



Green bonds in action series: Investing in a sustainable future



Renewable energy

Green bonds are financial instruments designed to raise funds for projects that deliver positive environmental impacts.

KEY FACTS AND TRENDS IN RENEWABLE ENERGY

Energy Sector

34% Global GHG emissions
Including electricity and heat production¹

Emissions Trend



- Advanced economies are seeing emissions decline – some to levels last seen 50 years ago.
- Emerging markets continue to drive growth due to fossil-fuel dependence and rising energy demand.
- **Coal** remains the dominant fuel – responsible for approximately 45% of energy-related CO₂, with oil at 33% and natural gas at 22%².

THE ROAD TO NET ZERO BY 2050

To reach Net Zero by 2050, approximately US\$4.5 trillion is required annually by 2030³, mostly in renewable power, grids, storage, and efficiency. In 2024, global investments in clean energy totaled approximately US\$ 1.7 trillion⁴, suggesting a shortfall of US\$2-2.8 trillion annually.

REQUIRED

2030

Approx. **US\$4.5 trillion**



STATUS

2024

Approx. **US\$1.7 trillion**



Global Investment Shortfall

WHERE DO GREEN BONDS FIT IN?

Smart Energy Solutions

40%



Allocation in our green bond universe

Eligible Projects Financed



Renewable energy (solar, wind power generation, hydropower with sustainability safeguards)



Grid infrastructure upgrades and interconnections



Battery and storage projects

¹Source: Global Greenhouse Gas Overview by United States Environmental Protection Agency. Data from IPCC (2022) ²Source: IEA <https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer>

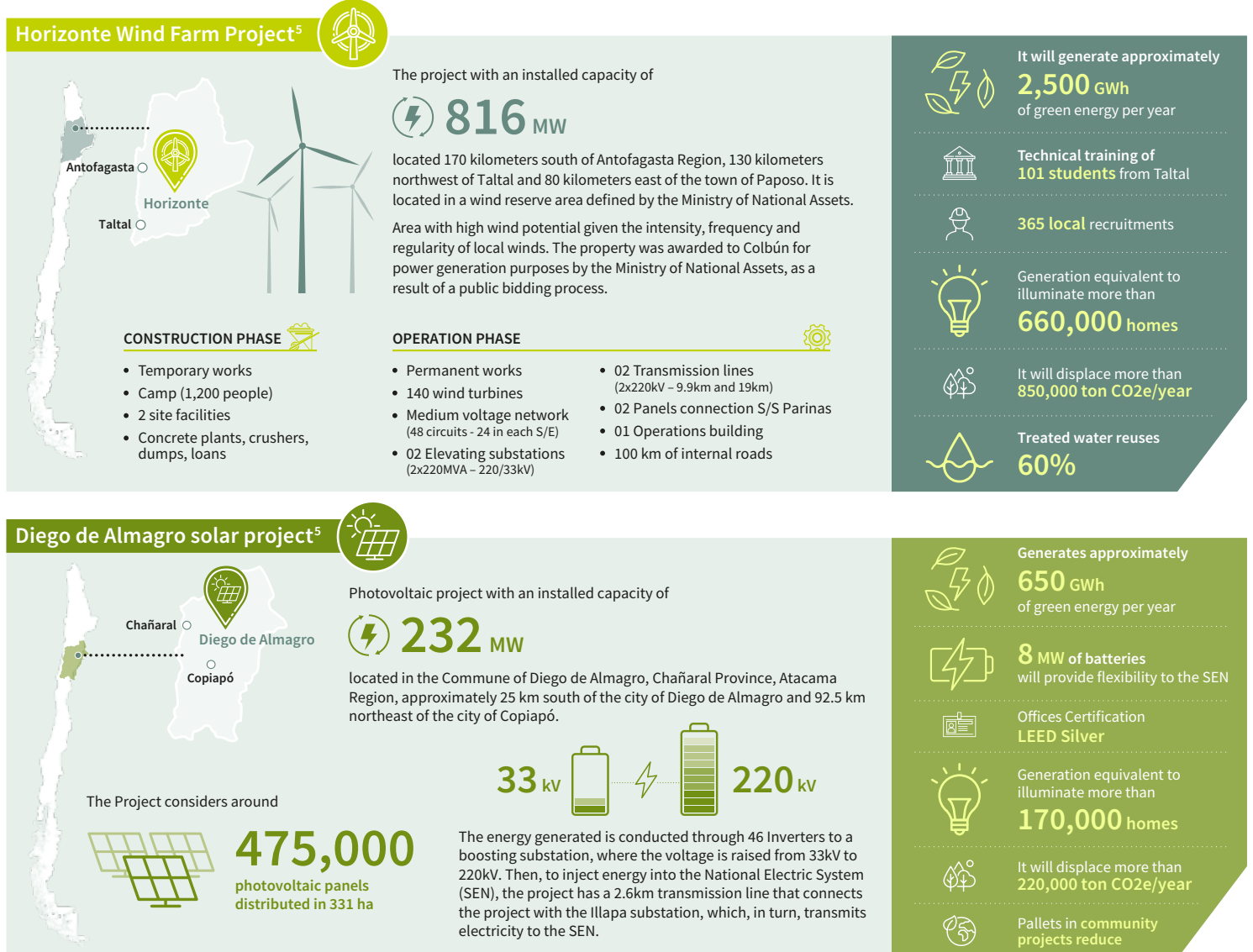
³Source: World Economic Forum IEA: Clean energy investment must reach \$4.5 trillion per year by 2030 to limit global warming to 1.5°C | World Economic Forum ⁴Source: IEA's World Energy Investment 2023

Colbún S.A. - A Green Revolution in Chile

Colbún S.A. is a major Chilean electric utility company that produces, transmits, and distributes electricity primarily across the central and southern regions of Chile. The company is committed to achieving carbon neutrality by 2050 and plans to phase out from coal by 2040, with the closure of its last coal power plant.

Its Green Financing Framework, published in 2021, supports projects that enhance energy efficiency and promote renewable energy. The company has also implemented adequate measures to manage and mitigate potential environmental and social risks associated with the projects financed under this framework.

By issuing its first green bond, Colbún is financing two major projects focused on wind and solar energy. The **Horizonte Wind Farm project** harnesses strong winds to generate large-scale energy, while the **Diego de Almagro solar project** produces solar energy combined with battery storage for enhanced grid flexibility. Together, these initiatives aim to reduce carbon emissions by over 1 million tonnes annually, create hundreds of jobs, and engage local communities through training and supplier inclusion, all while supporting Chile's ambitious climate goals.



Green bonds are one of the most appropriate debt instrument to accompany issuers committed to transition to a low carbon economy. It supports the decarbonization of the energy sector by channeling capital towards projects that reduce GHG emissions and provide investors with a higher level of transparency and measurability. Contact us to explore more.

⁵Source: Colbun's Green Bond Impact Report June 2023

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