

November 24th, 2020

Chile's Green Bonds included in JPMorgan's ESG Green Bond index

Santiago, November 24th, 2020. This Monday, November 23rd, JP Morgan published a new benchmark index "ESG Green Bond Index (JESG GENIE)" for debt instruments aligned with ESG criteria. The index considers more than US\$ 403 billion in green hard currency bonds (USD, EUR and GBP) issued by sovereigns, quasi-sovereigns, supra-nationals, and corporates, as well as local currency government green bonds.

The index considers more than 430 green instruments from 216 issuers from 40 countries; with a total market value of US\$ 441 billion. 87% of the issuers included in the index are from developed markets; on average the issuers have an A+ rating. It should be noted that this index does not include all green bonds in the market but only those of issuers with a high ESG rating. Likewise, it gives a greater weight to the bonds certified by Climate Bonds Initiative (CBI) for being consistent with Paris Agreement commitments.¹

The Republic of Chile's four outstanding green bonds are considered within the index, placing the sovereign's weight at 1.9% of the JESG GENIE index, within the top ten issuers that include France, the Netherlands, KfW, Paris, Belgium, and Ireland, among others.

Considering all issuers, Chile has a total weight of 2.09% in the JESG GENIE index, the greatest among emerging economies. Actually, besides the sovereign, the index also includes two dollar-denominated issuances by Chilean corporates AES Gener and Inversiones CMPC.

Green Bonds

Chile was the first sovereign in the Americas to issue green bonds and actually has two euro-denominated (due in 2031 and 2040) and two dollar-denominated green bonds (due in 2032 and 2050). As of November 3rd 2020, the Republic of Chile has issued a total of roughly US\$ 6.2 billion in sovereign green bonds.

Sustainable Bond Framework

On November 4th, 2020, Chile published its [Sustainable Bond Framework](#), which builds on the Green Bond Framework published in 2019, and sets out the guidelines to issue Social, Green and Sustainable bonds, in line with the International Capital Market Association (ICMA) standards. This framework received a favorable [Second Party Opinion by Vigeo Eiris](#). On November 19th, 2020, [Chile issued its first Social bond](#) under this new Framework, consolidating its leadership in ESG issuances in the region.

¹ Daily returns and statistics can be found on J.P. Morgan Markets DataQuery and Bloomberg (JPMX <GO>).