

Green Bond Framework Inselhospital / Insel Gruppe

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1. The Insel Gruppe

From basic health care and rehabilitation to top-class university medicine

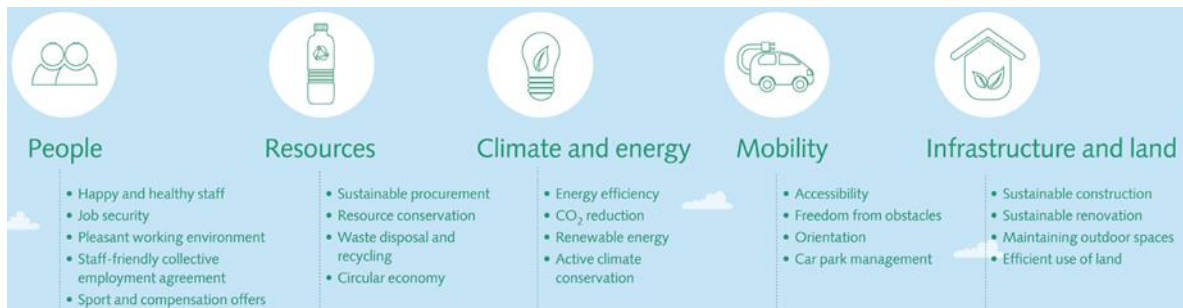
With its traditional hospitals, the Insel Gruppe (“Insel”) is the largest medical full coverage care system in Switzerland. As a public university medical institution, Insel offers comprehensive healthcare for the community, at all stages of life and around the clock, through groundbreaking quality, research, innovation and education.

Around 11,000 employees are committed to the well-being of their patients across medicine, care, education, research, operations, infrastructure and administration. Insel’s employees come from over 100 nations, working cohesively in a culturally diverse and inclusive environment.

1.1 Sustainability at Insel

Sustainability is a key pillar of the overall operations at Insel. In addition to targeting long-term economic success, Insel has cultivated a culture of sustainable sourcing and use of resources.

Insel’s sustainability ambitions are delivered under the guidance of the five sustainability pillars – people, resources, climate and energy, mobility and infrastructure and land.



Insel’s employees form the foundation of thorough medical and patient care. Having a diverse and inclusive workforce allows Insel to meet the needs of its patients. In 2021, the Board of Directors launched the Insel Group Equality Initiative, identifying transparent gender equality targets for the Group. Subsequently, several measures including flexible working models have been implemented to encourage a diverse and inclusive workforce. Insel has received the Swiss LGBTI-Label, distinguishing itself as a Swiss organization that fights for equality for LGBTI people within the company.

Insel regularly updates and commits to an employee-friendly Collective Employment agreement, to acknowledge and represent the rights of its employees.

Further, Insel has embedded sustainability criteria within its recently updated Supplier Code of Conduct.

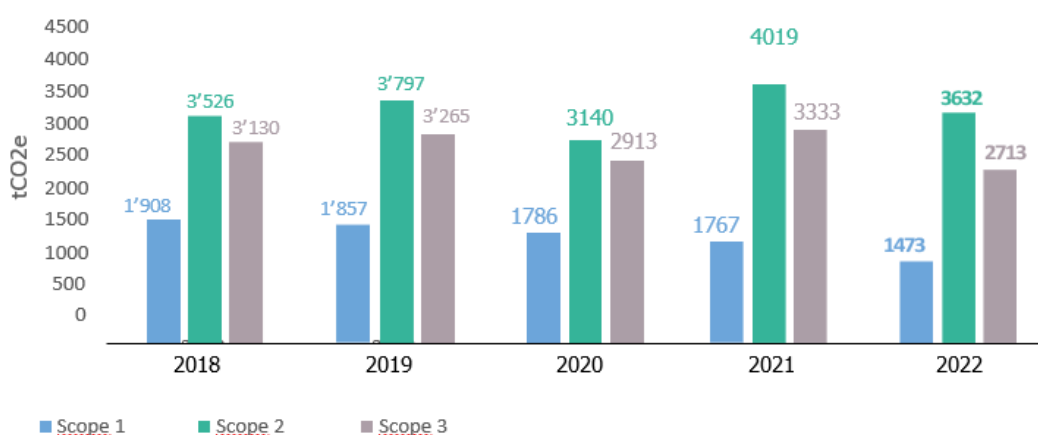
1.1.1. Insel’s climate and energy goals

Following the adoption of the “Long-Term Climate Strategy” in Switzerland, Insel announced its own climate strategy in 2021. Insel recognizes *climate protection is also health protection*, and thus created binding climate targets to be met in two stages.

Firstly, by 2035, Insel aims to eliminate greenhouse gas (GHG) emissions it can directly influence. This constitutes emissions from electricity and heating, fuel, anaesthetic gases, waste and wastewater, as well as and business travel.

Furthermore, by 2050, Insel is targeting net zero indirect GHG emissions. Emissions included under this target are emissions from the procurement of medical and non-medical goods, infrastructure and commuter mobility.

Insel Group’s GHG emissions (2018-2022)¹



Insel works closely with national stakeholder and peers to deliver on its climate ambitions. Insel is a member of the Energy Saving Alliance, a voluntary initiative bringing together organisations that support efforts to ensure the security of supply in Switzerland by taking measures to use energy in a more efficient and sparing manner.

In addition, Insel is in regular exchange with the sustainability management of the peer Swiss university hospitals, in an effort to support each other towards common goals.

1.1.2. Governance

The Sustainability Commission is committed to the development of environmentally conscious and sustainable practices at Insel. The Commission promotes and supports sustainable corporate

¹ Note: Scope 3 emissions recorded so far consist only of energy supply, water consumption, waste water and waste .

governance by incorporating material sustainability topics into decision-making and design processes.

It consists of 10 representatives from various areas of Insel, including the “Stadt-Land” hospitals and the medical sectors. The Commission is chaired by the Head of the Sustainability Competence Centre, who represents the Commission to the Board of Directors. The minutes of the Commission meetings are shared with all members of the Directorate.

The Sustainability Competence Centre is critical for the day-to-day operationalisation of the sustainability ambitions. The Centre is responsible for conducting and monitoring reporting processes for internal and external stakeholders. It supports the Directorates, clinics and locations in the application of Sustainability practices.

2. Green Bond Framework

Insel has developed this Green Bond Framework in accordance with the International Capital Markets Association’s (ICMA) Green Bond Principles 2021 (GBP, 2021). It is aligned with ICMA’s key recommendations and other well-established best market practice.

The Framework has been constructed per the four core components of the GBP:

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

The four core components are supported by a pre-issuance Second Party Opinion (SPO), and independent verification on the allocation and impact reporting.

2.1. Use of Proceeds

Insel’s new main building (“Anna-Seiler-Haus”) satisfies the highest standards of sustainability. It has been designed as an ultra-low-energy building, which was a particular challenge given its size and complexity. In addition to being energy efficient, it also sets standards in the field of health and environment, including maintaining indoor air quality, providing noise protection, having low grey energy values, no harmful substances in the building materials and a flexible and sustainable building design. All factors contributing to the overall patient experience.

Insel has developed this Framework to provide financing for the Anna-Seiler-Haus, replacing its old high rise main building (Bettenhochhaus). With Anna-Seiler-Haus, Insel is creating the basis for patient oriented, top class university medicine as well as attractive working conditions in the coming decades. Minergie P-ECO certified, the building meets today's requirements for resource and climate

friendly construction and operations. The project will also contribute to the UN SDGs (in particular UN SDG 11 Sustainable Cities and Communities).

An amount equal to the net proceeds of the Green Bonds issued by Insel will be used to finance and/or refinance the construction of and expenditures in connection with the new Anna-Seiler-Haus.

2.2. Process for Project Evaluation and Selection

The project evaluation of Anna-Seiler-Haus was carried out with a focus on reducing material ecological and social risks in line with Insel's sustainability priorities and climate targets. Sustainable construction policies were adopted to ensure efficient resource management, occupational health and safety at construction site, optimal land use and local employment generation during development phase.

- (i) Resource management: The construction heating was supplied via the site's district heating connection, leading to savings of CO₂e (compared to conventional construction heating). To ensure waste management by Insel's policies, waste collection, separation and disposal was supervised and coordinated centrally. Waste water from the excavation pit went through sewage treatment process in consultation with local authorities.
- (ii) Occupational health and safety at construction site: Entry controls were enforced with workers presenting registered identification. Additionally, regular safety checks were conducted with strict measures taken in the event of any perceived violation. With the appropriate safety infrastructure in place, the construction of Anna-Seiler-Haus was completed without any major accidents. For site safety, the Unia trade union² had access to the site, regular walk-throughs with stakeholder representatives were conducted.
- (iii) Land use optimization: The building site was concentrated to ensure no additional land requirement over the construction period. Temporary installations were removed following the completion of the project with no permanent impact of the development on surrounding land area.
- (iv) Employment generation: With the aim of encouraging local employment, 95% of the supplier contracts were executed in Switzerland and approx. 75% of the suppliers were based locally in Bern. This had an additional benefit of reduced emissions from transport taken by suppliers over the construction period.

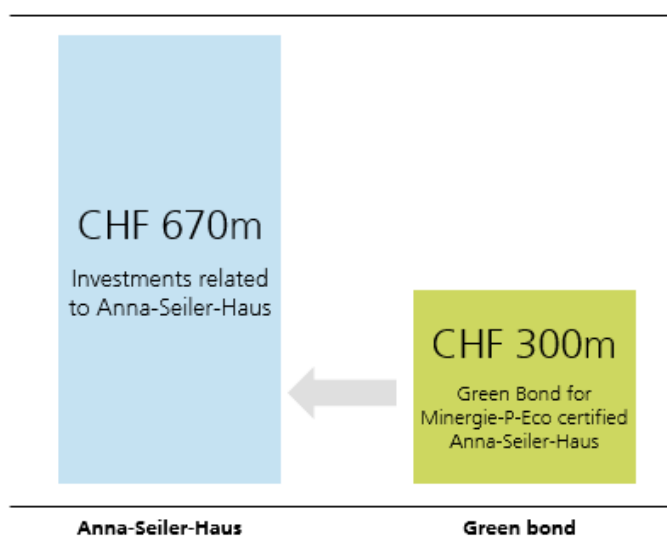
All funds from the Green Bond will be used exclusively for the Anna-Seiler-Haus project. There will be no further project selection.

² Unia is the largest trade union in Switzerland. It organises employees in the following sectors of the Swiss private economy: industrial, craft, construction and services. It collectively represents the interests of all employees and offers its members individual advice, legal protection and further services.

2.3. Management of Proceeds

An amount equal to the net proceeds of the Green Bonds will be used exclusively for the full or partial financing and/or refinancing of Anna-Seiler-Haus, as explained in Section 2.1. The Finance Department is responsible for managing the proceeds and will track allocations to expenses related to Anna-Seiler-Haus. Insel has established a 24 months look-back period for its refinancing activities and intends to fully allocate the net proceeds within 24 months of issuance

Indicative source and use of Funds



In the event that the proceeds cannot be allocated immediately and in full to the Anna-Seiler-Haus, the Finance Department will manage the unallocated proceeds in accordance with their cash management policies and sustainability goals.

2.4. Reporting

In line with the GBP, issuers are required to provide transparent disclosure on the allocation of net proceeds for Green bonds. Insel intends to provide an annual allocation report until full allocation, including impact data where feasible. The first allocation and impact report will be published within one year of issuance, and will be made publicly available via the following link [•].

The allocation reporting will include:

- Amount of net proceeds
- Balance of unallocated net proceeds on each reporting day, if any.
- Details of Anna-Seiler-Haus-related expenses, e.g. capital or operating costs
- Details of the split between financing and refinancing

Where feasible, the impact reporting may include information on the environmental impact. Additionally, in an effort to assess the effect on the broader community, impact reporting will also identify social co-benefits for Green Bonds, where available.

2.5. External Review

Sustainalytics, as an independent party, has provided a Second Party Opinion (SPO) on the Framework. The SPO confirms alignment with the ICMA Principles and is available on the provider's [website](#), as well as on Insel's [website](#).

Insel intends to obtain an independent verification on allocation and impact reports, confirming that the proceeds have been allocated in accordance with this Framework. Reports will be published on Insel's [website](#).

3. Disclaimer

This Green Bond Framework is provided for information purposes only and does not constitute or form part of, and may not be construed as, an offer or invitation to buy or sell securities. This document also does not constitute legal, financial advice or other advice. The information contained herein is subject to change without notice.

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