

REPORT REVIEW

The Swiss Confederation Green Bond Allocation and Impact Report

2 September 2024

VERIFICATION PARAMETERS

Type(s) of reporting

- Green Bond Allocation and Impact Report

Relevant standard(s)

- Harmonised Framework for Impact Reporting (HFIR), updated June 2023, as administered by the International Capital Market Association (ICMA)

Scope of verification

- Swiss Confederation's Green Bond Allocation and Impact Report (as of August 29, 2024)
- Swiss Confederation's Green Bond Framework (as of July 7, 2022)
- Bond(s) identification: CH0440081567/ bond maturity: Oct. 26, 2038 (bond issuance amount 2023: CHF 671.35 million)

Lifecycle

- Post-issuance verification

Validity

- As long as no changes are undertaken by the Issuer to its Green Bond Allocation and Impact Report as of August 29, 2024

CONTENTS

SCOPE OF WORK.....	3
ASSESSMENT SUMMARY.....	4
PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE GREEN BOND FRAMEWORK	5
PART II: ASSESSMENT AGAINST THE ICMA HARMONISED FRAMEWORK FOR IMPACT REPORTING (HFIR)	8
PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS.....	15
ANNEX 1: Methodology	26
ANNEX 2: Quality management processes	27
About this Report Review	28

SCOPE OF WORK

The Swiss Confederation (“the Issuer” or “Switzerland”) commissioned ISS-Corporate to provide a Report Review¹ on its Green Bond Allocation and Impact Report by assessing:

1. The alignment of the Swiss Confederation’s Green Bond Allocation and Impact Report with the commitments set forth in its Green Bond Framework (as of July 7, 2022).²
2. The Swiss Confederation’s Green Bond Allocation and Impact Report, benchmarked against the Harmonised Framework for Impact Reporting (HFIR), updated June 2023 as administered by the International Capital Market Association (ICMA).
3. The disclosure of proceeds allocation and soundness of reporting indicators — whether the impact metrics align with best market practices and are relevant to the green bond issued.

¹ A limited or reasonable assurance is not provided on the information presented in the Swiss Confederation’s Green Bond Allocation and Impact Report. A review of the use of proceeds allocation and impact reporting is solely conducted against the core principles and recommendations of ICMA’s standards (Green Bond Principles) where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Swiss Confederation is responsible for the preparation of the report, including the application of methods and internal control procedures designed to ensure that the subject matter is free from material misstatement.

² The Framework was assessed as aligned with the Green Bond Principles as of July 7, 2022.

ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p>Part I</p> <p>Alignment with the Issuer's commitments set forth in the Framework</p>	<p>The Swiss Confederation's Green Bond Allocation and Impact Report meets the Issuer's commitments set forth in the Green Bond Framework. The proceeds have been used to (re)finance Clean Transportation, Agriculture, Forestry, Natural Landscapes and Biodiversity, Green Buildings and Energy Efficiency, International Cooperation, Research, Innovation, and Awareness Raising and Renewable Energy³ in accordance with the eligibility criteria defined in the Framework.</p>	Aligned
<p>Part II</p> <p>Alignment with the Harmonised Framework for Impact Reporting (HFIR)</p>	<p>The Green Bond Allocation and Impact Report is in line with the HFIR. The Issuer follows core principles and, where applicable, key recommendations.</p> <p>The report was produced annually with allocated proceeds reported in Swiss francs and includes impact indicators for most of the financed eligible expenditure categories. ESG risks are identified and managed through the process of the federal administration and the Swiss legal system. Review was also carried out by the Green Bond Working Group at least once a year by engaging relevant offices and experts when necessary.</p>	Aligned
<p>Part III</p> <p>Disclosure of proceeds allocation and soundness of reporting indicators</p>	<p>The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project expenditures as proposed in the Framework.⁴</p> <p>The Swiss Confederation's Green Bond Allocation and Impact Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices.</p>	Positive

³ The Renewable Energy project expenditure category is eligible under the Framework, but no proceeds were allocated.

⁴ The assessment is based on the information provided in the Issuer's report. The Issuer is responsible for the preparation of the report, including the application of methods and procedures designed to ensure that the subject matter is free from material misstatement.

REPORT REVIEW ASSESSMENT

PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE GREEN BOND FRAMEWORK⁵

The following table evaluates the Green Bond Allocation and Impact Report against the commitments set forth in the Swiss Confederation’s Framework, which are based on the core requirements of the Green Bond Principles and best market practices.

GBP	OPINION	ALIGNMENT WITH COMMITMENT
<p>1. Use of Proceeds</p>	<p>The Issuer confirms to follow the Use of Proceeds description provided by its Green Bond Framework. The report is in line with the initial commitments set in the Framework.</p> <p>The Issuer’s green categories align with the expenditure categories and are in accordance with the eligibility criteria set in its Green Bond Framework. The proceeds have been used to (re)finance the following green expenditure categories: Clean Transportation, Agriculture, Forestry, Natural Landscapes and Biodiversity, Green Buildings and Energy Efficiency, International Cooperation, Research, Innovation, and Awareness Raising. The Renewable Energy expenditure category is eligible under the Framework, but no proceeds were allocated. Environmental benefits at the category level are described and quantified.</p> <p>The Swiss Confederation respects the defined lookback period of one budget year preceding the bond issuance, and the exclusion criteria for harmful expenditure categories as described in the Framework. The Swiss Confederation also states the share of proceeds allocated to financing, in line with best market practice.</p>	<p>✓</p>
<p>2. Process for Project</p>	<p>The Swiss Confederation confirms to follow the Process for Expenditure Evaluation and Selection description provided by its Green Bond Framework. The report is</p>	<p>✓</p>

⁵ The Swiss Confederation’s Green Bond Framework was assessed as aligned with the GBP (as of June 2021) as of July 7, 2022.

<p>Evaluation and Selection</p>	<p>in line with the initial commitments set in the Framework: The selection process involves initial screening by the Green Bond Working Group, which involves the Federal Finance Administration and the Federal Office for the Environment, followed by evaluation in consultation with relevant offices.</p> <p>The expenditures selected are defined and structured in a congruous manner. The Issuer ensures compliance with the Eligibility Criteria. ESG risks associated with the expenditure categories are identified and managed appropriately. The Issuer clearly defines various stakeholders and their responsibilities in the process of project selection and evaluation. This includes the Federal Office of Transport, the Federal Office for the Environment, the Swiss Federal Office of Energy, the Federal Office for Agriculture, the State Secretariat for Economic Affairs, the Federal Office for Buildings and Logistics, and internal expertise. The eligibility expenditures were reviewed at least annually.</p>	
<p>3. Management of Proceeds</p>	<p>The Swiss Confederation confirms to follow the Process for Management of Proceeds description provided by its Green Bond Framework. The report is in line with the initial commitments set in the Framework. The proceeds were monitored and documented by the Federal Finance Administration and were managed within the regular liquidity and debt management before full allocation.</p> <p>The proceeds collected equal the amount allocated to eligible expenditures, with no exceptions. The proceeds are tracked appropriately and attested in a formal internal process.</p> <p>The Issuer discloses the balance of unallocated proceeds annually as committed in the Framework, in line with best market practices.</p>	<p>✓</p>
<p>4. Reporting</p>	<p>The Swiss Confederation Impact Report is consistent with the Reporting description provided by its Green Bond Framework. The report is in line with the initial commitments set in the Framework. The Issuer published an annual impact report for all expenditures in the portfolio, and will continue to do so until full</p>	<p>✓</p>

	<p>allocation. Roles and responsibilities in the monitoring and reporting process are also disclosed, in line with best market practices.</p> <p>The "Allocation Reporting" and "Impact Reporting" sections of the Green Bond Allocation and Impact Report comply with the pre-issuance commitment expressed in the Framework. The report is intended to be publicly available on the Issuer's website.</p> <p>Further analysis of this section is available in Part III of this report.</p>	
<p>5. Verification</p>	<p>ISS-Corporate provided a second-party opinion on the Swiss Confederation's Green Bond Framework in July 2022.</p>	

PART II: ASSESSMENT AGAINST THE ICMA HARMONISED FRAMEWORK FOR IMPACT REPORTING (HFIR)

Reporting is a core component of the Green Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of annual reporting. Green bond issuers are required to report on both the use of green bond proceeds and the environmental impacts at least annually until full allocation or maturity of the bond. The HFIR has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates the Swiss Confederation’s Green Bond Allocation and Impact Report against the HFIR.

CORE PRINCIPLES		
ICMA HFIR	GREEN BOND ALLOCATION AND IMPACT REPORT	ASSESSMENT
Reporting on an annual basis	The Swiss Confederation has reported annually one year from issuance in 2022 and 2023. CHF 671 million was raised in 2023, contributing to a total outstanding volume of CHF 1.44 billion. All proceeds have been fully allocated. The report will be available on the Swiss Confederation’s website.	✓
Illustrating the environmental impacts or outcomes	<p>The assessment and measurement of the impacts generated by the Swiss Confederation’s green bond(s) covered the following areas:</p> <ul style="list-style-type: none"> a) Clean Transportation <ul style="list-style-type: none"> ▪ Share of electrified railway network (% the electrified rails compared to the total length of overall lines) ▪ Passenger transport performance (pkm) of railroad operators (billion) ▪ Freight transport performance (net Tkm) of railroad operators (billion) ▪ Greenhouse gas emissions from energy consumption (Scope 1 and 2, excluding Scope 3) (tCO₂) ▪ Course km in regional passenger transport (RPV) (million km) 	✓

	<ul style="list-style-type: none">▪ Modal split share of rail in transalpine combined transport (%) <p>b) Agriculture, Forestry, Natural Landscapes and Biodiversity</p> <ul style="list-style-type: none">▪ Agricultural land supported with biodiversity contributions in hectares (and % of total agricultural land)▪ Number of high trunk field fruit trees▪ Greenhouse gas emissions from agriculture (million tCO₂)▪ Annual change in urban greenery (%)▪ Areas designated for biodiversity (%)▪ Revitalized watercourse (km)▪ Revitalized lake shore (km) <p>c) Green Buildings and Energy Efficiency</p> <ul style="list-style-type: none">▪ Heat consumption per m² (kWh/m² energy reference area)▪ Energy demand oil heating (tCO₂/a or GWh/a)▪ Energy demand natural gas heating systems (tCO₂/a or GWh/a)▪ Energy generated by photovoltaic (PV) system (GWh/a) <p>d) International Cooperation</p> <ul style="list-style-type: none">▪ Expected CO₂e avoided (million tCO₂e)▪ Total beneficiaries from all five results areas including biodiversity, climate change (mitigation and adaptation), chemicals, international waters and land degradation (million)▪ Hectares of natural resources managed with improved low-emission or climate-resilient management practices (million hectares)	
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	<p>e) Research, Innovation and Awareness Raising</p> <ul style="list-style-type: none"> ▪ Number of scientific publications ▪ Number of practice-oriented publications ▪ Number of presentations and posters at scientific events ▪ Number of presentations and posters at events for practitioners 	
ESG Risk Management	<p>The Issuer has processes within the Federal Administration and the Swiss legal system to ensure that all new federal legislation and expenditures are analyzed in detail. The available green expenditures are reviewed at least once a year by the Green Bond Working Group to identify changes and assess potential ESG controversies.</p>	✓
Allocation of proceeds - Transparency on the currency	<p>Allocated proceeds have been reported in a single currency, Swiss francs.</p> <p>Eligible expenditures on which proceeds have been allocated have been disclosed.</p>	✓

RECOMMENDATIONS

ICMA HFIR	GREEN BOND ALLOCATION AND IMPACT REPORT	ASSESSMENT
<p>Define and disclose period and process for Project Evaluation and Selection</p>	<p>The entirety of proceeds has been allocated to green expenditures. No modification (removal or additional projects) of the portfolio was made.</p> <p>The Issuer followed a transparent process for selection and evaluation of eligible green projects. Projects financed and/or refinanced through the green bond issued under the Green Bond Framework were evaluated and selected based on compliance with the eligibility criteria laid out in the Framework.</p>	✓

Disclose total amount of proceeds allocated to eligible disbursements	A total of CHF 1.44 billion has been raised through the Issuer’s green bond since issuance in 2022, with CHF 671 million raised in 2023. 100% of the proceeds has been allocated to green expenditures.	✓
Formal internal process for the allocation of proceeds and to report on the allocation of proceeds	The Issuer followed a transparent process for the allocation of proceeds.	✓
Report at project or portfolio level	The Green Bond Allocation and Impact Report includes the total amount of proceeds allocated per eligible project category. Impact is reported at the portfolio level of the categories.	✓
Describe the approach to impact reporting	The Issuer identifies the specific eligible expenditure category and clearly defines, for each expenditure category, the total allocated proceeds.	✓
Report the estimated lifetime results and/or project economic life (in years)	As the impact is based on a portfolio approach, no estimates are provided on lifetime results or economic life (in years) for both the eligible expenditure category and the subcategories.	-
Ex-post verification of specific projects	The Issuer confirms ex-post verification of expenditures. It is also confirmed that the ex-post impact measurements are compared to ex-ante assumptions by the responsible offices.	✓
Report on at least a limited number of sector specific core indicators	The Swiss Confederation reports on sector-specific core indicators for all categories, except for Research, Innovation and Awareness, for which a commonly used standard is not available. For example: a) Clean Transportation <ul style="list-style-type: none"> ▪ Share of electrified railway network (% the electrified rails compared to the total length of overall lines) ▪ Passenger transport performance (pkm) of railroad operators (billion) 	✓

	<ul style="list-style-type: none"> ▪ Freight transport performance (net Tkm) of railroad operators (billion) ▪ Greenhouse gas emissions from energy consumption (Scope 1 and 2, excluding Scope 3) (tCO₂) ▪ Course km in regional passenger transport (RPV) (million km) ▪ Modal split share of rail in transalpine combined transport (%) 	
	<p>b) Agriculture, Forestry, Natural Landscapes and Biodiversity</p> <ul style="list-style-type: none"> ▪ Agricultural land supported with biodiversity contributions in hectares (and % of total agricultural land) ▪ Number of high trunk field fruit trees ▪ Greenhouse gas emissions from agriculture (million tCO₂) ▪ Annual change in urban greenery (%) ▪ Areas designated for biodiversity (%) ▪ Revitalized watercourse (km) ▪ Revitalized lake shore (km) 	
	<p>c) Green Buildings and Energy Efficiency</p> <ul style="list-style-type: none"> ▪ Heat consumption per m² (kWh/m² energy reference area) ▪ Energy demand oil heating (tCO₂/a or GWh/a) ▪ Energy demand natural gas heating systems (tCO₂/a or GWh/a) ▪ Energy generated by photovoltaic (PV) system (GWh/a) 	
	<p>d) International Cooperation</p> <ul style="list-style-type: none"> ▪ Expected CO₂e avoided (million tCO₂e) ▪ Total beneficiaries from all five results areas including biodiversity, climate change (mitigation and adaptation), 	

	<p>chemicals, international waters and land degradation (million)</p> <ul style="list-style-type: none"> ▪ Hectares of natural resources managed with improved low-emission or climate-resilient management practices (million hectares) <p>e) Research, Innovation and Awareness Raising</p> <ul style="list-style-type: none"> ▪ Number of scientific publications ▪ Number of practice-oriented publications ▪ Number of presentations and posters at scientific events ▪ Number of presentations and posters at events for practitioners 	
<p>If there is no single commonly used standard, Issuers may follow and disclose their own calculation methodologies</p>	<p>The Issuer explained its own methodologies to calculate or estimate the impacts of the Research, Innovation and Awareness Raising category. The calculations of the number of practice-oriented and scientific publications are transparently disclosed in the Green Allocation and Impact Report.</p>	<p style="text-align: center;">✓</p>
<p>Disclosure on the conversion approach (if applicable)</p>	<p>The Issuer has disclosed Switzerland's greenhouse gas inventory CO₂ emission factors as a conversion approach in the report. For its contribution to the Global Environment Facility (GEF)⁶ and Green Climate Fund (GCF)⁷ under the international cooperation category, the Issuer confirms that the CO₂ emission data is aggregated from the projects using a combination of frameworks and accounting guidelines internally developed by the funds, as</p>	<p style="text-align: center;">✓</p>

⁶ The GEF developed the [Guidelines on the Implementation of the GEF-8 Results Measurement Framework](#) to track greenhouse gas emission reduction, including Manual for Calculating GHG Benefits of GEF Projects: Energy Efficiency and Renewable Energy Projects (2008), Guidelines for Greenhouse Gas Emissions Accounting and Reporting for GEF Projects (2015), Manual for Calculating Greenhouse Gas Benefits GEF Transportation Projects, and Calculating Greenhouse Gas Benefits of the GEF Energy Efficiency Projects

⁷ The GCF adopts the [Integrated results management framework](#) for impact measurement and references Clean Development Mechanism Methodologies and bilateral approaches, including the Joint Crediting Mechanism, the Gold Standard, the IFI TWG methodologies, the Verified Carbon Standard, the Food and Agriculture Organisation's Ex-Ante Carbon Balance Tool and the Forest Carbon Partnership Facility — Carbon Fund Methodological Framework for its calculations.

	well as internationally recognized methodologies.	
Projects with partial eligibility	The Issuer confirms full eligibility of all categories/expenditures financed through the bond proceeds. Therefore, this section with partial eligibility is not applicable.	-
When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach	The impact of the Swiss Confederation’s projects is reported separately per category and sub-category on an aggregated basis. Therefore, this section is not applicable	-

OPINION

The Swiss Confederation follows the HFIR’s core principles and most of its recommendations. The Issuer provides transparency on the level of expected reporting and on the frequency, scope and duration, aligned with best practices.

PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

Use of Proceeds Allocation

Use of Proceeds allocation reporting is key to putting the impacts into perspective with the number of investments allocated to the respective Use of Proceeds categories.

The Use of Proceeds allocation reporting occurred within one year of the 2023 issuance, after the full allocation of the proceeds.

This represents the second year of allocation reporting for the bond with inaugural issuance in 2022. A total of CHF 671.35 million was issued in 2023, with the proceeds fully allocated to eligible green expenditures in 2022. Furthermore, the Use of Proceeds allocation reporting occurred within the regular annual cycle from the issuance.

Proceeds allocated to eligible projects/assets

The proceeds allocation is broken down by expenditure category level and by type of expenditure. The Issuer has provided details about the type of expenditure included in the portfolio. The expenditure categories eligible are clean transportation, agriculture, forestry, natural landscapes and biodiversity, green buildings and energy efficiency, renewable energy, international cooperation, research, innovation and awareness raising. The proceeds are allocated to public offices, public funds/agencies and public research institutes.

The allocation report section of the Swiss Confederation's Green Bond Allocation and Impact Report aligns with best market practices by providing information on:

- The number of budget items (re)financed
- The total amount of proceeds in million CHF (divided per expenditure category, project type, expenditure year)
- The share of past expenditures and current expenditures
- Amount of total identified eligible green expenditures and unallocated proceeds (no unallocated proceeds as of August 2024)
- A breakdown of the allocated proceeds per category and SDG mapping in share of total volume
- The share of issuance proceeds from its total eligible green expenditures
- Description of the expenditure categories (re)financed

Impact Reporting Indicators

The table below presents an independent assessment of the Issuer’s report and disclosure on the output, outcome and/or impact of projects/assets using impact indicators.

ELEMENT	ASSESSMENT
<p>Relevance</p>	<p>The impact indicators chosen by the Issuer for this bond are the following:</p> <ul style="list-style-type: none"> a) Clean Transportation <ul style="list-style-type: none"> ▪ Share of electrified railway network (% the electrified rails compared to the total length of overall lines) ▪ Passenger transport performance (pkm) of railroad operators (billion) ▪ Freight transport performance (net Tkm) of railroad operators (billion) ▪ Greenhouse gas emissions from energy consumption (Scope 1 and 2, excluding Scope 3) (tCO₂) ▪ Course km in regional passenger transport (RPV) (million km) ▪ Modal split share of rail in transalpine combined transport (%) b) Agriculture, Forestry, Natural Landscapes and Biodiversity <ul style="list-style-type: none"> ▪ Agricultural land supported with biodiversity contributions in hectares (and % of total agricultural land) ▪ Number of high trunk field fruit trees ▪ Greenhouse gas emissions from agriculture (million tCO₂) ▪ Annual change in urban greenery (%) ▪ Areas designated for biodiversity (%) ▪ Revitalized watercourse (km) ▪ Revitalized lake shore (km) c) Green Buildings and Energy Efficiency <ul style="list-style-type: none"> ▪ Heat consumption per m² (kWh/m² energy reference area) ▪ Energy demand oil heating (tCO₂/a or GWh/a)

- Energy demand natural gas heating systems (tCO₂/a or GWh/a)
- Energy generated by PV (GWh/a)

d) International Cooperation

- Expected CO₂e avoided (million tCO₂e)
- Total beneficiaries from all five results areas including biodiversity, climate change (mitigation and adaptation), chemicals, international waters and land degradation (million)
- Hectares of natural resources managed with improved low-emission or climate-resilient management practices (million hectares)

e) Research, Innovation and Awareness raising

The Issuer notes that due to this category focusing on basic research, indicators are qualitative measures as quantitative measures are not applicable. However, the Issuer disclosed the number of contributions and publications for practice and science using the following indicators:

- Number of scientific publications
- Number of practice-oriented publications
- Number of presentations and posters at scientific events
- Number of presentations and posters at events for practitioners

This indicator is qualitative and material to the Use of Proceeds categories financed through this bond and in line with the HFIR's suggested impact reporting metrics for Clean Transportation, Agriculture, Forestry, Natural Landscapes and Biodiversity, Green Buildings, and Energy Efficiency, and International Cooperation Projects. This aligns with best market practices.

For Research, Innovation, and Awareness Raising, the Swiss Confederation has chosen alternative indicators to the HFIR and uses quantitative impact measures covering four areas because the expenditure category primarily concerns basic research.

Data sourcing and methodologies of quantitative assessment

For its impact indicators, the methodologies used by the Issuer are as follows:

a) Clean Transportation

For the Clean Transportation expenditure category, the Swiss Confederation uses the data from the Swiss Federal Railways Statistics Portal to calculate the [share of the electrified railway network](#) (percentage of the electrified rails compared to the total length of lines) and to measure [greenhouse gas emissions from energy consumption](#) (tCO₂), covering Scope 1 and 2, but excluding Scope 3. To calculate the CO₂ emission, the Issuer uses the [emission factors](#) of Switzerland's greenhouse gas inventory and determines the carbon content of the fuel. In the case of complete combustion, all carbon is released as CO₂. Based on this weight-related emission factor, the emission factor is derived in metric tons by taking the caloric value into account. The impacts of [passenger transport performance](#) (pkm) of railroad operators and [freight transport performance](#) (net Tkm) of railroad operators are calculated based on the data from the Federal Statistics Office, using the methodology that includes measurement of railways in millions of metric tons-kilometers. The methodology of the Federal Statistics Office is also used by the Issuer to calculate the [modal split share of rail in transalpine combined transport](#), based on the percentage of net metric tons. Furthermore, to determine the course km in regional passenger transport (per million km), the Issuer relies on the internal database of the Federal Office of Transport, which compiles data electronically collected from regional transport companies.

b) Agriculture, Forestry, Natural Landscapes and Biodiversity

For this expenditure category, the Issuer divided the impact calculation into the following sub-categories: (i) biodiversity contributions for agriculture, (ii) nature and landscape, and (iii) revitalization.

For biodiversity contributions for agriculture, the Swiss Confederation uses [data](#) from Agrarumweltmonitoring provided by the Federal Office for Agriculture to calculate the percentage of agricultural land supported by biodiversity contributions in hectares by comparing it with the total agricultural land. This data is also used to determine the number of high trunk field fruit trees. The methodology used for measuring greenhouse gas emissions from

agriculture relies on data from Switzerland's [greenhouse gas inventory](#) and the Federal Office for the Environment.

For nature and landscape, the landscape monitoring is conducted by the Swiss Landscape Monitoring Program and uses 30 [indicators](#) to [measure](#) both the annual percentage change in urban greenery and the percentage of areas designated for biodiversity among others. Data is sourced from the Environmental Indicators and Biodiversity Indicators of the Federal Office for the Environment. More specifically, the cantons with program agreements report to the federal government. Based on this data, the impact of measures for the protection of biotopes of national importance is scientifically assessed through the Impact Monitoring Biotope Protection Switzerland (WBS). This assessment involves cyclic remote sensing and field surveys in all types of biotopes of national importance, allowing for specific statements about the condition and development of the studied areas. Additionally, Biodiversity Monitoring Switzerland (BDM) conducts continuous monitoring across the country. The calculation regarding the overall state and development of biodiversity is provided based on BDM's results.

For revitalization, the Issuer uses data from the Federal Office for the Environment to calculate the number of kilometers of revitalized watercourses and lake shores. The calculations are based on information and data provided by the cantons. At the beginning of each year, the Federal Office for the Environment requests details on implemented rehabilitation projects from the cantons. Furthermore, the Impact monitoring is conducted based on the following features: before and after pictures, abiotic and biotic indicators, and periodic evaluation.

c) Green Buildings and Energy Efficiency


To calculate heat consumption per square meter (kWh/m²), oil heating emissions (tCO₂/a), natural gas heating emissions (tCO₂/a), and the energy generated by PV systems (GWh/a), the Swiss Confederation uses data from the [Federal Office for Buildings and Logistics](#) (FOBL). For funded expenditures, the FOBL adheres to internationally recognized standards such as the Sustainable Building Standard Switzerland (SNBS) or Minergie-P/A-ECO® certification for new buildings as a baseline. The calculation methodology for impacts under this expenditure category considers 45 indicators covering various aspects of sustainability in construction projects. These indicators include energy consumption

	<p>of a building, life cycle costs, the flora and fauna of the surrounding area, mobility, and regional value creation.</p> <p>d) International Cooperation</p> <p>For the International Corporation expenditure category, the impact is measured at the level of the projects financed by the funds. To calculate the expected CO₂ avoided (per million tCO₂e), the number of total beneficiaries (per millions), and the hectares of natural resources managed with improved low-emission or climate-resilient management practices (per million hectares), the Swiss Confederation uses the internal data and methodology of the GCF and GEF. At the GEF, impact measurement is carried out using the GEF-8 Corporate Scorecard, which is a report published semiannually on the performance and progress of the project. The GCF uses its Integrated Results Management Framework and continuously publishes expected CO₂ reductions and beneficiaries at the overall portfolio level. The related impact measurement is available as part of the GEF-8 Scorecard. The disclosures correspond to the expected values, with granular further data covering sub-indicators such as gender.</p> <p>e) Research, Innovation and Awareness raising</p> <p>The Research, Innovation and Awareness raising expenditure category primarily focuses on basic research. The Issuer has used qualitative impact indicators: presentations and posters at events for practitioners, presentations and posters at scientific events, practice-oriented publications, and scientific publications.</p>
<p>Baseline selection</p>	<p>Baselines were used for the following indicators:</p> <ul style="list-style-type: none"> ▪ For the Agriculture, Forestry, Natural Landscapes, and Biodiversity expenditure category, the baseline refers to the condition of the area in the absence of funding programs. The program’s impact is derived from the scientific evaluations conducted in 2022. ▪ For the Green Buildings and Energy Efficiency expenditure category, the FOBL uses internationally recognized standards, including the Sustainable Building Standard Switzerland (SNBS) or Minergie-P/A-ECO® certification for new buildings as the baseline.






	<ul style="list-style-type: none"> For the International Cooperation: the baseline selected for the expected avoided CO₂ emissions (million metric tons of CO₂ per year) is the GEF-8 Scorecard and the GCF's Integrated Results Management Framework. <p>For the following UoP categories, the presented figures are performance indicators and absolute figures, so there is no need for a baseline:</p> <ul style="list-style-type: none"> Clean Transportation International Cooperation Research, Innovation, and Awareness raising
<p>Scale and granularity</p>	<p>The impact data is presented at the Use of Proceeds category level for the indicator(s). For Agriculture, Forestry, Natural Landscapes, and Biodiversity, the impact data is presented at the sub-category level for the indicators.</p>

High-level mapping of the impact indicators with the U.N. Sustainable Development Goals⁸

Based on the project categories financed and refinanced by the bonds as disclosed in the Issuer's Green Bond Allocation and Impact Report, the impact indicator(s) adopted by the Swiss Confederation for its green bond can be mapped to the following SDGs, according to ISS ESG SDG Solutions (SDGA), a proprietary methodology designed to assess the impact of an Issuer's product or services on the SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p>Clean Transportation</p> <ul style="list-style-type: none"> Share of electrified railway network (% the electrified rails compared to the total length of overall lines) 	

⁸ The impact of the indicators on the SDGs is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Report or Framework.

<ul style="list-style-type: none"> ▪ Passenger transport performance (pkm) of railroad operators (billion) ▪ Freight transport performance (net Tkm) of railroad operators (billion) ▪ Greenhouse gas emissions from energy consumption (Scope 1 and 2, excluding Scope 3) (tCO₂) ▪ Course km in regional passenger transport (RPV) (million km) ▪ Modal split share of rail in transalpine combined transport (%) 	
<p>Agriculture, Forestry, Natural Landscapes and Biodiversity</p> <ul style="list-style-type: none"> ▪ Agricultural land supported with biodiversity contributions in hectares (and % of total agricultural land) ▪ Number of high trunk field fruit trees ▪ Annual change in urban greenery (%) ▪ Areas designated for biodiversity (%) 	
<p>Agriculture, Forestry, Natural Landscapes and Biodiversity</p> <ul style="list-style-type: none"> ▪ Greenhouse gas emissions from agriculture (million tCO₂) 	
<p>Agriculture, Forestry, Natural Landscapes and Biodiversity</p> <ul style="list-style-type: none"> ▪ Revitalized watercourse (km) ▪ Revitalized lake shore (km) 	
<p>Green Buildings and Energy Efficiency</p> <ul style="list-style-type: none"> ▪ Heat consumption per m² (kWh/m² energy reference area) ▪ Energy demand oil heating (tCO₂/a or GWh/a) 	 

<ul style="list-style-type: none"> ▪ Energy demand natural gas heating systems (tCO₂/a or GWh/a) ▪ Energy generated by PV (GWh/a) 	
<p>International Cooperation</p> <ul style="list-style-type: none"> ▪ Expected CO₂e avoided (million tCO₂e) 	
<p>International Cooperation</p> <ul style="list-style-type: none"> ▪ Total beneficiaries from all five results areas including biodiversity, climate change (mitigation and adaptation), chemicals, international waters and land degradation (million) 	
<p>International Cooperation</p> <ul style="list-style-type: none"> ▪ Hectares of natural resources managed with improved low-emission or climate-resilient management practices (million hectares) 	
<p>Research, Innovation and Awareness raising</p> <ul style="list-style-type: none"> ▪ Number of scientific publications ▪ Number of practice-oriented publications ▪ Number of presentations and posters at scientific events ▪ Number of presentations and posters at events for practitioners 	

OPINION

The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework. The Green Bond Allocation and Impact Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices. In addition, the impact indicators used align with best market practices using ICMA's recommended metrics in the HFIR.

DISCLAIMER

1. Validity of the External Review (“External Review”): As long as no changes are undertaken by the Issuer to its Green Bond Allocation and Impact Report as of August 29, 2024.
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ANNEX 1: Methodology

Review of the post-issuance Reports

The ISS-Corporate Report Review provides an assessment of labeled transactions reporting against international standards using ISS-Corporate's proprietary [methodology](#).

High-level mapping to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using proprietary methodology based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent the Issuer's reporting and project categories contribute to related SDGs is identified.

ANNEX 2: Quality management processes

ISSUER'S RESPONSIBILITY

The Issuer's responsibility was to provide information and documentation on:

- Green Bond Allocation and Impact Report
- Green Bond Framework
- Proceeds allocation
- Reporting Impact Indicators
- Methodologies and assumptions for data gathering and calculation
- ESG risk management

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent Report Review has been conducted by following the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with the Swiss Confederation took place from July to September 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this Report Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses the alignment of the Issuer's report with external principles (e.g., the Green/Social Bond Principles), analyzes the alignment of the Issuer's Report against the commitments in the respective Framework, and analyzes the disclosure of proceeds allocation, data source and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well-informed as possible about the proceeds allocation and the impact of the sustainability finance instrument(s).

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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