Ministerio de Hacienda

Gobierno de Chile

Chile's Sustainability-Linked Bonds Report

June 2025

This Report is in accordance with Chile's Sustainability-Linked Bond Framework.

This document is available on the Ministry of Finance's website: https://www.hacienda.cl/english/work-areas/international-finance/public-debt-office/esg-bonds/sustainability-linked-bonds

Prepared by the Public Debt Office of the Ministry of Finance.

Contents

1

SLB Bond Issuances and Framework

During the last years, the Republic of Chile ("Chile" or "the Republic") has demonstrated strong efforts related to ESG topics, including different sectorial initiatives that finally resulted in the financial integration of these categories in its debt plan. Thus, in 2022 and 2023 Chile has issued its SLB bonds, adding new ESG bonds to its stock of debt, reinforcing its commitment to sustainable development.

In 2022, Chile issued its first Sustainability-Linked Bond in the international markets, becoming the first country to issue a bond with these characteristics. Then, in June 2023, it decided to expand its SLB Framework through the addition of a KPI related to gender equality.

By the end of 2024, closing date for this report, Chile had issued six new bonds with the new gender KPI, including USD and Euro-denominated bonds, peso-denominated bonds and an inflation-linked bond.

1.1 Context

In its initial SLB Framework published in March 2022, Chile established two KPIs with their corresponding Sustainability Performance Targets (SPTs). The KPIs are as follows:

- **KPI 1.** Greenhouse Gas (GHG) emissions per year, measured in $MtCO_2eq$.
- **KPI 2.** Non-Conventional Renewable Energy (NCRE) Generation, as the percentage generated in the National Electric System, measured in megawatt hours (MWh).

Later, in June 2023, and considering the relevance of gender equality and social factors for the country, which were also reflected in the previous expansion of its Green Bond Framework to include social projects, a similar approach was followed in the SLB Framework, including an additional KPI. The KPI is as follows:

- KPI 3. Women's representation on the boards of directors at companies, measured as a percentage.

As established in the Framework:

- Each SLB may have one or more SPT Events, each with an associated event observation date and financial implication; and
- If any KPI has two or more different event observation dates, the financial implications may be cumulative. The amount, timing, and mechanism for payment of the financial implications are set forth in the relevant legal documentation for each specific SLB issuance.

The SPTs included in the SLB Framework were the following, for each KPI:

KPI	SPT Event	Observation Date
KPI 1	a) Achieve GHG emissions of 95 $MtCO_2e$ by 2030	December 31, 2030
	b) Achieve a maximum of 1,100 $MtCO_2e$ between 2020 and 2030	December 31, 2030
KPI 2	a) Achieve 50% electric generation derived from NCRE sources by 2028	December 31, 2032
	b) Achieve 60% electric generation derived from NCRE sources by 2032	December 31, 2028
KPI 3	a) Achieve 40% of women representation in board of directors at companies that report to the CMF by 2031	December 31, 2031

1.2 Financial and SLB Characteristics

Chile has built a strong history related to SLB issuances. As of the end of 2023, it amounted to a total of US$ 8,031 million of SLB bonds. Table 1 presents summary of their financial characteristics.

Table 1 | Financial characteristics of the 2022 and 2023 SLB Bond Issuance.

SLB Issuances	USD-2042	USD-2036	USD-2054	EUR-2034	BTP-2037	BTU-2039	BTP-2034
Issue date	March 2, 2022	June 27, 2023	June 27, 2023	June 28, 2023	July 20, 2023	October 20, 2023	October 25, 2023
Maturity date	March 7, 2042	January 5, 2036	January 5, 2054	July 5, 2034	November 1, 2037	October 1, 2039	October 1, 2034
Tenor years	20Y	12Y	30Y	11Y	14Y	16Y	11Y
Total notional amount (MM)	US $2,000	US $1,150	US $1,100	750 €	CLP $1,750,000	CLF $24	CLP $1,750,000
Coupon rate (% a.)	4.34%	4.95%	5.33%	4.13%	5.30%	3.40%	5.80%

Source: DMO, Ministry of Finance.

As mentioned before, in the typical SLB structure, certain financial implications are derived from SPT Events, as defined in the SLB Framework. Specifically, SLB bonds include the possibility of increasing the coupon payment in case Chile does not comply with the committed SPT (the *step-up*). Table 2 outlines the key aspects regarding the step-up selected:

Table 2 | The characteristics of Step Up in the SLB Bond Issuance.

SLB Issuances	USD-2042	USD-2036	USD-2054	EUR-2034	BTP-2037	BTU-2039	BTP-2034
SPT	*SPT 1a: Achieve annual GHG emissions of 95 MtCO2e by 2030 *SPT 1b: A maximum of 1,100 MtCO2e between 2020 and 2030 *SPT 2b: Achieve 60% electricity generation derived from non-conventional renewable sources by 2032	*SPT 1a: Achieve annual GHG emissions of 95 MtCO2e by 2030 *SPT 1b: A maximum of 1,100 MtCO2e between 2020 and 2030 *SPT 3: Achieve at least 40% of women representation in board of directors at companies that report to the CMF by 2031	*SPT 1a: Achieve annual GHG emissions of 95 MtCO2e by 2030 *SPT 1b: A maximum of 1,100 MtCO2e between 2020 and 2030 *SPT 3: Achieve at least 40% of women representation in board of directors at companies that report to the CMF by 2031	*SPT 1a: Achieve annual GHG emissions of 95 MtCO2e by 2030 *SPT 1b: A maximum of 1,100 MtCO2e between 2020 and 2030 *SPT 3: Achieve at least 40% of women representation in board of directors at companies that report to the CMF by 2031	*SPT 1a: Achieve annual GHG emissions of 95 MtCO2e by 2030 *SPT 1b: A maximum of 1,100 MtCO2e between 2020 and 2030 *SPT 3: Achieve at least 40% of women representation in board of directors at companies that report to the CMF by 2031	*SPT 1a: Achieve annual GHG emissions of 95 MtCO2e by 2030 *SPT 1b: A maximum of 1,100 MtCO2e between 2020 and 2030 *SPT 3: Achieve at least 40% of women representation in board of directors at companies that report to the CMF by 2031	*SPT 1a: Achieve annual GHG emissions of 95 MtCO2e by 2030 *SPT 1b: A maximum of 1,100 MtCO2e between 2020 and 2030 *SPT 3: Achieve at least 40% of women representation in board of directors at companies that report to the CMF by 2031
Step-up	12.5bps p.a. if either SPT 1a or 1b is missed / 12.5bps p.a. for SPT 2B if missed	25bps p.a. if either SPT 1a or 1b is missed / 25bps p.a. for SPT 3 if missed	5bps p.a. if either SPT 1a or 1b is missed / 5bps p.a. for SPT 3 if missed	50bps p.a. if either SPT 1a or 1b is missed / 50bps p.a. for SPT 3 if missed	15bps p.a. if either SPT 1a or 1b is missed / 15bps p.a. for SPT 3 if missed	3.75bps p.a. if either SPT 1a or 1b is missed / 3.75bps p.a. for SPT 3 if missed	55bps p.a. if either SPT 1a or 1b is missed / 55bps p.a. for SPT 3 if missed

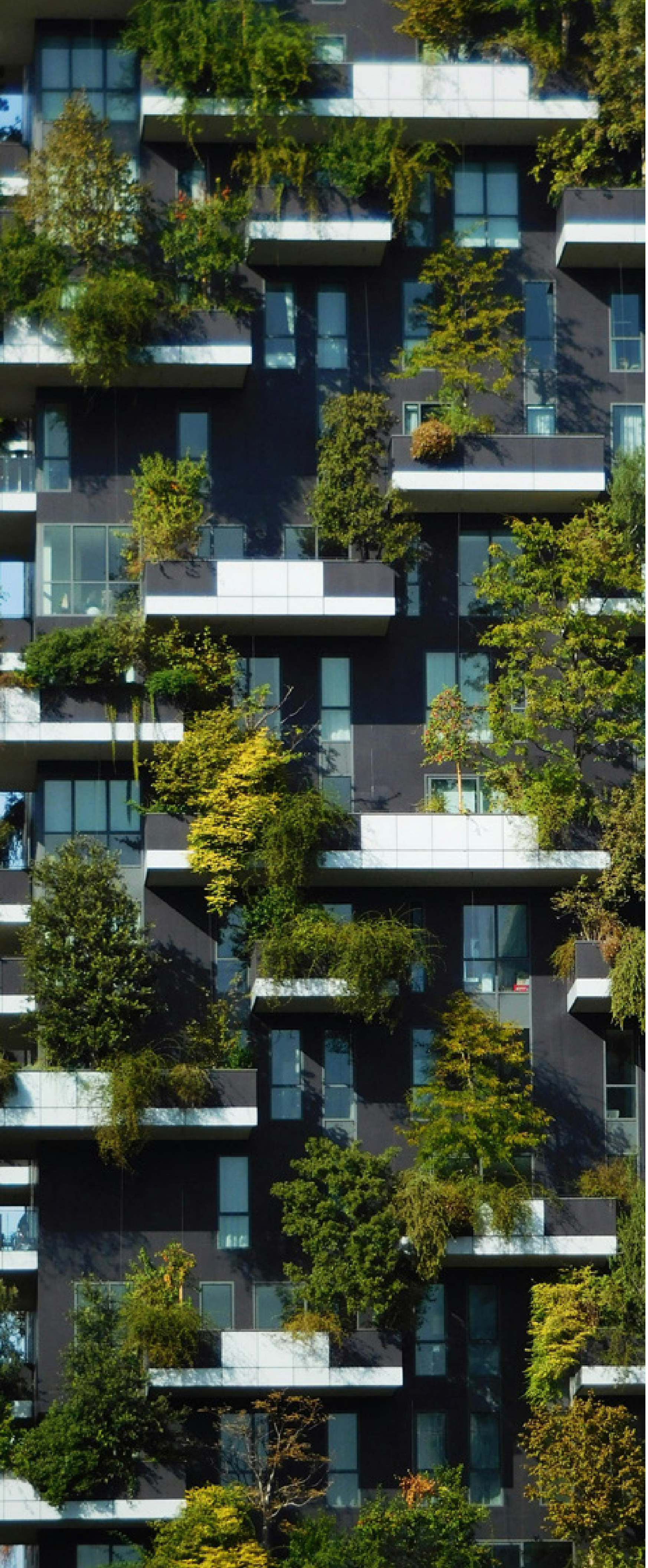
Source: DMO, Ministry of Finance.

1.3 Reporting commitments

In its SLB Framework, Chile committed to "publishing a report (SLB Report) annually, containing a qualitative or quantitative explanation of the main factors behind the evolution of the KPIs, as well as (when available) the progress of the KPIs established in this SLB Framework".

Through this report, Chile complies with that commitment, disclosing:

- **Information regarding KPI 1,** in accordance with its current NDC protocol.
- **Information regarding KPI 2,** reporting the participation of NCRE in the total production of the year, in accordance with data from the National Electricity Coordinator, a technical body of public law.
- **Information regarding KPI 3,** reporting the latest available participation of women in board of directors at companies.
- Information on the mitigation policies efforts, as well as actions and policies to comply with the targets.



2

Evolution of KPIs

a. KPI 1: Greenhouse Gas (GHG) emissions per year, measured in ktCO2eq

National Greenhouse Gases trend

The emissions data for the 2023-2024 period are still under preparation. Thus, the last available information corresponds to 2022, which was already contained in our last report.

As of 2022, the country's total GHG emissions[1] balance was estimated at 54,370 ktCO2e, representing a 10% increase compared to 2020. The primary drivers of this trend are CO2 emissions generated by fossil fuel combustion (reported under the Energy sector) and CO2 removals by forest land (captured under the Land USE, Land USE Change and Forestry "LULUCF" sector). The decline in the GHG balance observed in 2020, relative to other years, is largely attributable to public health measures implemented in response to the COVID-19 pandemic. These measures led to reduced economic activity and mobility across the country.

As of 2022, the country's total GHG emissions[2] amounted to 111,048 ktCO2e, reflecting an increase of 135% relative to 1990 levels and a 7% rise compared to 2020.

Figure 1 | Chile's NGHGI: balance of GHG emissions (ktCO2eq) by sector, 1990-2022[3]

Sector	1990	2000	2010	2015	2020	2021	2022
Energy	33,338.5	51,796.3	65,489.0	78,764.3	78,898.9	84,905.2	84,790.9
IPPU	1,866.1	3,109.9	3,717.4	5,159.4	6,780.4	7,522.0	8,148.6
Agriculture	10,421.4	11,837.5	11,301.1	10,456.8	9,767.4	9,531.0	9,210.6
LULUCF	(82,885.5)	(77,699.6)	(65,093.9)	(48,812.1)	(54,580.2)	(62,400.0)	(56,678.80)
Waste	1,681.7	3,024.8	4,569.5	6,424.5	8,268.9	8,697.0	8,898.6
Balance	**(35,577.8)**	**(7,931.1)**	**19,983.1**	**51,992.9**	**49,135.5**	**48,255.20**	**54,370.0**
Total	**47,307.6**	**69,768.5**	**85,077.0**	**100,805.0**	**103,715.6**	**110,655.20**	**111,048.7**

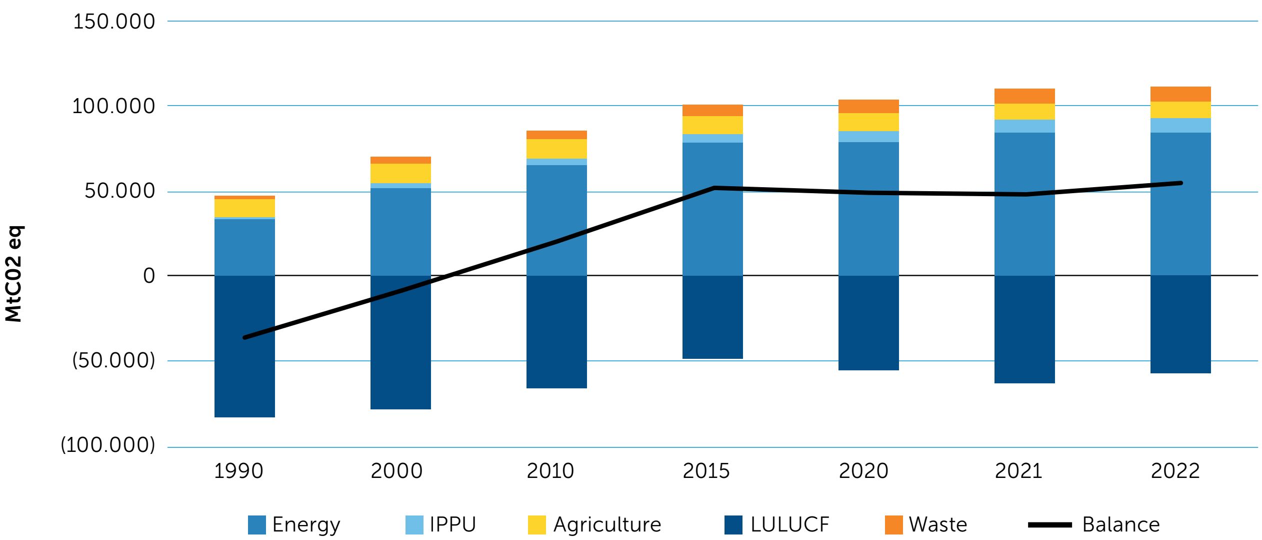
Source: Ministry of Environment.

1 "GHG balance" or "net emissions" refers to the sum of GHG emissions and removals expressed in carbon dioxide equivalent (CO2e). This term includes the LULUCF sector.

2 "Total GHG emissions" refers only to the sum of national GHG emissions expressed in carbon dioxide equivalent (CO2e). This term excludes emission sources and removal sinks from the LULUCF sector.

3 Figures may vary slightly from previous reports due to methodology, refer to https://snichile.mma.gob.cl/metodologia/

Graph 1 | Chile's NGHGI: balance of GHG emissions (MtCO2eq) by sector, 1990-2022.



Source: Ministry of the Environment, Chile's National Greenhouse Gas Inventory, published in March 2023.

b. KPI 2: Non-Conventional Renewable Energy (NCRE) Generation, as the percentage generated in the National Electric System, measured in megawatt hours (MWh)

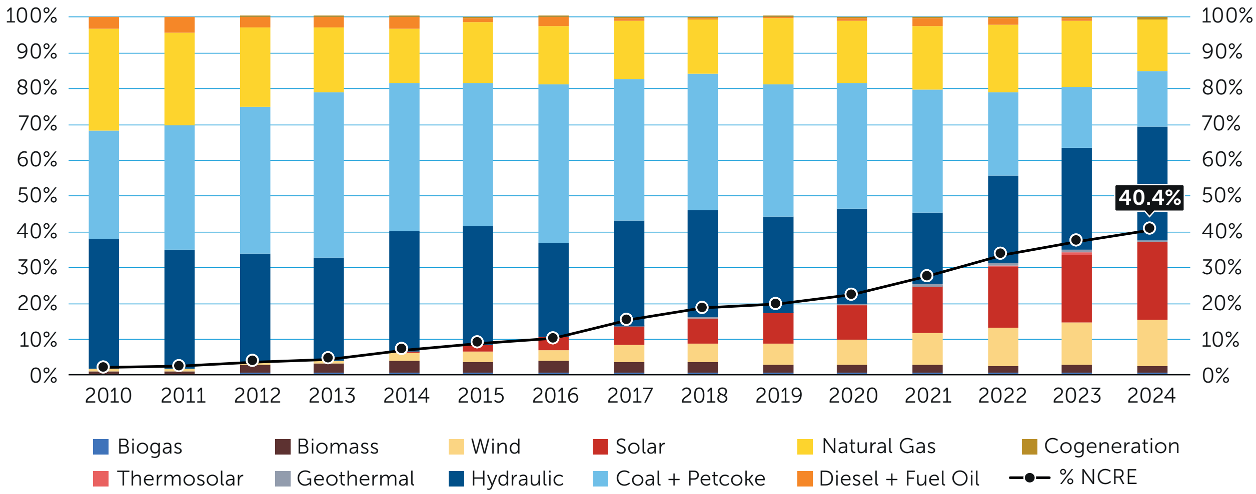
The percentage of NCRE is measured as the energy produced by NCRE sources in 2024, and transmitted to the Chilean matrix, divided by the total energy produced in the Chilean matrix during the same year. For these purposes, energy coming from the following sources is considered NCRE: wind, small run-of-river hydro (plants up to 20 MW of installed capacity), biomass[4], biogas, geothermal, solar[5] and ocean energy, and green hydrogen.

Thus, in 2024, the NCRE participation reached 40.4% of the total energy produced, compared to the 37.1% observed in 2023..

The information published by the National Electric Coordinator[6] contains data by technology, as well as a separate file with NCRE produced by year. The KPI is calculated using this information.

4 It is considered as NCRE only those produced with projects operating after 2007.
5 It includes thermosolar.
6 https://www.coordinador.cl/reportes-y-estadisticas/#Estadisticas

Graph 2 | Total energy produced, by type (% of total).



Source: Ministry of Energy.

c. KPI 3: Percentage of women in board member positions at companies that report to the CMF

Given the clear benefits of greater participation of women in board member positions, Chile has decided to incorporate a KPI seeking to achieve at least 40% of women in board of all companies under the scope of the CMF (*Comisión para el Mercado Financiero* - Chile's Financial regulatory body) by 2031. Chile believes that by setting a target for all companies subject to the CMF, it is creating a strong and encouraging precedent for other companies in Chile to emulate, expanding the successful achievements reached so far by state-owned Companies.

This participation is measured as the total number of women board members compared to the total number of members in boards of director across all companies under the same scope. For clarity, this considers an average across all companies.

The scope of the companies included in KPI 3 mainly comprises companies that report to the CMF in accordance with *Norma 386.* This percentage is contained in the Gender Indicator of Chilean Companies Report (Reporte de Indicadores de Género de las Empresas en Chile), which includes the participation of the International Labour Organization and the NGO Chile Mujeres, to support the integrity of the data provided and to avoid errors through the collection and reporting process.

Thus, this indicator has increased from 10.6% in 2019 to 22.1% in 2024, representing a rise of 6.2 percentage points compared to 2023.

The consolidated evolution of KPIs is shown in Table 3.

Table 3 | Summary of KPIs evolution.

Year	2018	2019	2020	2021	2022	2023	2024
GHG Emissions (ktCO2eq)	107,169.4	109,089.5	103,715.6	110,655.2	111,048.7	n.a.	n.a.
NCRE Participation (% total)	18.3	19.5	22.2	27.2	33.4	37.1	40.5
Women on Board of Directors in Priv & SEP (%)	n.a.	10.6	10.5	12.7	14.0	15.9	22.1

Source: DMO, Ministry of Finance.

3

Mitigation measures, actions and policies

a. GHG Mitigation measures

Ministry of Transportation and Communications

Based on the sectoral vision of sustainable mobility, expressed in the National Strategy for Sustainable Mobility, different actions have been activated to improve institutional organization in environmental aspects, including the reconfiguration of the Environment and Climate Change Committee. The purpose of the strategy is to incorporate environmental objectives into the various areas of action of the Ministry of Transportation and Communications in order to advance in the goals established in the Long-Term Climate Strategy and in the National Strategy for Sustainable Mobility. This strategy is complementary to other politics, such as the National Policy for Urban Development, the Policies for Transit Security and equality of Gender and Transport and National Electromobility Strategy.

The Sectorial Plan of Mitigation and Adaptation to Climate Change, corresponding to the Transport Sector, was published in 2025. Its main goal is to contribute to the reduction of greenhouse gas (GHG) emissions and to support the sector's adaptation to the impacts of climate change, in line with Chile's Nationally Determined Contribution (NDC). It also ensures compliance with the carbon budget assigned to the Ministry of Transport and Telecommunications (MTT).

In addition, inter-institutional coordination has been strengthened in various aspects such as: promoting the preparation of Metropolitan Urban Transportation Master Plans in future metropolitan areas, strengthening Public Transportation Planning instruments (PMITP), advancing in coordination with the Ministry of Housing and Urban Planning in the generation of urban integration mechanisms (social integration polygons), incorporating the notion of sustainable mobility in Strategic Environmental Assessment, as well as promoting integrated urban planning and the generation of balanced density patterns. Efforts have also been made to include sustainable mobility criteria in land use planning and rural development.

Ministry of Mining

To reduce consumption and GHG emissions in the mining sector, certain initiatives, such as the incorporation of renewable energies, have been encouraged. Chilean mining is making significant progress in the use of Non-Conventional Renewable Energies (NCRE). As early as 2021, 44% of mining electricity consumption originated from clean sources. By 2025, this share is expected to rise to 62%.

The National Mining Policy 2050 (PNM 2050) is a reference point for the industry and the State. This policy sets goals in the short (2025), medium (2030) and long-term (2050) to meet the objective of developing a sustainable mining industry that provides the minerals that the world will require to face the climate crisis, promotes employment, investment and progress in the regions.

The PNM 2050 is based on economic, social, and environmental sustainability pillars; however, this policy must be adapted to new scenarios and challenges. To this end, the document is currently under revision to incorporate underrepresented actors and ensure coherence with the Government Program.

State-owned companies have also made progress in mitigating their GHG emissions. The National Copper Corporation (CODELCO) launched its Sustainability Policy. The National Mining Company (ENAMI), on the other hand, is making progress in training its professionals in energy management and is also in the process of reviewing electricity supply contracts to supply its operations with renewable sources. The Mining Council is a trade association that brings together the largest mining companies that produce in Chile, and as part of this council, the associated large mining companies have set corporate-level goals for reducing emissions.

Ministry of Health

In 2020, the total emissions allocated to this ministry reached 6.3 MtCO2e, increasing by 13.6% compared to 2018 and representing 6.0% of national emissions excluding the LULUCF sector. The increase in emissions is mainly due to waste disposal, in line with the increase in the country's population. With respect to 2020 emissions, 92% are the result of the disposal of municipal and industrial solid waste.

Thus, among the mitigation measures identified by the sector, it should be noted that in waste management matters, the Ministry of Health is responsible for establishing and monitoring the sanitary conditions to be met by waste disposal facilities, including greenhouse gas emissions associated with this activity, as well as improving the practices used in the management of waste from health care facilities, as is the case of the rationalization of interregional transportation of waste for treatment, which will result in the reduction of CO2 emissions.

Ministry of Agriculture

Although mitigation measures in the sector have historically focused on the forestry component, since the publication of the ECLP and the LMCC, the agricultural component has acquired greater relevance as the target of mitigation instruments and actions. Regarding specific instruments, in 2021 the Ministry of Agriculture presented the Agri-food Sustainability Strategy, a sectoral policy whose vision is to position the national agri-food sector as a supplier of food produced in a sustainable manner for Chile and the world, committed to people, communities, the environment and the development of local economies. Additionally, the PLACA initiative (Platform for Climate Action for Agriculture in Latin America and the Caribbean), launched in 2019 and supported by the Ministry of Agriculture, is currently being implemented. This platform is a regional mechanism for collaboration among Latin American and Caribbean countries on agriculture and climate change, aimed at promoting productive agricultural development, adapted to the effects of climate change, resilient and low in GHG emissions.

During the development of Chile's 2020 Long-Term Climate Strategy (ECLP) and Nationally Determined Contribution (NDC), sectoral mitigation measures were assessed, including (1) technical assistance for the efficient use of fertilizers and (2) the implementation of biodigesters for pig slurry. Together, these two measures account for approximately 80% of the total mitigation impact identified.

With respect to the relevant instruments and policies related to the forestry component, one of the instruments developed to meet the goal contained in the NDC is the National REDD+ Strategy (Reducing Emissions from Deforestation and Forest Degradation - REDD), which in the case of Chile is called the National Strategy for Climate Change and Vegetation Resources (ENCCRV), which is led by CONAF as the focal point.

Ministry of Public Works

In 2020, the total emissions allocated to this ministry reached 4.5 MtCO2e, decreasing by 4.0% compared to 2018 and representing 4.2% of national emissions, excluding the LULUCF sector. The main cause for the decrease in emissions allocated to the Ministry of Public Works is the reduction in emissions produced by sludge generation in most of the country. However, cement production and electricity demand offset the emission reductions. Regarding the participation of each categories in 2020, 37% corresponded to domestic and industrial water treatment, 25% to emissions generated by electricity demand for public use and water treatment, and 20% to emissions from cement production.

In response to the climate challenge, the MOP developed two national climate action plans, both officially approved by the ministerial climate council in November 2024:

- The Climate Change Adaptation and Mitigation Plan for Infrastructure, led by the General Directorate of Public Works (DGOP) with technical support from the Inter-American Development Bank (IDB), sets out measures to reduce emissions and climate risks across the entire lifecycle of public infrastructure. Its pillars include climate-resilient design, circularity, post-disaster waste management, sustainability certifications, and institutional capacity building.
- The Climate Change Adaptation Plan for Water Resources, developed by the General Directorate of Water (DGA, by its Spanish acronym) with support from the Food and Agriculture Organization (FAO) and funding from the Green Climate Fund, aims to strengthen water security and equity through citizen participation and territorial engagement. The plan incorporated input from over 2,000 stakeholders across macrozones and Indigenous communities.
- Both plans will be implemented starting in 2025 through corresponding Supreme Decrees. Together, they represent a significant institutional milestone toward building resilient infrastructure systems and delivering on Chile's carbon neutrality commitments.

Ministry of Housing and Urban Planning

Regarding climate change, this ministry works in a comprehensive and coordinated manner with other entities in the territories, at various scales such as housing, neighborhoods, and cities. The National Urban Development Policy (PNDU) emphasizes the importance of advancing towards sustainable urban development, which considers both the sustainable construction of cities and the efficient management of energy, resources and waste, which will lead to a reduction in the generation of GHG emissions. Within the framework of the Circular Economy, the Ministry of Housing and Urban Planning is developing a series of actions to collaborate to GHG mitigation. Additionally, at the national level, the National Urban Parks Policy was developed to protect and strengthen the vital role that urban parks play in the sustainability and resilience of cities, in the wellbeing and quality of life of their inhabitants, and in the country's future development. .

In the construction sector, two national-level initiatives are highlighted: first, the updating of the National Sustainable Construction Strategy (ENCS, by its Spanish acronym) and second, the completion of the development of the National Strategy for Carbon Footprint in Construction. In the area of neighborhoods, the aim is to reduce greenhouse gas emissions associated with urban planning, through the implementation of two plans that are incorporated into each master plan that the program intervenes in selected neighborhoods starting in 2020 with 100 neighborhoods that begin the process and should complete the intervention five years later (year 2025).

At the housing level, the Thermal Conditioning Subsidies, and the Subsidy for new thermal standards in areas with an Atmospheric Decontamination Plan (PDA, by its Spanish acronym) will continue. Starting in November 2025, the new Thermal Regulation will become mandatory, and the Energy Certification of Housing (CEV) will be required for SERVIU residential projects.

b. Measures to increase the non-conventional renewable energies participation

During the last years, Chile has made strong efforts to increase the participation of NCRE. In 2008, the NCRE Law (Law No. 20,257) established the mandatory requirement for electric companies (with a capacity higher than 200 MW, that also provided energy to the SIC and SING system) to ensure that at least 5% of the energy provided comes from NCRE sources, with a target of 10% by 2024. Then, in 2013, Law No. 20,698 increased the target to 20% by 2025.

Another important milestone in the efforts to transition to clean energies is the plan to phase out carbon plants, announced in 2019, and through which Chile committed to abandon carbon plants by 2040. Since then, this plan has continued to accelerate. By 2025, 50% of the total carbon plants will be withdrawn, which will be partially replaced by NCRE sources, including new sources under development that are in the core of the Chilean strategy, such as the green hydrogen.

In 2022, the Law of Energy Storage was approved (Law No. 21,505) which favors the storage of NCRE energies, avoiding its waste and includes a transitory reduction of certain regulatory payments that electric and hybrid cars make.

On the regulatory side, the Flexibility Strategy[7] was published in September 2020. Flexibility is understood as the ability of an electric system to respond to the variability and uncertainty of demand and generation, in a safe and efficient way. Thus, this strategy established as objective several actions to develop market signals and processes that allow and promote the flexibility required by the National Electric System. Currently, some of the regulatory changes derived from the strategy are in process or pending to be approved.

One of the main tools and processes to plan the future of the country's energy is the 2023-2027 Long-Term Energy Planning (PELP), led by the Ministry of Energy. Published in 2023, serves as an updated public policy tool, which outlines projections for energy demand and supply over a 30-year horizon, aiming to guide the sustainable development of the energy sector while identifying key technologies and investments needed for Chile's energy transition[8].

Regarding more recent developments, in November 2024, the amendment to Geothermal Law came into force, aiming to facilitate the development of shallow geothermal energy projects. In December 2024, Law No. 21,721 on energy transition was published, enhancing the planning and expansion of the electricity transmission system to facilitate the development of renewable energy projects.

In addition, Congress is currently discussing a Bill to Foster NCRE, which establishes minimum renewable energy quota obligations for suppliers, establishing an annual quota of 60% and a quota per hourly block of 40% by 2030.

Finally, and in coordination with the Ministry of National Assets (Ministerio de Bienes Nacionales), fiscal properties have been designated for the development of NCRE projects through direct awards and public bidding processes. The current installed capacity on public lands represents 41% of the country's total operating wind and solar capacity (representing 21% and 49%, respectively).

7 https://www.energia.gob.cl/sites/default/files/estrategia_de_flexibilidad.pdf
8 https://energia.gob.cl/pelp

Green Hydrogen

On November 3, 2020, the Ministry of Energy published the National Green Hydrogen Strategy, which seeks to take advantage of the opportunity to produce and export green hydrogen and its derivatives,including ammonia, methanol, and synthetic fuels.

Through three stages, it is intended to accelerate the use of green hydrogen in key national applications by 2025, enter the export market by 2030, and become the leading global exporter of green hydrogen at a low production cost.

In June 20224, the Green Hydrogen Explorer[9] was launched, with the objective of reducing cost and land-related barriers to green hydrogen production, as well as promoting the development of new projects.

In April 2024, the National Action Plan of Green Hydrogen (2023-2030) was launched[10]. The plan sets outshort and long-term objectives, with clear responsibilities and accountability. This tool allows the identification of strategic networks to focus and prioritize the work of different institutions.

Although the participation of this technology in the current matrix is low, it is expected it will increase in the future.

c. Measures to increase the participation of women in boards of directors

Pathway and Action Plan

Women's participation in decision-making is critical to promoting gender equality and diversity and inclusion. Led by President Boric, the current administration created "Chile para Todos" (Chile for All), a comprehensive and intersectional plan to promote gender equality. The plan included measures to promote parental responsibility, flexible start times for people taking care of children under 12 years of age, reduced working hours for domestic workers, and the development of care and protection centers.

In addition, the implementation of General Standards N°386 and N°461 by the CMF raised disclosure standards for the companies it oversees. NCG 386 introduced a " Social Responsibility and Sustainable Development Report" that provide indicators the board, senior management, and organization diversity, along with indicators on gender pay gaps. NCG 461 incorporates reporting requirements on sustainability and corporate governance across environmental, social and governance (ESG) topics.

Chile has also made progress in increasing female participation in historically male-dominated sectors.with the auctions and projects of the Ministry of Public Works including gender factors, as well as the "Energía + Mujer" initiative from the Ministry of Energy. Through public-private partnerships, the "Energía + Mujer" aims to rectify gaps and barriers hindering women's advancement in the energy sector, with the goal of promoting more diverse leadership and management.

9 https://hidrogenoverde.minenergia.cl/
10 https://www.planhidrogenoverde.cl/

In the public sector, female participation is higher than in the private sector, and thus the effort must be concentrated in the latter.. In this regard, one of the main tools is the regulation of the private sector. Currently, there is a bill under discussion in Congress to establish a mandatory quota for women participation on boards of all companies under the supervision of the CMF. The bill, titled "Más Mujeres en Directorios" (More women on of Company Boards), establishes a suggested limit of 80% of representation for the gender with the higher participation for the first 3 years. Then, between the fourth and sixth year, the suggested limit will be 70%, and after this time it will reach 60%.

Every 4 years, from the sixth year after the approval of the Law, the regulator will assess the compliance of the companies. If the compliance is lower than 80% and/or the percentage of "zero-companies" is above 5%, the companies that do not comply with the suggested quota, will have to comply with a mandatory quota. If the suggested quota is achieved by at least 80% of the companies, but the number of zero-companies is higher than 5%, the zero-companies will have to comply with the suggested quota established by Law.

4
Governance and Calculation

a. GHG emissions: Methodology and main sources of information

GHG and precursor gas estimates for Chile's National GHG Inventory, 1990-2022 series, were made in line with the 2006 IPCC Guidelines for National Greenhouse Gas Inventories[11] and own calculation books for estimation based on the same guidelines: including key category analysis, uncertainty assessment, completeness assessment and recalculations.

In addition, Chile's National GHG Inventory has been prepared in compliance with the reporting requirements of the Convention's Guidelines for Biennial Update Reports from Parties not included in Annex I to the Convention[12] and the Guidelines for the Preparation of National Communications from Parties not included in Annex I to the Convention[13]. In an additional effort, the country reviewed and considered, during the update process, the provisions included in the Modalities, procedures, and guidelines for the transparency framework for actions and support referred to in Article 13 of the Paris Agreement[14] (MPG). Particularly the provisions in paragraphs 17-58 were reviewed, trying to comply with these to establish possible needs in view of the delivery of the first Biennial Transparency Report.

b. Governance and Calculation of NCRE Participation

The data on NCRE and total participation in the energy matrix (energy effectively produced) is publicly available, at the website of the National Electric Coordinator (the Coordinator)[15].

These numbers are produced with the coordination of the Coordinator, with the participation of third parties, which ensures the transparency of the number. As mentioned, the internal information review process includes internal actors of the electricity market, i.e. the Electric Coordinator, the generating companies and an external panel of experts. Each generating company reviews the information on electricity generation on a monthly basis due to the fact that the Coordinator prepares the economic balances of energy where the remuneration of each company is calculated.

In case of divergencies between companies and the Coordinator, there is an independent body known as the Panel of Experts, which resolves any conflicts that may arise between actors in the sector. The Panel of Experts of the General Electricity Services Law is an autonomous collegiate body created in 2004 by Law No. 19,940, with strict and regulated jurisdiction. Its function is to resolve, through opinions with binding effect, discrepancies and conflicts that, pursuant to law, arise due to the application of the electricity and gas services legislation and that the electricity, gas services and other authorized companies submit to the panel. To assure transparency, the Panel of Experts is made up of seven professionals, five of whom must be engineers or economists, and two must be lawyers, in each case, with extensive professional experience.

These professionals are appointed by the Court for the Defense of Free Competition, through a public competition process. Finally, their appointment is made by resolution from the Ministry of Energy.

11 Retrieved from www.ipcc-nggip.iges.or.jp/public/2006gl/spanish/index.html
12 Annex to Decision 17/COP 8. Retrieved from http://unfccc.int/resource/docs/spanish/cop8/cp807a02s.pdf
13 Annex III of Decision 2/COP17. Retrieved from http://unfccc.int/resource/docs/2011/cop17/spa/09a01s.pdf
14 Decision 18/CMA.1. Retrieved from https://unfccc.int/sites/default/files/resource/CMA2018_3a02S.pdf
15 https://www.coordinador.cl/reportes-y-estadisticas/#Estadisticas

c. Governance and Calculation of the Participation of Women in Boards of Directors

All companies under the scope of the CMF must comply its General Regulation and provide all necessary information and questionnaires requested by the CMF. In 2015, the CMF instructed companies to report on social and sustainable development in their annual reports.

This reporting requirement includes information on the breakdown of workers by gender and information on salary equity.

Thus, performance of KPI 3 is published in the annual Gender Indicator of Chilean Companies Report (Reporte de Indicadores de Género de las Empresas en Chile), based on the data provided by the companies that report to the CMF. The reporting process includes the participation of the International Labour Organization and the NGO Chile Mujeres to support the integrity of the data provided and to avoid errors through the collection and reporting process. The information is provided by individual companies and reviewed by the Chilean Financial Market Commission, with any incorrect information delivery being subject to legal penalties.

Ministerio de Hacienda

Gobierno de Chile