

# République et Canton de Genève

# Green bonds

November 8, 2017



REPUBLIQUE  
ET CANTON  
DE GENEVE

POST TENEBRAS LUX

# Summary and objectives

# Summary and objectives

- 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 (500m<sup>2</sup>)
- 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

# Green bonds

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

# Disclaimer

This material has been prepared by the République et Canton de Genève (the "Canton") and has not been independently verified. This material has been prepared for the information of the parties to whom it is delivered and is being delivered to you solely in your capacity as a relevant person (as defined below). This document and its contents are confidential and may not be retransmitted, distributed, published, reproduced (in whole or in part) by any medium or in any form, or disclosed or made available by recipients to any other person.

This material has been prepared solely for informational purposes and does not constitute or form part of, and should not be construed as, an offer to sell, or as an invitation or inducement to make, or a solicitation of, any offer to purchase or subscribe for any securities. No part of this material, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. Any offer of securities would only be made pursuant to a formal prospectus which contains, among other things, a description of certain risks relating to the relevant securities, certain disclosure relating to the Company and a description of the relevant securities.

The information contained herein is preliminary, limited in nature and subject to verification, completion and amendment. No representation or warranty, either express or implied, is given or made by any person in relation to the fairness, accuracy, completeness or reliability of the information or any opinions contained herein and no reliance whatsoever should be placed on such information or opinions. This material should not be regarded by recipients as a substitute for the exercise of their own judgement and assessment. Any opinions expressed in this material are subject to change without notice and neither the Company nor any other person is under any obligation to update or keep current the information contained herein. This material is not intended to be a prospectus in connection with an offer of securities and any investment decision with respect to any securities should be made solely upon the basis of the information contained in the formal prospectus relating to such securities.

Neither the Canton, nor its advisors nor any of their respective affiliates, agents, directors, partners and employees shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

These materials may contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that is based on various assumptions and involves unknown risks and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding the future performance.

Any investors or prospective investors are required to make their own independent investigation and appraisal of the business, financial condition and prospects of the Canton and the nature of any relevant securities and no reliance may be placed upon the information herein for such purposes. Recipients should consult with their own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent that they deem it necessary, and make their own investment, hedging and trading decisions based upon their own investigation and judgement and advice from such advisers as they deem necessary and not upon any view expressed in this material.

This material must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons (as defined by the FCA conduct of business rules ), and (ii) in any other Member State of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors. Nothing in this material constitutes investment advice and any recommendations that may be contained herein have not been based upon a consideration of the investment objectives, financial situation or particular needs of any specific recipient. Any investment or investment activity to which this material relates is available only to (i) in the United Kingdom, Relevant Persons, and (ii) in any member state of the European Economic Area other than the United Kingdom, Qualified Investors, and will be engaged in only with such persons. This material and its contents is confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

This document and the information contained herein, are not for release, publication or distribution, in whole or in part, directly or indirectly, to persons in the United States (within the meaning of Regulation S under the US Securities Act of 1933, as amended (the "Securities Act") or to entities in Canada, Australia or Japan or any other jurisdiction which prohibits the same except in compliance with applicable securities laws.

You may not retain a copy of this material. By reviewing this material you acknowledge and agree to be bound by the foregoing.

© 8 November 2017 République et Canton de Genève