



# Visa Green Bond Report

July 2021



# Introduction

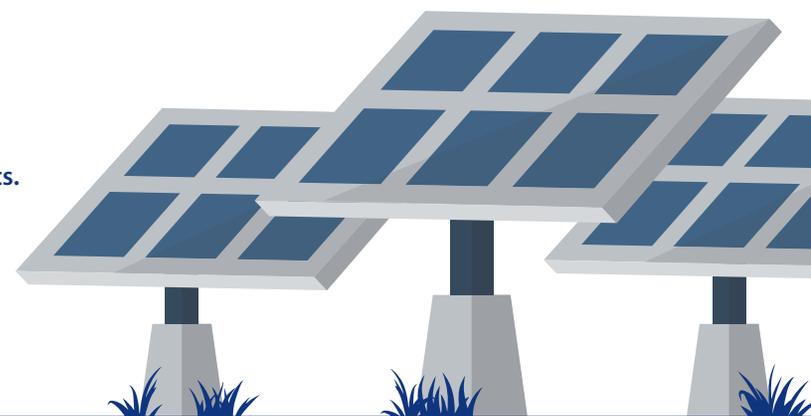
Visa is a global payments technology company that connects consumers, businesses, financial institutions and governments in more than 200 countries and territories to fast, secure and reliable electronic payments. Each day, we work toward our vision to be the best way to pay and be paid for everyone, everywhere. Through our strategic focus, we implement our mission to connect the world through the most innovative, reliable and secure digital payments network, enabling individuals, businesses and economies to thrive.

Visa is committed to being a leader in environmental sustainability and addressing the global challenges of climate change. As we use our electronic payments network to connect consumers, financial institutions, merchants and governments around the world, we recognize the importance of understanding and minimizing the environmental footprint of our business and taking urgent climate action. We are proud of our progress in reducing Visa's environmental impact, including by achieving our goals to use 100% renewable electricity and to be carbon neutral across our operations.

In April 2021, we deepened our commitment to environmental sustainability by announcing our goal to achieve Net Zero emissions (including our value chain) by 2040 and our aspiration to be climate positive. By harnessing the power of the global Visa network, as well as our products, services, network, data, brand and payments expertise, we can inspire and empower others and support the transition to a low-carbon economy. Through these ambitious commitments, we aim to be an engine of sustainable commerce and to build on our progress to minimize the environmental footprint of our offices, data centers, business travel, employee commuting and procurement activities.

**In support of these goals and initiatives, Visa issued its inaugural Green Bond in August 2020. This report reflects our use of Green Bond proceeds to finance projects in line with Visa's Green Bond Framework to assist Visa in working to achieve our ambitious sustainability and climate commitments.**

We are committed  
to achieve **Net Zero**  
**emissions** by 2040.



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## Visa's Green Bond Framework

We published our Green Bond Framework in 2020 which outlines our approach to Green Bonds as a mechanism for financing a transition to low-carbon operations and economy. We established our Framework in alignment with the International Capital Market Association's Green Bond Principles (GBP), a voluntary framework that provides guidance and best practices for issuing Green Bonds.

A key focus of our Green Bond Framework is defining the criteria for the use of Green Bond proceeds. Specifically, we intend for our projects to align with the GBP's eligibility categories. In addition, we aim for our Green Bonds to support the achievement of the United Nations Sustainable Development Goals noted on the next page.

For a full description of our eligibility criteria, see [Visa's Green Bond Framework](#).



## GBP Eligible Project Category

## Eligibility Criteria and Example Projects

## SDG Alignment

### Green Buildings

- Expenditures related to new construction, upgrades and build out of properties that have received or are expected to receive:
  - LEED: Silver, Gold or Platinum
  - BREEAM: Very Good, Excellent or Outstanding
  - Energy Star
  - BCA GreenMark or other equivalent internationally and/or nationally recognized certifications
- Expenditures related to lease payments made by Visa where Visa is the sole tenant and buildings were constructed at Visa's request with a specific level of the aforementioned certifications.



### Energy Efficiency

- Expenditures related to energy-efficiency projects including equipment, systems, operational improvements and maintenance; example include:
  - Expenditures in high-efficiency data center operations and equipment including cooling equipment, efficient servers, electrical infrastructure and building management systems that may result in 15% or greater improvements in energy efficiency
  - Expenditures to improve and maintain energy efficiency in our owned and operated office facilities including HVAC upgrades, LED lighting upgrades, energy storage, transformers and other electrical infrastructure that may result in 15% or greater improvements in energy efficiency.



### Renewable Energy

- Expenditures related to the construction, development, acquisition, maintenance and operation of renewable energy including solar, wind, geothermal with direct emissions of less than 100 g CO2/kWh and hydropower ( $\leq 25$  MW)
  - On-site renewable energy
  - Sourcing expenditures pursuant to long-term power purchase agreements (PPAs)
  - Differential costs associated with sourcing renewable energy versus nonrenewable sources
  - When other options are not viable or practical, purchases of energy attribute certificates (EACs) or Green-e certified renewable energy certificates (RECs)



## GBP Eligible Project Category

## Eligibility Criteria and Example Projects

## SDG Alignment

### Sustainable Water and Wastewater Management

- Expenditures related to water efficiency projects, including waterless cooling, water reuse and innovations in heat rejection in our data centers, as well as sensors on water fixtures and low-flow toilets in our business offices.



### Clean and Mass Transportation

- Expenditures related to transportation programs enhancing a modal shift amongst employees including Visa's Commuter Benefits program, expenditures for infrastructure for bicycle commuting (showers, bike lockers) and Visa's shuttle service in the Bay Area and other key office locations.
- Expenditures related to facilitating the modal shift by consumers to public transit usage, including through hardware installation and promotion of tap to pay transit digital payment systems.
- Expenditures related to public and/or employee electric vehicle infrastructure including charging stations.



### Inspiring and Empowering Sustainable Living Behaviors

- Expenditures related to inspiring and empowering sustainable consumption by consumers and other partners in the commerce ecosystem. Examples include costs related to:
  - Research to expand the understanding of barriers and drivers of sustainable consumer behaviors, for example, Visa's existing and continued participation in the GlobeScan "Healthy & Sustainable Living" research program
  - Development of solutions to help consumers understand and adjust behavior around the footprint of their consumption
  - Development of additional solutions for vertical sectors, for example, Visa's existing work in transit and travel/tourism (Travalyst)
  - Supporting the broader sustainable living movement across industries and stakeholders, for example, Visa's support of the Brands For Good movement



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## Visa's Green Bond Governance

Visa maintains protocols for approving the use of our Green Bond proceeds. Our Green Bond Working Group consists of Corporate Real Estate, Data Center Operations, Finance, and Corporate Responsibility and Sustainability team members, and is responsible for preparing a spend report of our Green Bond eligible projects. For a given reporting period, the Working Group gathers relevant spend data and applies the eligibility criteria outlined in Visa's Green Bond Framework to identify projects eligible for Green Bond spend. The Working Group then shares the results with executive leadership in the key functions and evaluates the final list of projects with Visa's Green Bond Steering Committee to confirm spend alignment with our Green Bond criteria.

Finally, our Green Bond Executive Advisory Group, including our SVP, Treasurer and our Chief Sustainability Officer, reviews the spend report to confirm the total spend is in accordance with Visa's Green Bond Framework. Once all approvals are in place, allocation of Visa's Green Bond funds may proceed.



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## Green Bond Details

On August 10, 2020, Visa issued our inaugural \$500 million 0.75% Senior Notes (the “Green Bond”) due August 15, 2027. In alignment with our Green Bond Framework, we are using this Green Bond to finance the construction and operation of highly efficient buildings with a focus on energy and water efficiency improvements. In addition, the Green Bond will fund the expansion of renewable energy and employee commuter programs and initiatives focused on sustainable consumer behaviors. We anticipate the proceeds will also support investments in products and solutions to catalyze sustainable living in support of the United Nations Sustainable Development Goals.

Visa’s allocations during this period have primarily financed green building design, construction, and operations, as well as energy efficiency upgrades in infrastructure and equipment in our data centers and in our offices. We also have directed a portion of our initial allocations to programs that improve the sustainability of our employees’ commuting and to the purchase of renewable energy in support of our commitment to purchase 100% renewable electricity.

### **Management assertion**

Visa has allocated \$164.9 million of the net proceeds of the Green Bond to projects that meet the Eligibility Criteria on pages 4 and 5 of this report from the Reporting Period of August 2017 through March 2021 in accordance with the Use of Proceeds defined in the Green Bond Framework.

Visa is responsible for the completeness, accuracy, and validity of the information and metrics presented in this Green Bond Report.



## GBP Eligible Project Category

Allocations<sup>1</sup>  
August 10, 2017–March 31, 2021

## Environmental Impacts

### Green Buildings

\$77.5M

- Facility square footage certified as LEED (Leadership in Energy and Environmental Design) or similar certification during Reporting Period: 364,724 sq. ft.
- Total facility square footage certified as LEED or similar in Visa buildings: 2,347,222 sq. ft.

### Energy Efficiency

\$54.5M

- Energy saved due to data center efficiency: 43,416,000Kwh during Reporting Period<sup>2</sup>
- Emissions avoided from energy efficiency improvements: 19,730 metric tons CO<sub>2</sub>e during Reporting Period<sup>3</sup>

### Clean and Mass Transportation

\$18.7M

- Greenhouse gas (GHG) emissions avoided from Visa Bay Area employee shuttle use: 4,920 metric tons CO<sub>2</sub>e during Reporting Period<sup>4</sup>

### Renewable Energy

\$14.2M

- GHG emission avoided from renewable electricity purchase: 102,030 metric tons CO<sub>2</sub>e during Reporting Period<sup>5</sup>

Sources:

1. See independent Accountants' Report on Page 12
2. Energy savings are calculated based on data center PUE and annual reported total electricity use. Data centers consumed ~403 million kWh of electricity between 2017 and 2021. Using baseline PUE and reported electricity, total data center electricity use between 2017 and 2020 is estimated as if PUE had remained constant at the 2017 value, totaling ~446 million kWh. Actual reported electricity use is subtracted from this calculated figure to determine the total electricity savings (446 million kWh – 403 million kWh = 43 million kWh).
3. Specific emission factors for each data center location (IEA United Kingdom for UK data center, EPA eGRID RMPA for Central U.S. data center and EPA eGRID SRVC for Eastern U.S. data center) were used to calculate emissions savings associated with the electricity reduction between 2017 and 2021 at each location.
4. Shuttle emissions are sourced from the shuttle provider's annual reports supplied to Visa. Prior to the Covid-19 pandemic, based on shuttle route lengths and assuming employees would otherwise be driving to work alone, shuttles were calculated to replace ~7.5 million vehicle miles per year. Shuttles did not run for most of 2020 due to Covid-19, a consideration incorporated into the analysis. Passenger vehicle emission factors from the EPA were used to estimate total emissions had employees commuted as single drivers. Reported shuttle emissions were then subtracted from estimates single driver emissions to determine total emissions savings between 2017 and 2020 (9,400 metric tons CO<sub>2</sub>e – 4,480 metric tons CO<sub>2</sub>e).
5. Visa purchased ~275 million kWh of renewable electricity between 2017 and 2021. Emissions savings from renewable electricity consumption over this time period are calculated by subtracting Visa's Scope 2 market-based emissions (165,840 metric tons CO<sub>2</sub>e) from Scope 2 location-based emissions (267,870 metric tons CO<sub>2</sub>e). Market-based emissions consider voluntary renewable electricity purchases, and therefore the difference between these numbers represents the emissions saved from renewable procurement. Emission factors specific to each Visa location are sourced from the IEA and EPA to calculate total and saved emissions.



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## Green Bond Project Highlights

Visa is committed to reducing the environmental impact of our facilities and data centers by focusing on green building design and operation. Our approach includes obtaining LEED or equivalent certifications for our new construction projects and using green building standards and guidelines to increase resource use efficiency within our existing buildings.

Additionally, we continue to pursue initiatives to empower our 20,750 employees worldwide to be sustainability stewards in the workplace, at home and in our communities. The next pages show highlights of select Green Bond projects.





## Bellevue, Washington office building

Visa selected a LEED Gold certified building, and achieved [LEED Silver V4.0 ID+C Commercial Interiors in 2020](#). In addition to key energy and water efficiency enhancements, the location provides direct access to public transportation and bicycle routes, which help employees reduce emissions from commuting. The project also benefits from Visa's commitment to purchase 100% renewable electricity.



## Palo Alto, California office building

Visa's Palo Alto, California office building is a hub for our developers and fintech teams. The building location provides ideal access to public transit and excellent walkability for employees. The building design focuses on energy and water efficiency and incorporates best practices on the use of materials and resources. The building received a LEED Silver certification in 2019.



## United Kingdom Data Center Retrofit

Visa's retrofit of a portion of our UK Data Center featured the deployment and commissioning of a new energy efficient critical cooling system. As a result of these upgrades, the Power Usage Effectiveness (PUE) of the data center has improved from 1.98 to 1.72 during the Reporting Period. Our goal is to reach 1.6 PUE by the end of our 2021 fiscal year.



## Central U.S. Data Center – Automated Cooling Controls

This energy efficiency project at our central U.S. Data Center included the installation of a new cooling tower and equipment controls in 2020 that provide Visa with the ability to operate the cooling plant without chillers when conditions allow, thereby reducing electricity use. Using this new design, the data center has achieved a year-to-date PUE reduction from 1.43 to 1.25 as of April 2021.

Our goal is to use  
**100% renewable**  
electricity and to be  
carbon neutral across  
our operations.





## Computer and Storage Tech Refresh

As part of Visa's Computer and Storage Tech Refresh program, we are standardizing our computer and data storage equipment throughout our organization. As we upgrade and replace our aging and proprietary hardware platforms, we are leveraging opportunities to consolidate data servers and increase our hardware density. Incorporating these new hardware configurations will require less cooling equipment and improve overall energy efficiency.



## Employee Shuttle Program

Visa provides an employee shuttle program to transport employees to, from and between the Visa Bay Area Offices. During non-pandemic operations, on average employees take more than 4,000 passenger trips per day, significantly reducing the number of single-car miles driven by commuters from the road, corresponding to an estimated reduction of 4,920 metric tons of CO<sub>2</sub>e during the Reporting Period.

As a member of Green Ride Global, Visa's shuttle provider is committed to reducing greenhouse gas emissions. The provider's participation in the US EPA Climate Leaders Program also requires compliance with annual emissions reduction targets and reporting.



## PG&E and Peninsula Clean Energy ECO100 Program

Pacific Gas and Electric, through the Peninsula Clean Energy ECO100 program, provides a bundled renewable electricity service to Visa's Foster City, California office, our largest site globally by employee count. The ECO100 product specifically delivers a mix of clean electricity from California-based wind (50%) and solar (50%) projects in the form of bundled Green-e certified renewable energy certificates (RECs). These RECs meet clean energy industry standards and the RE100 criteria, of which Visa is a participant.

Visa is committed  
to **being a leader**  
in environmental  
sustainability.



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# Independent Accountants' Report

Visa Inc.'s Management:

We have examined management of Visa Inc.'s ("Visa") assertion on page 7 of the Visa Green Bond Report July 2021 ("the Report") that as of March 31, 2021, Visa has allocated \$164.9 million of the net proceeds of its August 10, 2020 0.75% Senior Notes due August 15, 2027 to projects meeting the Eligibility Criteria as defined on pages 4 and 5 of the Report (the "Allocation") in accordance with the Use of Proceeds defined in the Green Bond Framework. Visa Inc.'s management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination was not conducted for the purpose of evaluating the Report or any of the environmental impact metrics contained herein. Thus, we did not audit or opine on the sufficiency, completeness, appropriateness or accuracy of the reporting criteria or methodology of such metrics. Accordingly, we do not express an opinion or any other form of assurance other than on whether the Allocation was performed in accordance with the Use of Proceeds set forth in the Green Bond Framework. In our opinion, management's assertion that as of March 31, 2021, the Allocation was performed in accordance with the Use of Proceeds is fairly stated, in all material respects.

**KPMG LLP**

Boston, Massachusetts

July 29, 2021



# Summary

Visa's initial use of proceeds from our Green Bond has supported the financing of projects across our global operations in line with our Visa Green Bond Framework, helping us achieve our commitments to carbon neutrality and renewable electricity. Looking ahead, we will identify additional projects for the Green Bond use of proceeds that can help us achieve continued environmental sustainability objectives including our long-term Net Zero emissions by 2040 commitment and our aspiration to operate as a climate positive company. As outlined in our Green Bond Framework, we intend to publish annual reports sharing our progress with Visa Green Bond-funded projects.

Disclaimer: The information and opinions contained in this Visa Green Bond Framework (the Framework) are provided as at the date of this Framework and are subject to change without notice. None of Visa or any of its affiliates assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current Visa policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by the Visa and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Visa as to the fairness, accuracy, reasonableness or completeness of such information. This Framework may contain statements about future events and expectations that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim," "anticipate," "believe," "drive," "estimate," "expect," "goal," "intend," "may," "plan," "project," "strategy," "target" and "will" or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework. No representation is made as to the suitability of any bonds to fulfill environmental and sustainability criteria required by prospective investors. Each potential purchaser of bonds should determine for itself the relevance of the information contained or referred to in this Framework or the relevant bond documentation for such bonds regarding the use of proceeds and its purchase of bonds should be based upon such investigation as it deems necessary. Visa has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and reporting, in connection with the Visa Green Bonds. However, nothing in this Framework is intended to modify or add to any covenant or other contractual obligation undertaken by Visa in any green bonds that may be issued in accordance with this Framework. This Framework does not create any legally enforceable obligations against Visa; any such legally enforceable obligations relating to any green bonds are limited to those expressly set forth in the indenture and notes governing such green bonds. Therefore, unless expressly set forth in the indenture and the notes governing such green bonds, it will not be an event of default or breach of contractual obligations under the terms and conditions of any such bonds if Visa fails to adhere to this Framework, whether by failing to fund or complete Eligible Projects or by failing to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in this Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise. In addition, it should be noted that all of the expected benefits of the Eligible Projects as described in this Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, the lack of available Eligible Projects being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives, including the funding and completion of Eligible Projects. Each environmentally focused potential investor should be aware that Eligible Project may not deliver the environmental or sustainability benefits anticipated, and may result in adverse impacts. This Framework does not constitute a recommendation regarding any securities of Visa or any member of Visa. This Framework is not, does not contain and may not be intended as an offer to sell or a solicitation of any offer to buy any securities issued by Visa or any member of Visa. In particular, neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. Any decision to purchase any bonds should be made solely on the basis of the information to be contained in any offering document provided in connection with the offering of such bonds. Prospective investors are required to make their own independent investment decisions.