

# Services industriels de Genève **Green Finance Framework**

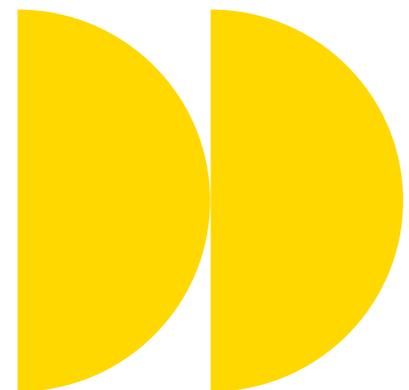


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# Contents

<b>1. Introduction</b>	<b>p. 3</b>
● 1.1. Our purpose and mission	
● 1.2. Our CSR commitments	
● 1.3. Our contribution to SDGs achievement	
● 1.4. Rationale for Green Issuance	
<b>2. Green Finance Framework Overview</b>	<b>p. 5</b>
● 2.1. Scope of Framework	
● 2.2. Use of Proceeds	
● 2.3. Project Selection and Evaluation Process	
● 2.4. Management of Proceeds	
● 2.5. Reporting	
▶ 2.5.1. Allocation Reporting	
▶ 2.5.2. Example Impact Reporting	
<b>3. External Review</b>	<b>p. 10</b>
● 3.1. Second Party Opinion	
● 3.2. Verification	
<b>4. Disclaimer</b>	<b>p. 10</b>



# 1. Introduction

## 1.1. Our purpose and mission

Services industriels de Genève (“SIG” or the Company) is one of the largest mixed-utility providers in Switzerland. It supplies companies, households and the public sector of the Geneva region with essential services in the areas of energies, waste management, wastewater treatment, drinking water and telecommunications.

As a publicly-owned entity, SIG contributes to the implementation of public policies related to its activities. The Company even acts as the “industrial arm” of the Geneva State in terms of ecological transition. As such, SIG is committed to producing sustainable energies. The Company also accompanies its clients towards a responsible consumption, through efficiency programs as well as reliable and innovative solutions.

## 1.2. Our CSR commitments

Sustainability has always been at the heart of SIG strategy; the Company was a pioneer in Switzerland in terms of energy-saving program “éco21”, its electricity generation is already exclusively based on renewable energy sources and the workplace safety is part of the company’s DNA.

In this context, SIG has recently formalised a Corporate Social Responsibility (CSR) approach, with three strategic priorities.

### *Being a responsible partner*

The commitment to being a responsible partner is rooted in sustainable development principles such as human rights protection, inclusive participation, and economic value fair distribution. In this regard, SIG has decided to emphasising on health and safety in the workplace, increasing gender diversity within the leadership team, and achieving an appropriate level of profitability in its various activities.

### *Acting for the environment*

As part of its environmental commitments, SIG has centred its efforts on two key objectives: reducing its direct greenhouse gas emissions and limiting its energy consumption. By implementing concrete measures in these areas, the company actively works towards lowering its carbon footprint, while optimising the energy use in order to support the Geneva State’s broader climate ambitions.

### *Building sustainable solutions*

Within its engagement to build sustainable solutions, the company’s priorities include the acceleration of local and renewable thermal energy production, low-carbon solutions offering to customers, and fatal heat recovery. Through these efforts, the company aims at contributing significantly to Geneva’s transition towards a more sustainable and resilient energy system.



### 1.3. Our contribution to SDGs achievement

Through its priority CSR commitments, SIG contributes directly to nine of the seventeen Sustainable Development Goals (SDGs) established by the United Nations.



### 1.4. Rationale for Green Issuance

The State of Geneva defined its ambitions and roadmap to accelerate the energy transition in its 2020-2030 Energy Master Plan. Its goals are to significantly reduce fossil fuel energy consumption and promote local renewable resources in the canton. In particular, the Master Plan puts emphasis on the heating and cooling networks which are key to decarbonise the Geneva region, since they enable the consumption of renewable energy on a large scale.

SIG is expected to play a key role in the implementation of the Geneva State 2020-2030 Energy Master Plan. In accordance with the latter and following a public voting in 2022, the monopoly for the deployment and the exploitation of the two major heating and cooling networks GeniTerre and GeniLac, also called “Structuring thermal networks”, that entered into force on the 1st of January 2025, was attributed to SIG.

Consistently with the above, SIG also placed the ecological transition at the very heart of its 2030 strategy. As a result, as part of the 1.6 billion Swiss francs investment plan by 2030, the company plans to dedicate an amount close to 1 billion in areas that will contribute to the energy transition. Given the company’s role in “Structuring thermal networks”, about 80% of these investments are expected to be allocated to the deployment of GeniTerre and GeniLac, as well as the construction of local and renewable energy production facilities that will supply them (primarily geothermal energy, fatal heat recovery, and lake water pumping infrastructures for heating and cooling). The Company will also develop other infrastructures in the areas of electricity generation (in particular solar energy), electric vehicles charging infrastructures and waste management amongst others, that are necessary for the ecological transition.

To finance this program, SIG is actively exploring various green financing opportunities as a natural extension of its environmental ambitions.

## 2. Green Finance Framework Overview

### 2.1. Scope of the Framework

This Framework defines how Green Financing Instruments will be set up in all green financing transactions executed by SIG. The eligible projects under this Framework will be mainly located in the Canton of Geneva and restricted to Switzerland. Potential green financing instruments include green bonds, green loans, green project finance, private placement and any other green financial instrument to which an eligible asset or project, or a group of those, is allocated, i.e., they will be Green “Use of Proceeds” Instruments (the “Green Financing Instruments”).

As such, the Framework is aligned for Use of Proceeds issuance with the International Capital Markets Association’s (ICMA) Green Bond Principles (GBP) 2021 and the Loan Market Association’s (LMA) Green Loan Principles (GLP) 2025 as they relate to the four core components:

1. Use of Proceeds;
2. Project Selection and Evaluation Process;
3. Management of Proceeds;
4. Reporting.

This Framework applies to Green Financing Instruments issued after the publication date of this Framework. The Company could eventually update this Framework in the future but is committed to ensuring that any new version will keep current levels of transparency and reporting, being publicly available on its website.



## 2.2. Use of Proceeds

An amount equal to the net proceeds of the Green Financing Instruments will be used to finance, and/or refinance, in whole or in part, Eligible Green Projects. Eligible Green Projects will meet all the Eligibility Criteria of this Framework, as defined in **Section 2.3. Project Selection and Evaluation Process**.

Green Finance Categories	Eligible Projects Description	Sustainability Objectives	Alignment with UN SDGs
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>District or private sector heating and cooling networks (production facilities and distribution networks)</li> <li>Smart meters/grids for energy demand management</li> <li>Grid infrastructure improvements that allow solar plants connection, higher transmission efficiency, and/or reduce energy losses</li> <li>Energy storage systems development</li> <li>Biomass combined heat and power facilities</li> </ul>	Climate Change Mitigation	7 9 13
<b>Renewable Energy</b>	<ul style="list-style-type: none"> <li>Solar energy<sup>1</sup></li> <li>Onshore wind energy<sup>1</sup></li> <li>Production of biogas from sewage sludge and green waste</li> <li>Geothermal power pumps/plants for district heating</li> <li>Hydropower facilities:               <ul style="list-style-type: none"> <li>a) is a run-of-river plant and does not have an artificial reservoir,</li> <li>b) or the power density of the electricity generation facility is above 5 W/m<sup>2</sup>,</li> <li>c) or the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100gCO<sub>2</sub>e/kWh.</li> </ul> </li> </ul>	Climate Change Mitigation	7 9 13
<b>Waste Management</b>	<ul style="list-style-type: none"> <li>Development, construction, installation and/or maintenance of waste sorting, processing and/or recycling facilities from bottom ash</li> <li>Development, construction, installation, and/or maintenance of Energy from Waste (EfW) facilities for the generation of electricity and/or heat</li> </ul>	Pollution Prevention & Control	9 12 13
<b>Wastewater Treatment</b>	<ul style="list-style-type: none"> <li>Wastewater treatment facilities</li> <li>Treatment and reuse of sewage sludge for electricity and heat production and phosphorus extraction</li> </ul>	Pollution Prevention and control	6 9 12 13
<b>Circular Economy &amp; Eco-Efficiency</b>	<ul style="list-style-type: none"> <li>Production and sale of recycled products as secondary raw materials</li> <li>Carbon Capture, Utilisation and Storage (CCUS) from Wastewater treatment and green waste treatment</li> <li>Fatal heat recovery</li> <li>Energy-saving program ("éco21")<sup>2</sup></li> </ul>	Natural Resource Conservation	9 12 13
<b>Clean Transportation</b>	<ul style="list-style-type: none"> <li>Electric vehicle charging infrastructure</li> </ul>	Climate Change Mitigation	11 13

1 There is no substantial backup generation from fossil fuel sources

2 The use of proceeds for the "éco21" program will be directed towards technical and behavioural training, personalised support/ advice and practical tools, and incentives paid by SIG to customers for energy savings measured after an action or a period

In line with market practice, SIG will not allocate net proceeds to assets in the following areas:

- Fossil fuels;
- Nuclear energy;
- Production facilities within protected areas.

SIG has established a Green Finance Committee (“GFC”) which will regularly review whether additional sectors should be excluded.

The Eligible Green Projects under this Framework are designed to provide significant environmental benefits by focusing on energy efficiency, renewable energy, pollution prevention & control, circular economy, and clean transportation. By aligning with international standards and benchmarks, such as the Green Bond and Green Loan Principles, these projects ensure that they meet rigorous environmental criteria and contribute to global climate goals.

Allocation reporting will be available to investors within one year from the date of the Green Financing issuance. In the first report after issuance, allocation of proceeds will be shown up to the level of prorata financing or refinancing of eligible green projects. Any proceeds that remain on deposit and are still to be allocated will be reported in the following year.

SIG may choose to finance projects within a look-back period limited to three calendar years from the issuance year of the Financing in question.

### 2.3. Project Selection and Evaluation Process

The GFC is composed of representatives from the Financing, Sustainability, Controlling, and Risk Management departments, along with the related heads of businesses for green eligible projects. The GFC’s responsibilities include:

- Reviewing, selecting, and validating the pool of Eligible Green Projects in accordance with the Green Finance Framework;
- Validating the annual reporting for investors on the use of the net proceeds from Green Financing Instruments;
- Monitoring the ongoing developments in Sustainable Capital Markets (e.g., GBP, GLP) to ensure compliance with best market practice in terms of disclosure and reporting;
- Monitoring and assessing potential environmental risks associated with the pool of Eligible Green Projects;
- Reviewing the Framework to incorporate any changes related to the Company’s sustainability strategies and initiatives, ensuring alignment with best market practice.

SIG employs a comprehensive risk management Framework to identify and manage social and environmental risks associated with the Company’s industrial projects. This process begins with conducting thorough environmental and social impact assessments (EIAs and SIAs) during the project planning phase to evaluate potential effects on the environment and local communities. SIG engages with stakeholders, including local communities, to gather input and address concerns.



## 2.4. Management of Proceeds

To avoid double counting and ensure transparency, SIG has outlined the process under which the Company will manage its proceeds.

An amount equal to the net proceeds of the Green Financing will be monitored using appropriate tracking mechanisms. For Green Refinancing, the net proceeds will be carved out and earmarked for refinancing. Upon receipt, the net proceeds for each instrument issued in accordance with the Framework will be managed and tracked by SIG's Financing and Treasury team.

This team will be responsible for the allocation of Green Financing Instrument proceeds to Eligible Green Projects, as selected according to the Project Selection and Evaluation Process previously described.

Unallocated proceeds will be temporarily held in any form of cash, time deposit with banks, or other form of available short term liquid funding sources in line with the Company's financial risk management policy. Temporary unallocated proceeds will not be used for GHG intensive or controversial activities. In addition, SIG commits to completing allocation of the Green Financing Instrument proceeds within 36 months from the instrument issuance date.

The GFC will remove allocated proceeds from Eligible Expenditures if the Committee deems the project to no longer be eligible or if the associated Expenditure has fallen outside of the Eligibility Window. The unallocated proceeds will be reallocated to other Eligible Expenditures as soon as possible.

## 2.5. Reporting

SIG will aim to provide investors with transparent reporting on the allocation of proceeds towards Eligible Expenditures (Allocation Reporting), as well as reporting on the positive impact of those expenditures (Impact Reporting). These reports will be updated annually until net funds from Green issues are fully allocated or reach maturity. SIG also intends to, in case of full allocation, report on a timely basis on material developments. The first allocation and impact report will be published within 12 months from issuance and will be available on SIG's website.

### 2.5.1. Allocation Reporting

The annual Allocation Report will contain the following details:

- The list of Eligible Green projects to be (re-)financed;
- The total amount of net proceeds allocated to Eligible Green projects;
- The share of prorata allocation of proceeds between financing and refinancing;
- The balance of unallocated proceeds at the time of reporting.



## 2.5.2. Example of Impact Reporting

Where feasible, SIG will report on potential impact metrics associated with the Eligible Green Projects funded with the net proceeds of the Green Financing Instruments. Impact metrics may include:

Eligible Projects Categories	Impact Measurement Metrics
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>• Reduced/avoided GHG emissions in tons of CO<sub>2</sub> p.a.</li> <li>• Energy savings in MWh/GWh p.a.</li> <li>• Avoided energy loss quantity in MWh/GWh</li> </ul>
<b>Renewable Energy</b>	<ul style="list-style-type: none"> <li>• Reduced/avoided GHG emissions in tons of CO<sub>2</sub> p.a.</li> <li>• Annual generated energy quantity (MWh/GWh)</li> <li>• Installed power capacity (MW)</li> </ul>
<b>Waste Management</b>	<ul style="list-style-type: none"> <li>• GHG emissions from waste management before and after the project in tons of CO<sub>2</sub> p.a.</li> <li>• Energy generation from non-recyclable waste in energy/emission-efficient waste to energy facilities in MWh/GWh</li> <li>• Energy recovered from waste in MWh/GWh of net energy generated p.a.</li> </ul>
<b>Wastewater Treatment</b>	<ul style="list-style-type: none"> <li>• Annual absolute (gross) amount of treated, reused or avoided wastewater before and after the project (in m<sup>3</sup>/a and p.e./a and in %)</li> <li>• Annual absolute (gross) amount of raw/untreated sewage sludges that are treated and disposed of (in tons of dry solids p.a. and in %)</li> <li>• Annual absolute (gross) amount of sludges that are reused (in tons of dry solids p.a. and in %)</li> </ul>
<b>Circular Economy &amp; Eco-Efficiency</b>	<ul style="list-style-type: none"> <li>• Share of recycled waste (defined as total recycled outputs, incl. secondary raw materials produced and materials prepared for further recovery, out of total inputs) and/or in absolute amount in tons p.a.</li> <li>• Energy savings in MWh/GWh p.a.</li> <li>• Reduced/avoided GHG emissions in tons of CO<sub>2</sub> p.a.</li> <li>• Captured and re-used GHG emissions in tons of CO<sub>2</sub> p.a.</li> </ul>
<b>Clean Transportation</b>	<ul style="list-style-type: none"> <li>• Reduced/avoided GHG emissions in tons of CO<sub>2</sub> p.a.</li> <li>• Reduction of air pollutants: particulate matter (PM), sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs)</li> <li>• Number of electric vehicle charging stations</li> </ul>

## 3. External Review

### 3.1. Second Party Opinion

SIG has appointed Sustainalytics to issue an independent pre-issuance Second Party Opinion on its Green Financing Framework regarding the alignment of the Framework with the appropriate standards. Sustainalytics applies its own methodology to carry out its assessment.

The Second Party Opinion is available on SIG's [website](#)<sup>3</sup> and refers to this Framework and every Green Financing thereunder.

### 3.2. Verification

SIG will appoint an independent external reviewer to issue a post-issuance verification report of limited assurance on the internal tracking and allocation of net proceeds from issuance to eligible projects. This report shall also include verification of compliance with the methodology for calculating avoided CO<sub>2</sub> emissions, according to the SIG Group calculation applicable at the time. This report shall be issued annually until all proceeds are fully allocated or until the maturity date of the applicable Green Financing Instruments, whichever occurs first.

## 4. Disclaimer

This Green Finance Framework is intended to provide non-exhaustive, general information as of the date hereof. The information in this document has not been independently verified. SIG does not make any representation regarding public information incorporated herein or any statement contained herein about future events and expectations. Any forward-looking statement contained herein solely reflects SIG's current views and projections at the date hereof and, therefore, should not be taken or relied upon as forecasts, guarantees, or promises regarding such future events. The information contained herein is subject to change without notice, however, SIG does not undertake any obligation to update or amend this document, regardless of whether it is affected by new information, future events or otherwise.

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