

# Utility of the future

## Zurich's green bond investments into Iberdrola

Zurich Insurance Group has as of June 2018 invested EUR 150 million in green bonds issued by the Spanish multinational utility company Iberdrola. This investment enables the utility to avoid 46,000 tons CO<sub>2</sub> emissions in the course of a year, the equivalent of CO<sub>2</sub> emissions released by 1.9 million propane cylinders used for home barbecues, or the carbon sequestered by almost 800,000 tree seedlings grown over a 10-year period.\*

Iberdrola, a public company based in Bilbao, is one of the world's largest private issuers of green bonds. The electric utility has announced that it will invest EUR 32 billion between 2018 and 2022 to build the foundations for sustainable growth during the next decade. Over the past four years it has issued EUR 7.4 billion green bonds – and recently closed the largest global sustainable loan transaction ever, totalling EUR 5.3 billion.

Jesús Martínez, Iberdrola's Finances and Treasury Senior Manager, comments: "Iberdrola was the world's largest green bond corporate issuer in 2016 and 2017. Green financing is part of our DNA as a leading company in renewable energy. Nearly two decades ago we decided to focus our strategy on decarbonization by investing in clean energies."

Iberdrola's most recent green hybrid bond issue is supported by Zurich. This bond will support a single renewable energy project – East Anglia ONE, managed by Scottish Power Renewables (fully owned by Iberdrola). The offshore wind farm will be located 85 kilometers from East Anglia, England in the North Sea. The wind farm will comprise up to 102 wind turbines and foundations, each rated at 7 megawatts, with a generating capacity of up to 714 megawatts. East Anglia ONE is scheduled to be operational in 2020.



**Iberdrola's offshore windfarm 'Wikinger' in the Baltic Sea.**  
**Source: Iberdrola, June 2018**

Zurich invests in different types of impact investments and various asset classes around the globe. It currently hold more than USD 3.1 billion in impact investments, including over USD 2.6 billion in green bonds. Zurich aims to contribute to mitigating climate risk through such investments by annually avoiding the emissions of five million tons of CO<sub>2</sub> equivalents, while simultaneously improving the lives of five million people per year.

When evaluating green bond investments, Zurich applies criteria from the voluntary [Green Bond Principles](#).\*\* More detailed information about its evaluation framework and principles can be found in its white paper "[Responsible Investments at Zurich](#)."

\*Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

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