Framework for the issuance of green, social and/or sustainable bonds by the City of Geneva

September 2023
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The City of Geneva (“the Issuer”) has drawn up this framework to govern its green, social and/or sustainable bond issuances in accordance with the applicable principles and voluntary application guidelines defined by the International Capital Market Association (ICMA) – Green Bond Principles 2021 (GBP), Social Bond Principles 2023 (SBP) and Sustainability Bond Guidelines 2021 (SBG) respectively (together the “ICMA Principles”).

The Issuer wishes to highlight the transparency and credibility of its bond issuances, their eligible project categories and their significant contribution to its environmental, social and/or sustainable objectives.

In this framework document, expressions in the masculine gender apply equally to men and women.
Introduction

The Issuer: City of Geneva

The City of Geneva is the public authority that administers Geneva, a Swiss city located at the southwestern end of Lake Geneva. As the second most populous city in Switzerland with around 200,000 residents, Geneva is the capital of the canton of the same name, the Republic and canton of Geneva. More broadly, Geneva is part of the “Greater Geneva” metropolitan area, which includes the canton of Geneva, the district of Nyon (canton of Vaud) and the metropolitan hub of the French Genevan territory, with a population of one million.

Home to almost 40 international organisations and more than 430 non-governmental organisations, including the European headquarters of the United Nations, the World Health Organisation (WHO), the World Trade Organisation (WTO), the International Committee of the Red Cross (ICRC) and the World Economic Forum, as well as numerous diplomatic missions, Geneva is a major hub for international cooperation worldwide. These organisations have made Geneva a recognised competence centre in many fields, including peace and disarmament, humanitarian law, labour and trade, health, scientific research and sustainable development.

As the country’s second-largest financial centre, Geneva is considered as the world’s leading centre for transnational private wealth management and the world’s leading commodities trading hub. Situated at the heart of Europe and boasting an international airport, Geneva is also the capital of fine watchmaking.

Comprising five departments and a general secretariat, each with several services, the City of Geneva is governed by the Executive Council – the executive body – and the Municipal Council – the deliberative and consultative body.

The Executive Council is made up of five members, elected by the people for a five-year term, each of whom presides over a department and administers the services attached to it. With almost 4,000 employees, the City of Geneva is one of the canton’s largest employers. Each year, one of its members rotates as mayor.

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2 Executive Council: www.geneve.ch/fr/autorites-administration/conseil-administratif/membres-conseil-administratif
The Municipal Council, which acts as the city’s parliament, is made up of 80 members elected for a five-year term. Its duties include adopting the operating budget and annual accounts and voting on investment loans for the city’s projects.

The City of Geneva manages an annual budget of CHF 1.25 billion, with debt of CHF 1.6 billion. The total balance sheet is CHF 5.13 billion, with equity of CHF 3.18 billion. The presumed annual investment budget is CHF 180 million. In 2022, net capital expenditure amounted to CHF 94.5 million. Capital expenditure varies from year to year, depending in particular on the management and planning requirements of worksites and the various municipal projects, but averages over several years are stable. Since 2003, average annual capital expenditure has been around CHF 120 million net, a figure comparable to the average for planned budgets. Over the same period, the average implementation rate (ratio of net budget to net expenditure) is 99%.

The City of Geneva has a legislative programme which sets out the major issues and objectives that the city wishes to achieve. The aim of this action plan is to rally people around a common vision of an inclusive, creative, ecological and supportive Geneva.

The City of Geneva is actively involved in promoting the fight against global warming and adopted a Climate Strategy in February 2022. This strategy marks a new stage in municipal action by integrating climate objectives into all its public policies. Innovative and ambitious, this guideline aims not only to reduce direct and indirect greenhouse gas emissions in the area, but also to promote its ecological, social and economic transition. In the context of the current energy crisis and the Climate Strategy in general, the Executive Council is working on a new investment plan that will make it possible to integrate the energy renovation of large consumers by 2030.

The City of Geneva is also a partner, alongside the UN, the cantonal and federal authorities, and various associations, of the “Building Bridges” initiative as part of the “Sustainable Finance” forum. Launched in Geneva in 2019, this initiative aims to strengthen dialogue and concrete action on sustainable finance, with the common objective of accelerating the ecological transition towards an economic model aligned with the imperatives of the United Nations Sustainable Development Goals (UN SDGs). The City of Geneva is therefore committed to supporting and strengthening dialogue with players in the financial sector to help reduce the greenhouse gas emissions attributed to them and to clean up investments that are incompatible with climate objectives. To set an example, the City of Geneva aims to make its own financial investments compatible with its climate objectives.

3 Municipal Council: www.conseil-municipal.geneve.ch/conseil-municipal/
5 2020-2025 legislative programme: www.geneve.ch/fr/autorites-administration/conseil-administratif/programme-legislature
Key issues and environmental/social strategy of the City of Geneva

The City of Geneva is a major player in environmental and social policies in its area, with several issues falling within its remit and/or direct responsibility.

The municipal public domain and the private domain of the City of Geneva represent 18.9% and 21.1% of the municipal territory respectively, i.e. in aggregate value about 40% of the total surface area of the municipality. Although the City of Geneva does not directly manage all the private plots, it does have significant leverage to act on its territory, between the maintenance of the public domain and the surface area managed as the largest property owner on its territory.

Given the division of responsibilities between the city, the canton and the Confederation, and the need to tackle climate issues at all levels, it is essential for the City of Geneva to cooperate with public and private players operating at the level of the canton and Greater Geneva area. In most cases, the objectives of municipal climate strategies and plans can only be achieved if they are integrated into a multi-scale approach. This is particularly the case for objectives relating to food supply, the energy system and mobility.

As the city centre, the City of Geneva is also responsible for several social public policies, such as the fight against homelessness, the provision of additional social benefits, access to social housing and free childcare for the most disadvantaged.

The Executive Council attaches particular importance to the provision of infrastructure in response to the growing needs of the population, to the maintenance and renovation of its property assets with a view to reducing their carbon footprint, and to the implementation of the municipal climate emergency strategy. It also intends to continue and intensify the redevelopment of public spaces, the development of the cycling and pedestrian network to complement the greening and forestation of the city, and investment in facilities, particularly sports, cultural and social facilities (schools, nurseries, local community centres).

Environmental strategy

The City of Geneva is one of more than a thousand local authorities around the world that have declared climate emergency, recognising the worrying state of our environment and the need to act very quickly.

The urgency of climate change means that we need to change the way we do things and the way we think, in order to limit the consumption of resources. The City of Geneva has several roles to play. On the one hand, it has to maintain high-quality services for the population while drastically and rapidly reducing its greenhouse gas emissions and developing measures to adapt to climate change. On the other hand, the city must be a driving force for change on a regional scale, by strongly encouraging the whole of civil society to act and take measures to combat climate change, in a constructive and inclusive manner. To take account of these different challenges and all the stakeholders involved, the city has drawn up a municipal climate emergency strategy.
In May 2019, the Municipal Council has invited the Executive Council to present within six months a report on the actions already undertaken in the various public policies and the actions to be undertaken in the coming years in order to step up the municipal contribution to the fight against climate change and its consequences.

Between summer 2019 and early 2020, the City of Geneva carried out an inventory of its past, current and planned actions to reduce greenhouse gas emissions and adapt to climate change. The report also included a series of recommendations for stepping up the fight against climate change.

At the same time, by declaring a climate emergency in February 2020, the Executive Council set itself two objectives based on the cantonal climate strategy7 and taking into account the measures approved within the concerted action programme for the ecological transition of Greater Geneva8. Through this approach, the City is demonstrating its desire for collaboration and consistency between the various regional authorities.

These objectives aim to:
– reduce greenhouse gas emissions by 60% by 2030 compared to 1990 levels, both within the City of Geneva and within the municipal administration;  
– achieve carbon neutrality by 2050.

In this context, the City of Geneva has defined its Climate Strategy for 2022, which has identified 30 strategic objectives and 78 concrete measures to tackle climate change, grouped into 9 main priorities9:
– Priority 1: Consumption of goods and services
– Priority 2: Energy and buildings
– Priority 3: Mobility
– Priority 4: Spatial planning
– Priority 5: Health and public protection
– Priority 6: Biodiversity and natural environments
– Priority 7: Mobilising the population
– Priority 8: Financial centre

As part of the energy crisis in October 2020, the Executive Council adopted an Energy Saving Plan10 with the aim of saving between 10 and 15% of electricity and heat.

In February 2022, the city also published its carbon footprint11 for the greenhouse gas emissions of the municipal administration and the City of Geneva.

To meet the objectives of reducing its Carbon Footprint, the City is continuing its work to bring single-glazed buildings up to standard by installing double glazing and is implementing projects to plant vegetation and install photovoltaic power plants on flat roofs.

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8 Programme d’actions concerté pour la transition écologique du Grand Genève (PACTE): www.grand-geneve-en-transition.org/origine
9 The City of Geneva’s Climate Strategy: www.geneve.ch/fr/actualites/dossiers-information/changement-climatique-geneve/strategie-climat
11 Greenhouse gas (GHG) emissions for the municipal administration of the City of Geneva: www.geneve.ch/fr/actualites/dossiers-information/changement-climatique-geneve/comprendre/empreinte-carbone
With a view to responding to the climate emergency and improving the quality of life for the city’s residents, particular attention is being paid to greening the city through substantial planting of trees, in particular to combat heat islands and increase biodiversity. To this end, the City of Geneva is in the process of adopting a Municipal Biodiversity Strategy.

Despite the many high-quality green spaces in Geneva, not all neighbourhoods are equally vegetated. The municipality has therefore developed the Strategic Greening Plan 2030— which is part of the Municipal Master Plan — with the aim of increasing leaf cover from the current 21% to 25% by 2030 and 30% as soon as possible. In this way, new urban micro-forests will be planted, and surface parking spaces will be removed and compensated for underground to plant trees and green the roads in neighbourhoods with a high canopy deficit.

The City of Geneva is also in the process of adopting a Arborization Strategy, which has yet to be validated by the Executive Council.

For more than a decade, the City of Geneva has also been implementing strategies to limit light pollution, which is increasing worldwide. Following an initial lighting plan published in 2009, new measures were adopted in 2021, the Lighting Plan II. These measures concern all public lighting and are mainly based on a new mapping of the “black grid” (trame noire) in Geneva. They are designed to support human activities while preserving all the living organisms concerned: humans, fauna and flora.

The “black grid” map identifies the black reservoirs and biological corridors to be preserved or restored. It also shows the “conflict” zones, which map the sites most heavily impacted by artificial lighting in sensitive areas. To implement this plan, a replicable methodology for restoring the “black grid” is currently being developed. It will propose different strategies, depending on the objectives of each municipality, to preserve black areas or biological corridors.

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14 The “black grid” is made up of all the ecological corridors characterised by a certain darkness and used by nocturnal species.
15 This map has been developed thanks to the involvement of several players, including HEPIA, OCAN, CCO and Elpénor.
The resources proposed must be in line with the Cantonal Energy Master Plan 2020-2030\(^6\), which calls for “energy sobriety to become the norm”. This approach requires us to think not only about reducing energy consumption, but also about “not” consuming lighting, and therefore to consider, for example, removing it.

With the same objective of tackling the climate emergency, projects are being implemented to promote access to water for the population in the city centre. In this context, temporary and permanent bathing areas are being created, as are temporary lake baths.

The city also aims to stimulate and promote quality of life in its neighbourhoods and soft mobility. This means giving priority to soft forms of transport (bicycles and pedestrians) and reducing the impact of motorised vehicles. The programme to develop cycling facilities and promote the use of bicycles, as well as improving the pedestrian network and access for people with reduced mobility, is continuing with several developments such as the development of cycle paths and the upgrading of tram and bus stops. The municipality is also supporting several public transport development projects linked to high service level buses and is pursuing its policy of reducing the noise impact of road traffic for as many people as possible affected by this nuisance.

To achieve the objective of the City of Geneva’s Climate Strategy of having 50% of the city’s fleet of vehicles and machinery running on electric power by 2030, proposals for an investment credit for the acquisition of low-CO\(_2\) propulsion models, as well as the construction of the infrastructure needed to accommodate them, will also be submitted to the Municipal Council.

The structural transformation targeted by the Climate Strategy is not only ecological, but also social. It is inseparable from a reduction of social inequalities (greater protection for the most vulnerable), an overall improvement in quality of life (health, living environment) and the creation of new economic opportunities.

**Social strategy**

The City of Geneva is also a key player in the management of social issues within its territory, as part of local strategies aligned with the United Nations Sustainable Development Goals (UN SDGs), which it is deploying in accordance with one of the priority areas – social justice – of its 2020-2025 legislative programme.

Since 2020, the City of Geneva through its delegation “Genève Ville Solidaire” (DGVS), has been supporting international solidarity projects allocating 0.7% of its budget since 2020 and is continuing to raise awareness of its role in this field among its population.

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\(^6\) Cantonal Energy Master Plan 2020-2030: www.ge.ch/document/22488/telecharger
In addition, the City of Geneva’s social service grants financial aid to individuals and families in modest circumstances, as well as to social associations. It takes in people in very precarious situations and the homeless, providing them with follow-up care and, in the event of a period of “extreme cold”, triggers an emergency plan in collaboration with the Intercommunal Fire and Rescue Group.

As part of its social inclusion policy, the City of Geneva finances, for example, the City of Geneva Foundation for Social Housing (“FVGLS”), a non-profit foundation whose main mission is to develop the stock of low rent housing in Geneva.

The City of Geneva also fully subsidises preschool care facilities, which benefit to more than 4,800 children, with the aim of encouraging equal opportunities in terms of access to early socialisation for children and responding to changes in family structures.

In 2020, a reform of early childhood governance was launched to meet the needs of families by guaranteeing the creation of new nursery places, the quality of services and fair treatment for all families. The first municipal nursery opened its doors in September 2023. This reform will enhance the status of jobs in a field where the vast majority of workers are women. In this context, a significant proportion of the additional budgets voted by the City of Geneva have been allocated to the childcare sector for several years now.

The City of Geneva also manages the maintenance of the 53 schools within its jurisdiction, which are attended daily by 12,500 pupils. As such, it is responsible for planning, renovations and works in the schools to meet the needs of pre-school, school and extra-curricular activities, guaranteeing the care and rights of all children. Over the last ten years, the City of Geneva has seen a considerable increase in the number of children in and out of school.
Rationale for issuing green, social and/or sustainable bonds

The City of Geneva wishes to accelerate the ecological transition through massive investment and to increase transparency regarding public spending on the environment and social development and the results of its actions on the Swiss financial market through regular reporting. In this way, the City of Geneva wishes to make use of sustainable financial investments.

Therefore, as part of its environmental and social commitments and strategic objectives, the City of Geneva has made the official commitment “to issue several green bonds between now and the end of the legislative period, to enable the massive financing of the ecological transition of municipal infrastructures and the buildings and properties of the City of Geneva”17.

This strong commitment demonstrates the City of Geneva’s determination to finance the ecological transition and to strengthen social cohesion on its territory over the long term. These projects, aimed in particular at supporting accessibility and inclusion in order to combat all forms of discrimination, require the provision of sufficient and appropriate public infrastructure to meet the climate challenges of tomorrow.

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17 City of Geneva Climate Strategy 2022, priority 8 “financial center”, commitment no 75: www.geneve.ch/fr/actualites/dossiers-information/changement-climatique-geneve/strategie-climat
Framework

This framework document is structured to reflect ICMA’s four key principles:
1. Use of proceeds;
2. Project evaluation and selection;
3. Management of proceeds;
4. Reporting.

This framework will be applied to one or more green, social and/or sustainable bond issuances.

At the time of each issue, the City of Geneva will specify the main categories of eligible projects concerned:

**Green bond:** a bond whose proceeds are used to finance one or more categories of eligible projects with a positive impact on the environment;

**Social bond:** a bond whose proceeds are used to finance one or more categories of eligible projects with a positive social impact;

**Sustainable bond:** a bond combining categories eligible for green and social bonds.

**Use of proceeds**
The City of Geneva undertakes that the net proceeds of the bonds issued, or an equivalent amount, will be used exclusively to finance or refinance, in whole or in part, expenditure corresponding to one or more of the eligible categories of green, social and/or sustainable projects as defined below.

All eligible projects must be located within the local authority area or directly benefit the area (e.g. financing a renewable energy production plant through a long-term contract to secure the city’s electricity supply).

Eligible expenditure, incurred directly by the City of Geneva, may finance capital expenditure (CAPEX), operating expenses (OPEX) or subsidies.

Eligible grants include expenditure made through institutions to which the City of Geneva has delegated the performance of one or more public tasks (e.g. grants to third-party entities, such as FVGLS).
Only eligible capital expenditure may be refinanced. They must relate to goods or equipment for which the investment loan closes no more than two calendar years before the date of the green, social and/or sustainable bond issue.

Operating expenses and subsidies are only eligible for the financing of new expenses (i.e. no refinancing).

Expenditure financed at other levels of the public sector (e.g. cantonal level) are excluded to avoid possible “double counting”, as well as expenditure for which revenue is specifically earmarked.

The categories of eligible projects are set out in the following tables, together with the environmental and/or social objectives as defined by the ICMA and the corresponding relevant United nations Sustainable Development Goals (UN SDGs).

**Categories of eligible “green” expenditure**

ICMA’s Green Bond Principles (GBP) define green projects as those that generate a significant environmental benefit, contributing to one or more of the following five environmental objectives: climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control.

The purpose of the City of Geneva’s green bond issuances will be to finance and/or refinance expenditure in one or more of the categories of eligible projects set out in the table below.

The following is a list of project categories (“eligible green expenditure categories“) that may be considered eligible green projects in accordance with this framework.

The sustainable development objectives and contributions to ICMA’s environmental objectives are shown in the table for each category. The examples are not exhaustive and are provided for illustrative purposes only.
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<tr>
<th>Categories of eligible green expenditure</th>
<th>Description of eligible projects</th>
<th>Technical eligibility criteria</th>
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<tbody>
<tr>
<td><strong>Renewable energy</strong></td>
<td>Expenditure to reduce greenhouse gas emissions linked to energy production and consumption in the City of Geneva. Financing the construction, maintenance and/or operation of renewable energy production/distribution facilities for the City of Geneva:</td>
<td>1.1 Photovoltaic solar panels manufactured in Europe with a carbon intensity &lt; 50 eq. CO2/KWh over its entire life cycle;</td>
</tr>
<tr>
<td>Contributions to UN SDGs:</td>
<td>1.1 Photovoltaic solar panels;</td>
<td>1.2 Structural heating networks supplied with at least 55% renewable energy (and 80% by 2030);</td>
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<td>1.2 Connection to heating networks;</td>
<td>1.3 GSP-certified heat pumps (with EHPA international quality certificate or national quality certificate);</td>
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<td>1.3 Heat pumps;</td>
<td>1.4 a) Systematic implementation with deferred yield depending on the season and adapted to the specific needs of the site;</td>
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<td>1.4 Heat recovery from waste heat a) from refrigeration systems and b) from centralised ventilation systems, for heating and domestic hot water (DHW) production.</td>
<td>b) Double flow ventilation: minimum heat recovery efficiency of 70%; humidity sensitive single flow ventilation (A or B).</td>
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<tr>
<td>Contributions to environmental objectives (ICMA 2021):</td>
<td></td>
<td>Exclusions:</td>
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<tr>
<td></td>
<td>• Climate change mitigation</td>
<td>• Fossil fuels, waste incineration.</td>
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<td></td>
<td>• Pollution prevention and control</td>
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<td></td>
<td>• Natural resource conservation</td>
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<tr>
<td><strong>Energy efficiency</strong> (renovation)</td>
<td>Expenditure to reduce energy consumption and greenhouse gas emissions from the City of Geneva’s public buildings and facilities. 2.1 Complete or major renovation of buildings and/or public facilities in the City of Geneva:</td>
<td>2.1 Renovations must at least comply with the HPE-Reno standard(^\text{19}) (MOPEC or CECB variant).</td>
</tr>
<tr>
<td>Contributions to UN SDGs:</td>
<td>• Renovation of buildings (e.g. administrations, schools, etc.);</td>
<td>2.2 Other measures to lower the heat expenditure index (HEI) threshold for buildings above 450MJ/m².</td>
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<td>• Renovation of community facilities (e.g. community lighting, swimming pools, ice rinks, gymnasia, etc.).</td>
<td>• Quality roof insulation U ≤ 0.20W/m²K.</td>
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<td></td>
<td>2.2 Partial renovation of City of Geneva buildings and/or public facilities:</td>
<td>• Use of the entire surface area of flat roofs for the development of combined vegetation and photovoltaic solar energy production strategies (variable ratio depending on the specific layout of the building - on average up to 50% of surface area for the installation of photovoltaic panels).</td>
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<td>• Installation of double glazing in all buildings owned by the city;</td>
<td>Exclusions:</td>
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<td>• Renovation of roofs, including one of the following:</td>
<td>• Heritage buildings that do not meet HPE-Reno standard; any financing of an outdoor heating system powered by non-renewable energy;</td>
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<td></td>
<td>a) Roof insulation;</td>
<td>• Cost of acquiring land, buildings or equipment.</td>
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<td></td>
<td>b) Greening of building roofs and installation of photovoltaic solar panels (see renewable energy).</td>
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<tr>
<td>Contributions to environmental objectives (ICMA 2021):</td>
<td>2.3 Partial or complete energy renovation following the acquisition of land and/or buildings and/or equipment.</td>
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<tr>
<td></td>
<td>• Climate change mitigation</td>
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<td></td>
<td>• Pollution prevention and control</td>
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</table>

\(^{18}\) As defined by ICMA – Green Bond Principles 2021 (GBP)  
\(^{19}\) The HPE-Reno standard (used for renovations) is defined in art. 12B, paras. 4 and 5 of the Implementing Regulations of the Energy Act (L 2 30.01): https://silgeneve.ch/legis/data/rsg_l2_30p01.htm
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<tr>
<td><strong>Energy efficiency (construction)</strong></td>
<td>Construction expenditure to increase the number of energy-efficient buildings and projects to increase energy savings and efficiency. Financing the acquisition or construction of new buildings that meet energy-efficient standards: 3.1 Energy-efficient buildings; 3.2 Energy efficiency measures (e.g. LED lighting).</td>
<td>3.1 Buildings and extensions complying at least with the THPE-2000W standard(^{20}) (MOPEC or CECB variant); 3.2 LED lighting complies with the target values of the SIA standard(^{21}).</td>
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<tr>
<td>Contributions to UN SDGs:</td>
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<td>• Pollution prevention and control</td>
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<tr>
<td><strong>Clean transportation</strong></td>
<td>Expenditure to reduce transport’s dependence on fossil fuels. Acquisition, construction, operation or maintenance of infrastructure, equipment or rolling stock: 4.1 For public passenger transport (e.g. development around tracks and stations); 4.2 For soft modes of transport (e.g. cycle paths, bridges, cycle garages, pedestrian areas); 4.3 For the electrification of the City’s fleet of technical and service vehicles and related equipment (e.g. electric charging points). For the purchase of new technical vehicles and non-electric service vehicles for the City of Geneva, complying with the latest standards in force (see technical criteria).</td>
<td>4.3 Vehicles: compliance with one or more of the following criteria:  • light vehicles and machinery with very low CO(_2) emissions (e.g. hydrogen, fuel cells, electric);  • passenger vehicles with emissions of &lt;50 g CO(_2) eq./p-km (until 2025);  • light freight vehicles with emissions of &lt;21 g CO(_2) eq./p-km (until 2030), then &lt;18 g CO(_2) eq./p-km (until 2050).</td>
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<tr>
<td>Contributions to UN SDGs:</td>
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<tr>
<td>Targets: 3.9, 11.2, 11.6, 13.1 and 13.3</td>
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\(^{20}\) The THPE-2000W standard (used for buildings) is defined by art. 12C, paras. 1 and 2 of the Implementing Regulations of the Energy Act (L 2 30.01): https://silgeneve.ch/legis/data/rsj_l2_30p01.htm

\(^{21}\) SIA standards (Swiss Society of Engineers and Architects)
Categories of eligible green expenditure

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<th>Description of eligible projects</th>
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<tr>
<td>Expenditure to adapt the public domain to the consequences of climate change. Financing the acquisition, construction or operation/maintenance of infrastructure, equipment and facilities in the public domain, for one or more of the following purposes:</td>
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<tr>
<td><strong>5.1</strong> Increasing the canopy (e.g. planting in urban areas and parks, tree replacement);</td>
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<tr>
<td><strong>5.2</strong> Dewaterproofing and renaturation of soils and public spaces;</td>
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<td><strong>5.3</strong> Optimising public lighting.</td>
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</tbody>
</table>

Technical eligibility criteria

- **5.1** Criteria – defined based on the environmental impact analyses carried out and the social impacts gathered – formalised in the Strategic Greening Plan 2023 and the Arborization Strategy;
- **5.2** Removal or replacement of impermeable pavement with permeable pavement or vegetation; Strategic principles systematically integrated into projects or specific measures implemented as part of the coordination of works on the public domain; Directives relating to nature management;
- **5.3** Implementation of the Lighting Plan II in line with the Cantonal Energy Plan 2020-2030.

Categories of eligible “social” expenditure

ICMA’s Social Bond Principles (SBP) define social projects as projects that directly address or alleviate a specific social problem and/or achieve specific positive social outcomes for, but not limited to, one or more target populations (or vulnerable populations).

The purpose of the City of Geneva’s social bond issues will be to finance and/or refinance expenditure in one or more of the categories of eligible projects set out in the table below.

The following is a list of project categories (“eligible social expenditure categories”) which may be considered eligible social projects in accordance with this framework.

The sustainable development objectives and contributions to ICMA’s social objectives are shown in the table for each category. The examples are not exhaustive and are provided for illustrative purposes only.

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22 Nature management guidelines:
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| **Access to essential services (education)** | Expenditure to provide free or affordable access to quality childcare and education services:  
1.1 Financing the acquisition, construction or extension (CAPEX) of primary schools and after-school facilities;  
1.2 Financing the acquisition, construction or extension of childcare facilities (e.g. nurseries);  
1.3 Financing the acquisition, construction or expansion of toy libraries or community centres. | Types of facilities: pre-school care, schools and after-school care. The entire population, especially children and their families, including:  
- People out of employment;  
- Women and/or sexual or gender minorities;  
- Vulnerable elderly or young people. Excluded and/or marginalised populations and/or communities. |
| Contributions to UN SDGs:  
4. Education  
5. Water, sanitation and hygiene  
8. Decent work and economic growth  
10. Reduced inequalities  
11. Sustainable cities and communities | Contributions to social objectives (ICMA 2023):  
- Access to essential services (education)  
- Contributions to UN SDGs:  
  - Targets: 4.2, 4.5, 5.c, 10.2, 10.3, 10.4, 11.3, and 11.7  
|  
| **Access to affordable housing** | Expenditure to provide affordable access to quality housing services for households in the area owned by the City of Geneva:  
2.1 Financing of investments made by the City of Geneva (CAPEX), for the acquisition of land or buildings, the construction or renovation of social housing buildings24, Public Housing Units (“LUP”)25 and/or housing for emergency accommodation;  
2.2 Subsidies/grants from the City of Geneva to foundations responsible for LUPs and/or emergency accommodation. | - People eligible for social assistance26;  
- Excluded and/or marginalised people and/or communities27.  
Persons whose income does not exceed the fixed limits and depending on the number of family members (art. 30 LGL). |
| Contributions to UN SDGs:  
1. No poverty  
2. Zero hunger  
3. Good health and well-being  
4. Quality education  
7. Affordable and clean energy  
8. Decent work and economic growth  
10. Reduced inequalities  
11. Sustainable cities and communities | Contributions to social objectives (ICMA 2023):  
- Affordable housing  
- Contributions to UN SDGs:  
  - Targets: 1.2, 1.3, 7.1, 10.2, 10.3, 10.4 and 11.1 |

23 As defined by ICMA – Social Bond Principles 2023 (SBP)  
24 Social housing managed by the City of Geneva is subject to the “Règlement fixant les conditions de location des logements à caractère social de la Ville de Genève”.  
25 Logements d’Utilité Publique (LUP): housing assistance schemes with a social dimension that varies according to type (e.g. low-cost housing, low-rent housing, mixed housing, student accommodation, cooperative housing, etc.). The beneficiaries are therefore diverse.  
26 People eligible for social assistance are defined in the Law on Integration and Individual Social Assistance (LIAI) and the Regulations implementing the Law on Integration and Individual Social Assistance (RIAI).  
27 By excluded and/or marginalised people and/or communities we mean those who are socially excluded and materially deprived (in terms of financial resources, housing, unemployment).
Exclusions
The City of Geneva undertakes that expenditure that does not meet the eligibility criteria defined above will be excluded from the use of proceeds.

More generally, the City of Geneva has decided to systematically exclude the following expenses and assets, in line with best practice in the field of socially responsible investment and sustainable finance:

- Exploration, processing and transportation of fossil fuels.
- Production or trading of any product or activity deemed illegal under Swiss federal or Geneva cantonal law, or subject to international bans.

Project evaluation and selection

Processes and governance
The City of Geneva’s Finance Direction (“DFIN”) has defined an internal process for selecting and evaluating eligible expenditure and projects, with a view to their possible financing from the net proceeds of green, social and/or sustainable bond issues.

This selection and evaluation process is based on four complementary stages:

1. Pre-selection (COPIL Climat)
2. Evaluation (Debt Committee)
3. Selection (Executive Councillor)
4. Monitoring indicators and reporting (Experts and DFIN)
5. Monitoring and periodic updates (Debt Committee)

1. Pre-selection of eligible expenditure for the use of funds
The Climate Strategy Steering Committee (“COPIL Climat”), which is responsible for drawing up and monitoring the implementation of the Climate Strategy, makes a pre-selection of eligible expenditure and projects for the use of the proceeds.

The COPIL Climat is made up of all the departments that manage budget items relating to the Climate Strategy, i.e. the Director of the Department of the environment, housing and finance (DFEL), the Director of the Department of planning, buildings and mobility (DACM) and the members of the Climate Task Force (Head of the Service Agenda 21, Head of the Urban planning service (URB) and two employees in charge of the project).
This pre-selection is carried out in particular during the annual review of the City of Geneva’s Financial Investment Plan by assessing the projects and their eligibility according to the categories of eligible expenditure defined in this framework. This committee provides technical, environmental and social expertise in its field of competence. This review covers all expenditure on projects planned within the municipal administration or delegated by the City of Geneva to subsidised establishments.

The COPIL Climat may consult the following departments and services depending on the categories of eligible projects:

<table>
<thead>
<tr>
<th>Eligible categories</th>
<th>Departments and services consulted for their environmental and/or social expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable energy</td>
<td>Department of planning, building and mobility (DACM): Energy service (ENE), Direction of built heritage (DPBA)</td>
</tr>
<tr>
<td>Energy efficiency (renovation)</td>
<td>Department of planning, building and mobility (DACM): Energy service (ENE), Direction of built heritage (DPBA)</td>
</tr>
<tr>
<td>Energy efficiency (construction)</td>
<td>Department of planning, building and mobility (DACM): Energy service (ENE), Direction of built heritage (DPBA)</td>
</tr>
<tr>
<td>Clean transportation</td>
<td>Department of safety and sport (DSSP): Vehicle management commission (COGEVE), Logistics and events service (LOM), Energy service (ENE), Planning, civil engineering and construction service (AGCM)</td>
</tr>
<tr>
<td>Climate change adaptation</td>
<td>Department of finance, environment and housing (DFEL): Service Agenda 21 - Sustainable city (A21), Green spaces service (SEVE), Planning, civil engineering and construction service (AGCM)</td>
</tr>
<tr>
<td>Access to essential services (education)</td>
<td>Department of social cohesion and solidarity (DCSS): Childcare service (SDPE), Schools and institutions for children service (ECO)</td>
</tr>
<tr>
<td>Access to affordable housing</td>
<td>Department of finance, environment and housing (DFEL): Municipal property management (GIM), Social service (SOC)</td>
</tr>
</tbody>
</table>

This stage results in an initial list of pre-selected expenditure and projects, which can then be evaluated by the Debt Management Committee.

2. Evaluation of pre-selected projects
The City of Geneva’s Debt Management Committee (hereafter “Debt Committee”) evaluates the list of expenditure and projects pre-selected by the COPIL Climat on the basis of the eligible criteria defined in this framework.

The result of this assessment is a documented list of significant eligible expenses and projects that could be validated for financing with a green, social and/or sustainable bond issuance. This selection is made on the basis of their environmental, social and/or sustainable impact.

The Debt Committee may also call on experts from outside the City of Geneva to confirm or deny the eligibility of the expenditure and projects evaluated.

29 The City of Geneva Debt Committee is chaired by the Director of the Department of finance, environment and housing (DFEL), and comprises the Deputy Director of the DFEL, the Finance Director and the Head of Accounting.
Certain expenses that appeared eligible at the time of the initial pre-selection may be excluded if they do not comply with the requirements set out in this framework or if they are deemed irrelevant in the context of the contemplated bond issuance.

3. Selection of eligible expenditure for the use of proceeds
The executive councillor in charge of finance chooses the eligible expenditure to be financed or refinanced by each green, social and/or sustainable bond issuance on the basis of the list drawn up by the Debt Committee.

4. Monitoring indicators and reporting
At least once a year, the Finance Direction, acting on a mandate from the Debt Committee, carries out a review of all expenditure financed through the issuance of green, social and/or sustainable bonds and prepares an annual report on information relating to green, social and/or sustainable bonds (hereinafter referred to as the “Green, Social and/or Sustainable Bonds Report”). To do this, the Finance Direction collects the results of the relevant performance indicators from internal experts. External experts may be consulted if necessary.

The report on green and/or social bonds is submitted to the Debt Committee for validation, and then to the auditor of the annual accounts of the City of Geneva, for a brief examination.

This review may be more frequent, particularly in the event of significant developments concerning the expenditure and projects selected (e.g. regulatory change or controversy affecting a funded project, changes to the ICMA Principles, etc.).

5. Monitoring and periodic updates
In the event that an eligible project or expenditure becomes ineligible, is cancelled or postponed, the City of Geneva undertakes to reallocate an equivalent amount to one or more other eligible projects within a maximum period of 2 years, in accordance with the terms and deadlines defined in this framework (e.g. in the event of a conviction relating to one of the eligible projects financed, this project would then be withdrawn from the list of eligible projects and an equivalent amount would be reallocated to other eligible expenditure and projects). In the event of a conviction linked to one of the eligible projects financed, this project would then be removed from the list of eligible projects and an equivalent amount would be reallocated to other eligible expenditure and projects, selected in accordance with the process set out above).

Identifying and managing ESG risks in projects
In addition to the environmental, social and/or sustainable benefits that are the objective of each category of eligible projects, the City of Geneva is committed to responsible management of the eligible projects financed by the green, social and/or sustainable bond issuances.

In particular, the City of Geneva is committed to complying with and enforcing Swiss regulations on its projects, which cover a wide range of environmental, social and governance (ESG) issues.

The City of Geneva has also put in place various measures to identify and manage environmental, social and governance risks as part of its calls for tenders (criteria, mandatory documents, etc.) and the monitoring of its projects and service providers (site visits, various controls, etc.).

The City of Geneva’s risk manager also submits a quarterly report to the Executive Council on the main risks identified for major projects, as well as an annual risk management report.
Management of proceeds

The Department of finance, environment and housing (DFEL) is responsible for managing the funds generated by the bond issuance. The Finance Direction is responsible for centralised cash pooling, including the net proceeds of green, social and/or sustainable bond issuances.

The City of Geneva undertakes that the entire net proceeds of each green, social and/or sustainable bond issuance, or an equivalent amount, will be allocated to eligible expenditure within a maximum of 24 months following the respective year of each issuance.

The net proceeds of each green, social and/or sustainable bond issuance will be paid directly and immediately into the City of Geneva’s centralised cash management, which is used to finance all its current needs and the implementation of eligible green or social projects.

Although it is a net borrower, the City of Geneva undertakes, in the event of a temporary cash surplus arising from the issuance of the green, social and/or sustainable bond, not to invest it in risky assets according to ESG criteria, but exclusively in guaranteed term deposits.

Funds will be monitored directly by the Finance Direction, on an obligation-by-obligation basis, using the City of Geneva’s accounting management software package, which enables all expenditure to be tracked, by project and by department and service, including eligible expenditure as defined in this framework document.

- With regard to capital expenditure (CAPEX), each investment is the subject of a commitment credit voted by the Municipal Council;
- The Municipal Council also votes on the operating budget (OPEX).

The draft budget is established by the Finance Direction and approved by the Executive Council. It is then reviewed and voted by the Municipal Council’s Finance Committee. Finally, the approved budget is checked by the Service of Municipal Affairs (SAFCO) before being validated by the Republic and canton of Geneva.

The accounts are established by the Finance Direction, in collaboration with the municipal administration departments, and are audited by the Finance Control (CFI) before being published. The accounts are then subject to hearings by the Municipal Council’s Finance Committee before being voted on by the Municipal Council. Finally, the accounts are audited by the Service of Municipal Affairs (SAFCO) before being validated by the Canton of Geneva.

Fund management and monitoring are the subject of an annual report (see “Project evaluation and selection”, point 4).
Reports

Reporting procedures

The City of Geneva undertakes to keep, prepare and make available key information on the use of the net proceeds of green, social and/or sustainable bond issuances on an individual basis, updated annually, at least until the final allocation of all funds and, concerning CAPEX, until the financed projects are brought into service.

The Finance Direction establishes an annual report on green, social and/or sustainable bonds, which is validated by the Debt Committee and then briefly reviewed by the Financial Control (CFI). This annual report covers aspects relating to the allocation and management of funds and presents the results of changes in financial and extra-financial indicators – the methodology for which will be defined when the bonds are issued – relating to the measurement of relevant environmental, social and/or sustainable impacts by category of eligible expenditure for each issuance made.

The report on green, social and/or sustainable bonds is published on the City of Geneva website.

Financial indicators (allocation of funds)

The following financial indicators will be published by eligible category:
- Net proceeds of green, social and/or sustainable bond issuances;
- Share and amount of funds allocated, detailing capital expenditure (CAPEX) and operating costs (OPEX), as well as subsidies to third-party organisations;
- Share and amount of funds disbursed, detailing capital expenditure (CAPEX) and operating costs (OPEX), as well as by third-party organisations;
- Capitalised non-monetary expenses (interim interests and staff services in favour of investments) are excluded;
- In the case of refinancing, refinancing share by eligible expenditure.

Environmental and/or social indicators

The choice of environmental, social and/or sustainable reporting indicators will be defined by the City of Geneva at the time of publication of the first annual report on the green, social and/or sustainable bonds, published after the issue.

The City of Geneva undertakes to measure and publish in its annual report on green and/or social bonds some of the environmental indicators recommended by the “Handbook – Harmonized Framework for Impact Reporting” (ICMA, 2022), for the corresponding categories of eligible projects financed. These indicators may be supplemented by other relevant environmental, social and/or sustainable indicators defined by the City of Geneva (see Appendix).

The environmental, social and/or sustainable results will be indicated by eligible expenditure for each bond issuance.

In the event of partial financing of an eligible expense by a third party (investment income or co-financing), the report on the City of Geneva’s green, social and/or sustainable bonds will explicitly state what share of the total environmental, social and/or sustainable impact is attributable to each green, social and/or sustainable bond issuance, and to each co-financer, according to the respective co-financing rate.

The methodology for calculating environmental, social and/or sustainability indicators will be specified in the report on green, social and/or sustainable bonds published by the City of Geneva.

Lastly, this report will provide key information on any major developments concerning the projects financed, particularly in the event of funds being reallocated.
External review

Supervisory bodies

Court of Auditors

The Court of Audit, an independent body, is responsible for the independent and autonomous control of the municipal authorities and administrations, the services and institutions that depend on them, as well as intermunicipal entities and private associations or foundations that receive public funds. It acts on its own initiative or on a whistle-blower’s report.

The Geneva Constitution protects people who report illegal behaviour to it.

Financial control of the City of Geneva

The Financial Control of the City of Geneva (CFI), an independent internal auditor, is responsible for the ordinary audit of the financial statements of the municipal administration, in accordance with the Law on the Administration of Municipalities (LAC) and the Regulations relating to the financial control service, the internal audit and the audit of the annual accounts (LC 21 191). As auditor of the annual accounts of the City of Geneva, it audits and certifies the annual accounts.

Administratively attached to the Executive Board and the General Secretariat, it carries out its mandate independently, in accordance with legal and regulatory requirements. The Financial Control (CFI) also carries out compliance audits in accordance with an internal audit plan approved by the Executive Board.

Pre-issuance review

Prior to the publication of this framework, the City of Geneva commissioned a company to carry out an external, independent and expert review by publishing a Second Party Opinion (“SPO”).

This external review covered:

- the conformity of this framework document with the applicable principles defined by ICMA;
- the contribution of eligible expenditure to the United Nations Sustainable Development Goals (UN SDGs);
- the relevance of the environmental, social and/or sustainable objectives of the expenditure and eligible categories targeted by the green, social and/or sustainable bond issues covered by this framework document.

The Second Party Opinion will be published on the City of Geneva’s website together with this framework, prior to the date of the first issuance of green, social and/or sustainable bonds.

Post-issuance review

In addition to the SPO carried out by an external service provider, the annual report on green, social and/or sustainable bonds will be subject to a review by the City of Geneva’s Financial Control30 within one year of issue.

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30 Financial control of the City of Geneva: www.geneve.ch/fr/autorites-administration/administration-municipale/secretariat-general/controle-financier
Appendix

Non-exhaustive list of environmental, social and/or sustainable indicators that may be published in the issuer’s annual reports.

<table>
<thead>
<tr>
<th>Eligible categories</th>
<th>Examples of key indicators</th>
<th>Examples of other indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renewable energy</strong></td>
<td>• Renewable energy generation in MWh/GWh (electricity) (per year) &lt;br&gt;• GHG emissions reduced/avoided (t eq CO₂/year) (per year) &lt;br&gt;• Capacity of renewable energy production facilities built or renovated in MW</td>
<td>• Nb. m² of photovoltaic panels installed</td>
</tr>
<tr>
<td><strong>Energy efficiency (renovation)</strong></td>
<td>• Energy savings in MWh/year (electricity) (per year) &lt;br&gt;• GHG emissions reduced/avoided (t eq CO₂/year) (per year)</td>
<td>• No. of people benefiting from (or using) renovations with an impact on energy efficiency (at the end of the renovation) &lt;br&gt;• Number of buildings whose energy performance has been improved &lt;br&gt;• No. of green roof projects &lt;br&gt;• No. of buildings renovated with double glazing/insulating glass units</td>
</tr>
<tr>
<td><strong>Energy efficiency (construction)</strong></td>
<td>• Reduction in average IDC³¹ / m² &lt;br&gt;• KWh/m² gross floor area &lt;br&gt;• Energy consumption reduced/avoided compared with n-1 (in %) &lt;br&gt;• GHG emissions reduced/avoided (t eq CO₂/year) (per year)</td>
<td>• No. of new certified buildings constructed (THPE-2000W standard)</td>
</tr>
<tr>
<td><strong>Clean transportation</strong></td>
<td>• GHG emissions reduced/avoided (t eq CO₂/year) (per year)</td>
<td>• Cumulative distance of “soft” transport infrastructure developed (km) &lt;br&gt;• No. of clean vehicles deployed (e.g. electric) &lt;br&gt;• Public transport connectivity (unit: distance of building from a public transport stop)</td>
</tr>
<tr>
<td><strong>Climate change adaptation</strong></td>
<td>• Reduction in impervious surface (%) (per year) &lt;br&gt;• Increase in canopy rate (%) (per year)</td>
<td>• Nb. m² of permeable surfaces &lt;br&gt;• No. m² of green areas created &lt;br&gt;• Net number of trees planted &lt;br&gt;• No. of projects incorporating the Lighting Plan &lt;br&gt;• Luminous efficiency (in lm/W)</td>
</tr>
</tbody>
</table>

³¹ IDC stands for “building heat expenditure index”
<table>
<thead>
<tr>
<th>Eligible categories</th>
<th>Examples of key indicators</th>
<th>Examples of other indicators</th>
</tr>
</thead>
</table>
| **Access to essential services (education)** | • Number of new pre-school places created (per year)  
• No. of new pupils admitted to funded schools (per year)  
• Number of new pupils enrolled in funded extracurricular activities (per year)  
• Number of new young people welcomed in local community centres funded | • Rate of coverage of needs expressed by residents of the City of Geneva |

| Access to affordable housing | • Number of public housing units ("LUP") financed (per year)  
• No. of LUPs available (per year)  
• No. of people housed in a LUP (per year)  
• No. of people gaining access to a LUP (per year) | • Average waiting time (in months) before accessing a LUP (per year)  
• No. LUP / 1,000 inhabitants (per year)  
• No. of emergency accommodation places financed in Geneva (per year) |

**Disclaimer**

This framework document for the issuance of green, social and/or sustainable bonds is for information purposes only. It does not constitute, and should not be construed as, an offer or invitation to issue green, social and/or sustainable bonds or an invitation to tender, subscribe for or otherwise acquire any bonds or obligations of the City of Geneva. None of the foregoing shall form the basis of any contract or commitment or be relied upon to enter any contract or commitment. Prospective investors are advised to make their own independent investment decisions.

The Green, Social and/or Sustainable Framework is not intended to be disclosed to, or used by, any person or entity in any jurisdiction or country where to do so would be contrary to law or regulation. Persons into whose possession this document comes should inform themselves about and observe any applicable restrictions.

The information and opinions contained in this document are provided “as is” at the date of publication and are subject to change without notice. Furthermore, they do not guarantee or predict future performance and are subject to risks and uncertainties.

There can be no guarantee that the use of funds raised by green, social and/or sustainable bonds of the City of Geneva for eligible environmental expenditure will fully or partially meet the investor’s present or future expectations or requirements with respect to any investment criteria or guidelines that such investor or its investments are required to meet or intend to meet under any present or future law or regulation or under its own bylaws or other investment rules or mandates, in particular with respect to any direct or indirect environmental, social and/or sustainable impact of a project or use that is the subject of or related to eligible environmental, social and/or sustainable expenditure.

The English translation of this framework is a non-binding convenience translation only. The French original version is the only binding and official version.