Second-Party Opinion

Services Industriels de Genève Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the Services Industriels de Genève Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2025. This assessment is based on the following:

USE OF PROCEEDS The eligible categories for the use of proceeds - Energy Efficiency, Renewable Energy, Waste Management, Wastewater Treatment, Circular Economy and Eco-Efficiency and Clean Transportation - are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 9, 11 and 12.

PROJECT EVALUATION AND SELECTION SIG's Green Finance Committee will be responsible for the evaluation and selection of projects in line with the Framework's eligibility criteria. The committee comprises representatives from the Financing, Sustainability, Controlling and Risk Management departments, along with the heads of business units responsible for the eligible projects. SIG has developed a Risk Management Framework and implements its internal sustainability policies to identify and manage environmental and social risks associated with the projects financed under the Framework. Sustainalytics considers the project selection and evaluation process to be in line with market practice.

MANAGEMENT OF PROCEEDS SIG's Financing and Treasury team will be responsible for the management and allocation of proceeds and will track their allocation using an internal tracking system. The Company intends to allocate proceeds within 36 months of each issuance. Unallocated proceeds will be temporarily held in the form of cash or cash equivalents, a time deposit with banks or short-term liquid instruments in accordance with SIG's financial risk management policy. SIG has established a look-back period of three years for its refinancing activities. This is in line with market practice.

REPORTING SIG commits to report on the allocation of proceeds and corresponding impacts on its website on an annual basis until full allocation or maturity of the outstanding instruments. Allocation reporting will include a list of eligible projects, the total amount of proceeds allocated to eligible projects, the share of pro-rata allocation of proceeds between new financing and refinancing, and the balance of unallocated proceeds. SIG will engage an external verifier to conduct an annual limited assurance review of the internal tracking and allocation of the proceeds. Sustainalytics views SIG's allocation and impact reporting as aligned with market practice.

Second-Party Opinion
Reviewed by:
MORNINGSTAR | SUSTAINALYTICS

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Issuer Location	Vernier, Switzerland

Report Sections

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Introduction

Services Industriels de Genève ("SIG" or the "Company") is a public utility provider headquartered in the Vernier municipality in the Canton of Geneva, catering to companies and households in the region. SIG operates primarily in the following areas: distribution of electricity, natural gas, and drinking water; wastewater treatment; waste management and thermal energy; and telecommunications. Established in 1973, SIG employs approximately 1,745 people as of 2024.

SIG has developed the Services Industriels de Genève Green Finance Framework dated April 2025 (the "Framework") under which it intends to issue green bonds (including private placement)[1], and obtain loans (including multi-tranche loan facilities),[2] project finance, and other financial instruments,[3] and use the proceeds to finance or refinance, in whole or in part, existing or future projects intended to deliver a positive environmental impact in Switzerland. The Framework defines eligibility criteria in six areas:

1. Energy Efficiency
2. Renewable Energy
3. Waste Management
4. Wastewater Treatment
5. Circular Economy and Eco-Efficiency
6. Clean Transportation

SIG engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)[4] and the Green Loan Principles 2025 (GLP).[5] The Framework will be published in a separate document.[6]

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[7] opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2021, as administered by the International Capital Market Association, and the Green Loan Principles 2025, as administered by the Loan Market Association, the Asia-Pacific Loan Market Association and the Loan Syndications and Trading Association.
- The credibility and anticipated positive impacts of the use of proceeds.
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.18, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of SIG's management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. SIG representatives have confirmed that: (1) they understand it is the sole responsibility of SIG to ensure that the information provided to Sustainalytics is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information; and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

[1] SIG has confirmed that private placements will be limited to debt instruments.
[2] SIG has confirmed that the Framework will not be used to obtain revolving credit facilities.
[3] Sustainalytics has reviewed only those financial instruments that are specified under the Framework.
[4] The Green Bond Principles are administered by the International Capital Market Association and are available at https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/.
[5] The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at https://www.lsta.org/content/green-loan-principles/
[6] The Services Industriels de Genève Green Finance Framework will be available at: https://ww2.sig-ge.ch/a-propos-de-sig/investisseurs
[7] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and SIG.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that SIG has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Services Industriels de Genève Green Finance Framework

Sustainalytics is of the opinion that the Services Industriels de Genève Green Finance Framework is credible, impactful and aligned with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible categories - Energy Efficiency, Renewable Energy, Waste Management, Wastewater Treatment, Circular Economy and Eco-Efficiency, Clean Transportation - are aligned with those recognized by the GBP and GLP.
  - Sustainalytics notes that SIG has established a look-back period of three years for its refinancing activities, which is in line with market practice.
  - SIG will limit financing to eligible projects and assets in Switzerland.
  - Under the Energy Efficiency category, SIG may finance or refinance the following activities:
    - District or private sector heating and cooling generation systems and distribution network infrastructure. SIG has confirmed to Sustainalytics that it will limit financing to: i) distribution networks that are more than 50% powered by renewables;[8] and ii) heat and cooling production facilities that are powered 100% by renewable electricity or industrial waste heat (excluding waste heat from fossil fuel production and operations), or are directly connected to the grid or to municipal solid waste incineration plants, where the majority of recyclables are segregated before energy conversion.
      - For energy generated from municipal solid waste, Sustainalytics recognizes that energy from waste could take out of circulation potentially recyclable materials and undermine two of the main objectives of a zero-waste circular economy (i.e. waste prevention and recycling). Additionally, the composition of residual waste, particularly fossil carbon content, is a crucial consideration for such projects to have low emissions intensity. Nonetheless, energy from waste can offer a better residual waste management option than landfills in many cases due to constraints on recycling in many parts of the world. SIG has communicated to Sustainalytics that it will promote the sorting of

[8] SIG has communicated to Sustainalytics it aims to achieve an 80% share of renewable energy in its distribution networks in the mid-term.

increasing amounts of recyclables, especially plastics and metals.[9] Sustainalytics further recommends SIG to monitor the thermal efficiency of the financed facilities.

- Investments in smart grid technologies, such as smart meters,[10] for energy demand management. Despite the variety of definitions and applications of smart grid technology, Sustainalytics views positively investments that are designed to improve grid efficiency and encourages SIG to select projects that are clearly anticipated to deliver tangible efficiency improvements.
- Upgrades to grid infrastructure that enable solar plants connection or improve transmission efficiency and reduce energy losses, such as replacing old electrical transformers with more efficient models in the power distribution networks.
- Development of seasonal thermal energy storage systems, including aquifer thermal energy storage (ATES) or borehole thermal energy storage (BTES) to provide heating to buildings connected to a district heating network.
  - SIG has communicated to Sustainalytics that energy storage systems may be connected to grids that transmit less than 90% renewable energy, but the share of renewable energy is expected to increase. For such projects, the Company will follow a pro-rata approach and will only finance expenditures that are proportional to the share of renewable energy in the grid.
- Combined heat and power (CHP) plants powered by biomass waste to generate electricity and provide heating and cooling for buildings. SIG has communicated to Sustainalytics that such projects will be limited to those that are powered by waste feedstock derived from forestry residues, such as wood pellets, wood chips or wood briquettes.
- For financing under this category, SIG has confirmed the exclusion of technologies designed or intended for i) processes that are primarily driven or powered by coal, gas or other fossil fuels; and ii) production processes in heavy industries, including steel, cement and aluminum.
- Sustainalytics considers investments under this category to be aligned with market practice.

– Under the Renewable Energy category, SIG may finance or refinance the following projects:
  - Solar projects, including solar photovoltaic and concentrated solar heat and power (CSP) technology, where more than 85% of the electricity generated from the facility will be derived from solar energy.
  - Onshore wind energy projects.
  - Production of biogas using sewage sludge and green waste[11] feedstocks. SIG has confirmed the exclusion of i) sewage sludge from fossil fuel operations; ii) animal fats, oils and other animal processing by-products; and iii) animal manure from industrial-scale livestock operations.
  - Geothermal power plants for district heating with a life cycle GHG emissions intensity below 100 gCO_2e/kWh.[12]
  - Hydropower plants that became operational before the end of 2019 and meet one of the following criteria: i) run-of-river without an artificial reservoir; ii) power density greater than 5 W/m^2; or iii) life cycle carbon intensity below 100 gCO_2e/kWh. SIG has confirmed to Sustainalytics that only projects without significant risks, expected negative impacts and any significant controversies will be financed.
  - Sustainalytics considers investments under this category to be aligned with market practice.
– Under the Waste Management category, SIG may finance or refinance the development, construction, installation and maintenance of the following facilities:

[9] SIG intends to promote the sorting of recyclables through its "éco21" programme, which includes technical consultations and training for all its customers to support waste segregation at source.
[10] SIG has confirmed that smart meters for natural gas will be excluded in line with the Framework level exclusionary criteria.
[11] SIG defines green waste as biodegradable materials of plant or animal origin, including food waste such as leftovers, fruit and vegetable peelings, uneaten expired food, garden waste such as leaves grass, shredded branches, and other organic waste such as eggshells and coffee grounds.
[12] SIG has communicated to Sustainalytics that the geothermal power plants will be based on a medium-depth hydrothermal system and will have a life cycle GHG emissions of 10 to 20 CO_2e/kWh.

- Waste sorting, processing and recycling facilities. Eligible waste treatment facilities may include facilities for the recycling of bottom ash as well as equipment for waste sorting plants that recover valuable materials, such as precious metal fractions and sand, from the residue left after waste incineration.
  - Sustainalytics notes the potential benefits of recovering materials such as metals and sand from bottom ash, that incorporates robust waste management practices, but notes, however, that bottom ash results from incineration of waste, where waste may not always be segregated prior to incineration, which limits the potential impact. Sustainalytics encourages SIG to ensure segregation of waste before incineration, where feasible.
- Energy-from-waste facilities to generate electricity and heat from municipal solid waste. SIG has confirmed that financing will be limited to projects where most of the recyclables, including plastics and metals, are segregated from the mixed residual waste before conversion. Additionally, SIG has communicated to Sustainalytics that it will follow the waste hierarchy principles to prioritize waste prevention, reuse, recycling and recovery.
  - Sustainalytics recognizes that energy from waste could take out of circulation potentially recyclable materials and undermine two of the main objectives of a zero-waste circular economy (i.e. waste prevention and recycling). Additionally, for such projects to have low emissions intensity, the composition of residual waste, particularly fossil carbon content, is a crucial consideration. However, Sustainalytics also notes that due to constraints on recycling in many parts of the world, energy from waste can offer a better residual waste management option than landfills in many cases. Sustainalytics recommends SIG to promote the removal of increasing amounts of recyclables, especially plastics and metals, and the monitoring of thermal efficiency of the financed facilities.
- Sustainalytics considers investments under this category to be aligned with market practice.

– Under the Wastewater Treatment category, SIG may finance or refinance the following activities:
  - Wastewater treatment facilities aimed at improving regional water quality.
  - Treatment and reuse of sewage sludge for electricity and heat production and phosphorus extraction.
  - SIG has confirmed the exclusion of i) treatment of wastewater and sewage sludge from fossil fuel operations; and ii) treatment facilities dedicated to controversial activities having harmful social or environmental impacts, such as industrial-scale livestock.
  - Sustainalytics considers investments under this category to be aligned with market practice.
– Under the Circular Economy and Eco-Efficiency category, SIG may finance or refinance the following projects:
  - Production and sale of recycled products as secondary raw materials, including precious metal fractions and sand recovered from bottom ash after waste incineration, as specified under the Waste Management category, for use in the construction sector.
    - Sustainalytics notes the potential benefits of recovering materials such as metals and sand from bottom ash, that incorporates robust waste management practices, but notes, however, that bottom ash results from incineration of waste, where waste may not always be segregated prior to incineration, which limits the potential impact. Sustainalytics encourages SIG to ensure segregation of waste before incineration, where feasible.
  - Carbon capture, utilisation and storage (CCUS) technologies from wastewater and green waste treatment. Sustainalytics notes that CCUS projects will utilize wastewater and green waste as a feedstock in accordance with the Renewable Energy and Wastewater Management eligibility criteria.
    - SIG has confirmed that i) it will exclude carbon capture technologies intended for enhanced oil recovery or applied to hard-to-abate industrial activities not aligned with recognized decarbonization thresholds; and ii) projects involving CO_2 storage will have an appropriate management plan for leakage detection

and will be limited to those where the captured carbon is supplied to a third party to be used for the production of concrete.
- For CO_2 storage projects, considering the emissions-intensive process of cement production, Sustainalytics encourages SIG to select a third-party concrete producer with production facilities that have an emissions intensity below 0.547 tCO_2e/t of cementitious product[13] and that follow a credible decarbonization pathway where either i) the expected lifetime emissions intensity is below 0.449 tCO_2e/t of cementitious product; or ii) the facility is expected to be in alignment with the TPI's decarbonization pathway throughout its lifetime.
- Sustainalytics views this expenditure to be aligned with market practice.

▪ Processes and technologies for fatal heat recovery. SIG has confirmed that it will exclude the financing of projects with waste heat from fossil fuel production and operations. This is in line with market practice.
▪ Expenditures related to the Company's energy saving programme "éco21" under which it provides technical consultations and training to support individuals, businesses, local authorities, property owners and professional partners in reducing energy consumption.[14] The programme includes the following activities: i) technical and behavioural training for energy managers of SIG's corporate clients; ii) personalized consultations and practical tools, such as energy optimization solutions for building technical systems for SIG's real estate clients; and iii) financial incentives offered by SIG to customers based on achieved energy savings as a result of SIG's training.
- Sustainalytics acknowledges that financial incentives provided by SIG to customers for achieving measurable energy savings may contribute to energy reductions. However, Sustainalytics considers such expenditures to have limited positive impact as financing is not directed toward the direct implementation of energy efficiency measures and is instead provided in the form of a bonus payment to customers for energy savings achieved over a given period.

– Under the Clean Transportation category, SIG may finance or refinance the installation of charging stations for electric vehicles. The Company has confirmed that the EV charging infrastructure will be installed in existing parking facilities and roads. Sustainalytics considers financing under this category to be aligned with market practice.
– Sustainalytics notes that the Framework excludes the financing of projects and assets associated with fossil fuels, nuclear energy, and production facilities located in protected areas.

- Project Evaluation and Selection:
  – SIG has established a Green Finance Committee, which will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. The committee comprises representatives from the Financing, Sustainability, Controlling and Risk Management departments, along with the heads of business units responsible for the eligible projects.
  – The committee will also be responsible for monitoring and assessing potential environmental and social risks (E&S) associated with the projects financed under the Framework. SIG has developed a Risk Management Framework to identify and manage E&S risks, which includes environmental and social impact assessments at the project planning stage to evaluate the potential adverse impacts of financed projects on the environment and local communities. Sustainalytics considers the Company's E&S risk management system to be adequate. For additional details, please see Section 2.
  – Based on the established process for project evaluation and selection, and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  – The Company's Financing and Treasury team will be responsible for the management and allocation of proceeds and will track the allocation of proceeds using an internal tracking system.

[13] 0.547 tCO_2e/t of cementitious product is the Transition Pathway Initiatives' 2029 below 2°C scenario benchmark value for the cement sector.
[14] SIG has communicated to Sustainalytics that since its launch, the éco21 programme has considerably improved energy efficiency in the Canton of Geneva, achieving annual savings of 271 GWh of electricity, reducing CO_2 emissions by 652,000 tonnes and preventing 3,860 tonnes of waste.

  - SIG intends to allocate proceeds within 36 months of each issuance. Pending full allocation, the unallocated amount will be temporarily held in the form of cash or cash equivalents, a time deposit with banks or other short-term liquid instruments in accordance with the Company's financial risk management policy. Sustainalytics notes that SIG will exclude temporary investments in carbon-intensive and controversial activities.
  - SIG has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche loan facilities. The Company intends to label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
  - Based on the use of a tracking system and disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - SIG will report on the allocation of proceeds and corresponding impacts on its website on an annual basis until full allocation or maturity of the outstanding instruments, and on a timely basis in case of material developments.
  - Allocation reporting will include the following: i) a list of eligible projects to be refinanced; ii) the total amount of proceeds allocated to eligible projects; iii) a share of pro-rata allocation of proceeds between new financing and refinancing; and iv) the balance of unallocated proceeds at the time of reporting.
  - SIG will obtain limited assurance from an external verifier on the internal tracking and allocation of the proceeds until the full allocation or maturity date of the outstanding instruments, whichever comes first.
  - Where feasible, impact reporting may include relevant indicators such as the annual GHG emissions reduced or avoided (in tonnes of CO_2), installed power capacity (in MWh), energy recovered from waste (in MWh/GWh of net energy generated p.a.), annual absolute (gross) amount of sludge that is reused (in tonnes of dry solids and in %), share of recycled waste (in % of total waste and/or in absolute amount in tonnes p.a.), the number of installed charging stations for EVs and their installed capacity (in kW).
  - Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with the Green Bond Principles 2021 and Green Loan Principles 2025

Sustainalytics has determined that the Services Industriels de Genève Green Finance Framework aligns with the four core components of the GBP and GLP.

Section 2: Sustainability Strategy of SIG

Contribution to SIG's sustainability strategy

To achieve carbon neutrality by 2050, SIG has adopted Strategy 2030, which focuses on four key areas: i) prioritizing energy efficiency by implementing programs, such as éco21, to reduce electricity consumption and emissions; ii) driving renewable energy expansion such as developing solar, wind, thermal, and geothermal energy sources; iii) launching programmes to reduce emissions through advanced district heating and cooling infrastructure; and iv) optimizing infrastructure by enhancing dam operations and promoting sustainable energy networks.[15]

In 2007, SIG launched éco21, an energy efficiency programme, aiming to stabilize Geneva's electricity consumption by providing training and monitoring services and granting financial incentives.[16] In 2024, the programme has achieved 271 GWh of annual electricity savings along with avoiding 652,000 tons of CO_2 emissions and preventing 3,860 tonnes of waste.[17] In 2024, SIG launched "Collectivités-Performance" as part of its éco21 energy savings programme. Through this programme, SIG encourages municipalities and public interest foundations to self-renovate the rental properties by providing financial support, and technical and legal assistance prior to starting work.[18]

[15] SIG, "Stratégie SIG 2030", at: https://media.sig-ge.ch/documents/sig/nous_connaitre/stategie_et_valeurs/strategie_sig_2030.pdf
[16] SIG shared its Management and Sustainability Report 2024 with Sustainalytics confidentially.
[17] SIG shared the information with Sustainalytics internally.
[18] Ibid.

SIG has also set targets to reduce its scope 1 GHG emissions by 40% and scope 2 GHG emissions by 10% by 2030, compared to a 2019 baseline, and aims to reach net zero by 2050.[19,20] In 2024, SIG reduced its scope 1 GHG emissions by 25%, compared to the 2019 baseline.[21] Additionally, as of 2024, SIG has also reduced its energy consumption by 50% through building optimization compared to 1995 levels.[22]

Furthermore, SIG adheres to the Federal Ordinance on Climate Reporting, which requires large companies to implement the recommendations of the Task Force on Climate-Related Financial Disclosure.[23] Additionally, in 2023, SIG partnered with the United Nations Office at Geneva to sign the Ambition Negawatt Vision charter, focusing on upgrading lighting systems and expanding solar photovoltaic power generation to enhance energy efficiency.[24]

Sustainalytics is of the opinion that the Services Industriels de Genève Green Finance Framework is aligned with SIG's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental or social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) land use and biodiversity associated with large-scale infrastructure development projects; ii) emissions, effluents and waste generated during construction; iii) occupational health and safety (OHS); iv) community relations; and v) business ethics.

Sustainalytics is of the opinion that SIG is able to manage and mitigate potential risks through implementation of the following:

- Regarding land use and biodiversity risks, SIG's Environmental Policy addresses environmental risks associated with its operations through a multi-year environmental programme that systematically identifies, monitors and minimizes environmental impacts.[25] The Company conducts an environmental analysis for each business unit to identify potential biodiversity impacts and risks associated with its projects.[26] SIG also adheres to ISO 14001 environmental management system,[27] which requires the inclusion of robust processes to mitigate the environmental impacts of its operations.[28] Furthermore, all 18 of SIG's industrial sites are certified by the Fondation Nature & Économie,[29] which recognizes sites that are designed and maintained to promote biodiversity and natural environment preservation.[30,31] Moreover, projects financed in Switzerland must comply with the requirements of the Swiss Environmental Protection Act on environmental impact assessments prior to initiating construction works.[32] The act requires adequate assessment of projects that may have significant impacts on ecosystems and biodiversity and ensure that measures are taken to avoid, prevent, reduce and, where feasible, offset adverse effects, in particular on species and habitats.[33]
- To mitigate emissions, effluents and waste generated in construction, SIG's Environmental Policy requires the Company to comply with all applicable national and cantonal environmental laws, including for pollution prevention.[34] The Company is required to comply with the Swiss Environmental Protection Act, which establishes guidelines for waste management, soil and air pollution control, and hazardous materials handling; ensuring proper waste segregation, recycling;

[19] SIG shared its Management and Sustainability Report 2024 with Sustainalytics confidentially.
[20] SIG shared the scope 2 emissions reduction target with Sustainalytics confidentially.
[21] SIG shared its Management and Sustainability Report 2024 with Sustainalytics confidentially.
[22] SIG, "Notre siège social, le site du Lignon", at: https://ww2.sig-ge.ch/a-propos-de-sig/nous-connaitre/sites_expositions/siege-social
[23] SIG shared its Management and Sustainability Report 2024 with Sustainalytics confidentially.
[24] SIG, "Rapport de gestion et de durabilité 2023", at: https://media.sig-ge.ch/documents/sig/rapport_annuel/rapport_gestion_et_durabilite_2023.pdf
[25] SIG shared its Environmental Policy with Sustainalytics confidentially.
[26] SIG shared the information with Sustainalytics internally.
[27] ISO, "ISO 14001:2015", at: https://www.iso.org/standard/60857.html
[28] SIG shared its Environmental Policy with Sustainalytics confidentially.
[29] Fondation Nature & Économie, "La certification", at: https://SIGwww.naturundwirtschaft.ch/fr/certifier/
[30] Fondation Nature & Économie, "Sites certifiés", at: https://www.naturundwirtschaft.ch/fr/assets/ArealeCSV/Arealliste_Website_2024_dreisprachig.pdf
[31] SIG shared this information with Sustainalytics internally.
[32] Swiss Confederation, "Federal Act on the Protection of the Environment", (1983), at: https://www.fedlex.admin.ch/eli/cc/1984/1122_1122_1122/en
[33] Ibid.
[34] SIG shared its Environmental Policy with Sustainalytics confidentially.

and environmentally responsible disposal.[35] Additionally, SIG adheres to ISO 50001[36] energy management requirements to reduce energy-related emissions and prioritize low carbon transport.[37]

- To mitigate OHS risks, SIG has in place an occupational health and safety management system in adherence to ISO 45001 requirements.[38,39] SIG's OHS Policy sets out guidelines to protect the health and safety of employees and third parties, and integrates continuous risk assessment to mitigate work related accidents and diseases.[40] The Company's OHS Risk Assessment Manual outlines measures to identify and manage risks during the construction and operational phases through risk assessments, preventive measures and employee training.[41] Additionally, the OHS Risk Assessment Manual includes detailed safety instructions and procedures for activities, such as working in high temperatures, electrical installation works, use of industrial gases, scaffolding, working at heights, transport of hazardous materials, confined spaces and first aid.[42]
- To manage risks related to community relations, SIG emphasizes stakeholder engagement as part of its 2030 strategy and commits to working with local communities and public institutions to promote sustainable environmental practices.[43] SIG's Internal Directives mandate the Chairman of the Board of Directors to regularly update the board on the development of SIG's relations with its stakeholders.[44] SIG regularly consults with local environmental associations to implement their recommendations to mitigate the potential negative impact of the Company's industrial activities.[45] For projects requiring construction permits, SIG engages with local communities during the appeal period, allowing resident groups or individuals to formally contest project-related decisions.[46]
- With regard to business ethics, SIG requires all employees to comply with applicable Swiss law and internal statutes, which prohibit all forms of fraud, including corruption, theft, conflicts of interest and document falsification.[47] Additionally, SIG's Ethical Commitment in Procurement outlines the requirements for employees who interact with suppliers or influence purchasing decisions to act fairly and avoid undue privileges linked to their position.[48] It also mandates adherence to the Swiss Federal Act on the Internal Market and the Intercantonal Agreement on Public Procurement to uphold fair competition and transparency in government contracts.[49]
- Sustainalytics notes that financing under the Framework will take place in Switzerland, which is recognized as a Designated Country under the Equator Principles, indicating the presence of robust environmental and social governance systems, legislation and institutional capacity for protecting the environment and communities.[50]

Based on these policies, standards and assessments, Sustainalytics is of the opinion that SIG has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of energy efficiency initiatives in Switzerland

In 2022, transport and residential buildings were the largest contributors to Switzerland's total final energy consumption.[51] In the same year, the energy and building sector accounted for 30% of the total GHG emissions

[35] Swiss Confederation, "Federal Act on the Protection of the Environment", (1983), at: https://www.fedlex.admin.ch/eli/cc/1984/1122_1122_1122/en
[36] ISO, "ISO 50001 – Energy management", at: https://www.iso.org/iso-50001-energy-management.html
[37] SIG shared its Environmental Policy and Mobility Policy with Sustainalytics confidentially.
[38] ISO, "ISO/IEC 45001:2018 – Occupational health and safety management systems", at: https://www.iso.org/standard/63787.html
[39] SIG shared this information with Sustainalytics internally.
[40] SIG shared its Occupational Health and Safety Policy and OHS Risk Assessment Manual with Sustainalytics confidentially.
[41] SIG shared its OHS Risk Assessment Manual with Sustainalytics confidentially.
[42] Ibid.
[43] SIG, "Stratégie SIG 2030", at: https://media.sig-ge.ch/documents/sig/nous_connaitre/stategie_et_valeurs/strategie_sig_2030.pdf
[44] SIG shared its Internal Directives document with Sustainalytics confidentially.
[45] SIG shared the information with Sustainalytics internally.
[46] Ibid.
[47] Ibid.
[48] SIG shared its Ethical Commitment in Procurement with Sustainalytics confidentially.
[49] Ibid.
[50] Equator Principles, "About the Equator Principles", at: https://equator-principles.com/about-the-equator-principles/
[51] IEA, "Energy system of Switzerland", at: https://www.iea.org/countries/switzerland

in the City of Geneva.[52] To limit global warming to 1.5°C above pre-industrial levels in accordance with the commitments of the Paris Agreement, global GHG emissions need to reach net zero by 2050.[53] Under the Paris Agreement, Switzerland committed to achieving by 2030 at least a 50% reduction in GHG emissions compared to1990 levels, and reaching net zero by 2050.[54] Furthermore, to limit climate change and comply with the Paris Agreement, the Canton of Geneva set a target for a 60% reduction in GHG emissions by 2030, compared to 1990 levels, and to achieve climate neutrality by 2050.[55]

In this context, Switzerland introduced the CO_2 Levy as part of the Swiss Energy Strategy 2050 that imposes taxes on fossil combustible fuels, such as heating oil and natural gas, to incentivize the adoption of more carbon-neutral or low-carbon energy sources.[56] The Energy Master Plan (2020-2030) (EMP), adopted by the Council of State of Geneva, outlines the Canton's approach to energy consumption, renewable resource utilization, and climate objectives. The EMP sets targets for 2030 and 2050, focusing on two primary objectives: i) controlling and reducing energy demand by enhancing energy efficiency and renovating existing building stock; and ii) optimizing local renewable energy resources through the development of geothermal, solar thermal, and biomass-based systems, along with establishing energy storage and management infrastructure.[57] Additionally, since 2010, the Building Programme of the Swiss Confederation and Cantons has been effective in accelerating the implementation of energy efficiency measures in buildings by subsidizing the cost of energy saving renovations. Despite that, the annual renovation rate of the building stock in Switzerland remains very low at 1.2% as of 2021.[58,59]

Based on the above, Sustainalytics is of the opinion that SIG's investments in energy efficiency-related measures will contribute to a reduction in emissions in Geneva and contribute overall to Switzerland's climate targets.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Services Industriels de Genève Green Finance Framework will advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Energy Efficiency	7. Affordable and Clean energy	7.3 By 2030, double the global rate of improvement in energy efficiency.
	9. Industry, Innovation and Infrastructure	9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
	9. Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and

[52] Republic and Canton of Geneva, "CITY OF GENEVA CLIMATE STRATEGY", (2022), at: https://www.geneve.ch/en/document/climate-change-strategy-brochure-english-ville-geneve#:~:text=The%20City%20of%20Geneva%20declared%20a%20climate,change%20and%20comply%20with%20the%20Paris%20Agreement.
[53] United Nations, "For a livable climate:
Net-zero commitments must be backed by credible action", at: https://www.un.org/en/climatechange/net-zero-coalition
[54] Swiss Federal Office for the Environment, "Reduction Targets", at: https://www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/emission-reduction/reduction-targets/2030-target.html
[55] Republic and Canton of Geneva, "CITY OF GENEVA CLIMATE STRATEGY", (2022), at: https://www.geneve.ch/en/document/climate-change-strategy-brochure-english-ville-geneve#:~:text=The%20City%20of%20Geneva%20declared%20a%20climate,change%20and%20comply%20with%20the%20Paris%20Agreement.
[56] Swiss Federal Office for the Environment, "CO_2 levy", at https://www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/reduction-measures/co2-levy.html
[57] Republic and Canton of Geneva, "The Energy Master Plan", (2021), at: https://www.ge.ch/document/energy-master-plan
[58] Swiss Federal Office of Energy, "Deep Renovation of Historic Buildings Towards Lowest Possible Energy Demand and CO2 Emissions", (2021), at: https://www.aramis.admin.ch/Default?DocumentID=68103&Load=true
[59] Swiss Federal Office of Energy, "Measures for increasing energy efficiency", (2020), at: https://www.bfe.admin.ch/bfe/en/home/policy/energy-strategy-2050/initial-package-of-measures/measures-for-increasing-energy-efficiency.html

		transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
Waste Management	12. Responsible Production and Consumption	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.
Wastewater Treatment	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
	12. Responsible Production and Consumption	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.
Circular Economy and Eco-Efficiency	9. Industry, Innovation and Infrastructure	9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
	12. Responsible Production and Consumption	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.
Clean Transportation	11. Sustainable Cities and Communities	11.2 Provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

Conclusion

SIG has developed the Services Industriels de Genève Green Finance Framework under which it intends to issue green bonds (including private placement), obtain loans (including multi-tranche loan facilities), project finance, and other financial instruments and use the proceeds to finance or refinance projects related to Energy Efficiency, Renewable Energy, Waste Management, Wastewater Treatment, Circular Economy and Eco-Efficiency, and Clean Transportation. Sustainalytics considers that the eligible projects are expected to deliver positive environmental impacts in Switzerland.

The Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Services Industriels de Genève Green Finance Framework is aligned with SIG's sustainability strategy and that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals 6, 7, 9, 11 and 12. Additionally, Sustainalytics is of the opinion that SIG has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that SIG is well positioned to issue or obtain green bonds and loans and that the Services Industriels de Genève Green Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles (2021) and Green Loan Principles (2025).

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