- Day light as main source of lighting
- Rainwater recycling (WC, watering, parking cleaning)
- Natural ventilation
- Green rooftop



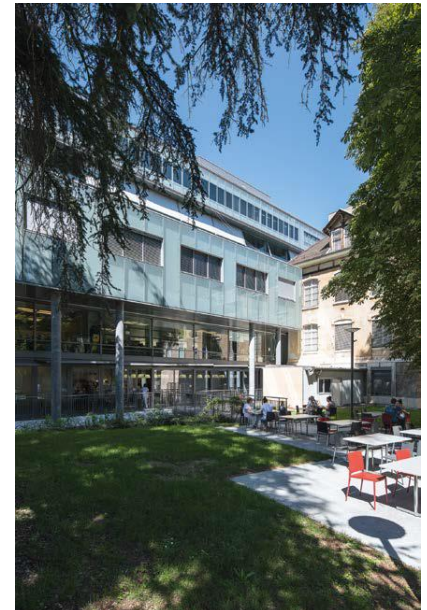
Maternité – stage 3.3

Commissioning: November 2016

Cost: 72 million

Concept :

- Day light as main source of lighting
- Natural ventilation
- Heating, air recycling, electricity, water management governed by strict environmental and security norms



Reporting

Management of proceeds, monitoring and reporting

- Finance department of the canton in charge of operational and financial monitoring
- Monitoring of use of proceeds, energy performance indicators and calculation methodology disclosed in the annual report of the canton
- Dedicated section on green bonds on the website (under construction)
- External audit, financial and non-financial, performed by the Cour des Comptes of the Canton of Geneva

- Inaugural green bond issue from a Swiss public sector entity
- Frequent and active issuer (République et Canton de Genève)
- Rating of AA- (negative) confirmed by Standard & Poor's on 6 November 2017
- The bonds will rank pari passu with existing debt (senior bonds)

Vigeo Eiris opinion

Avis Vigeo Eiris – advanced level of commitment

Comments		vigeo eiris Enterprise	
1	Environment	<ul style="list-style-type: none">■ Comprehensive environmental strategy with objectives and annual action plans■ Cantonal Sustainable Development Concept 2030 incorporating objectives and strategic focus area:<ul style="list-style-type: none">■ Limit the negative environmental impacts associated with energy consumption, transport, waste generation, local nuisances■ Adopted policies on all the issues: environment 2030, cantonal climate plan 2030■ Environmental management system■ Regular reporting on environmental matters, environmental performance and carbon footprint	<div>Advanced</div> <div>Good</div> <div>Limited</div> <div>Weak</div>
2	Social	<ul style="list-style-type: none">■ Comprehensive human resources policy■ Commitments in the community development domain covering economic development, employment, vocational training, promotion of sustainable territorial planning, social cohesion■ Territorial development included in the Cantonal Sustainable Development Concept 2030■ Promotion of access to schools and early childhood services, health systems, housing, public transport, water, energy, economic activities and support for socially and economically disadvantaged people and people with disabilities	<div>Advanced</div> <div>Good</div> <div>Limited</div> <div>Weak</div>
3	Governance	<ul style="list-style-type: none">■ Transparency on measures adopted and sytem of selection of its leaders■ Participation of the population solicited on a regular basis■ Independent auditor (Cour des Comptes)■ Comprehensive policies to ensure the respect of suppliers in procurements	<div>Advanced</div> <div>Good</div> <div>Limited</div> <div>Weak</div>

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