

An S&P Global Ratings Post-Issuance Review (PIR) includes S&P Global Ratings' assessment of an Issuer's post-issuance sustainable financing reporting, where proceeds are allocated to environmental and/or social use-of-proceeds projects. A PIR provides a point-in-time opinion, reflecting the information provided to us at the time the PIR was created and published, and is not surveilled. We assume no obligation to update or supplement the PIR to reflect any facts or circumstances that may come to our attention in the future. A PIR is not a second party opinion (SPO) on pre-issuance financing, or a comment on the alignment of allocations with third-party published sustainable finance principles. A PIR is not a credit rating, and does not consider credit quality or factor into our credit ratings. See [Analytical Approach: Sustainable Financing Post-Issuance Reviews](#).

Post-Issuance Review: Allocation Reporting

Empresa de Transporte de Pasajeros Metro S.A.'s Allocation Report

Oct. 24, 2025

Assessment Summary

Consistency Opinion [\(jump to section\)](#)

✓ Allocations are consistent with pre-issuance commitments.

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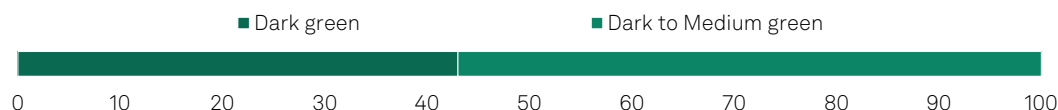
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Allocation Analysis [\(jump to section\)](#)

On June 30, 2025, allocations consisted of renewable energy power purchase agreements (PPAs) and the extension of the electric rail line no. 6 in Santiago, Chile.

The allocations consist of Dark (43%) and Dark to Medium green (57%) projects. We consider clean transportation projects as Dark green and renewable energy PPAs as Dark to Medium green.

Environmental: Allocations to projects at the date of the report (% of allocation per shade)



Reporting Quality Assessment [\(jump to section\)](#)

✓ The report meets the requirements for allocation reporting contained in the Green Bond Principles and firm commitments in green financing framework relating to allocation reporting. The report demonstrates good practices in respect of reporting approach. For example, it includes key information on bonds issued under the framework, and the share of allocated versus unallocated proceeds is disclosed. The report could benefit from greater clarity regarding the distribution of financing vs refinancing and project allocation amounts within each category. For example, the allocation between acquisition of electric trains and extension of rail line no. 6.

Strengths

The report details the types of renewable energy investments, providing insight into the distribution of energy sources across solar, wind, and hydroelectric power. It also clarifies the contract duration for each PPA. Notably, Metro has been sourcing 100% of its electricity since 2024.

Weaknesses

No weaknesses to report.

Areas to watch

As of the first half of 2025, 40% of the energy procured (GWh) originate from PPAs with hydroelectric sources. While the framework outlines eligibility criteria for PPAs involving renewable sources such as solar and wind, it does not explicitly address the requirements for hydro-based energy.

Issuer Description

Location: Chile

Sector: Transportation

Empresa de Transporte de Pasajeros Metro S.A. (Metro) is a state-owned company that provides suburban passenger rail transportation services in Santiago, Chile.

Metro published its green financing framework in February 2024 and will publish its allocation report in 2025. S&P Global Ratings did not provide a Second Party Opinion (SPO) on the framework.

Consistency Opinion

This section provides our opinion on the consistency of allocations described in the report with the issuer’s commitments made at pre-issuance.

Relevant issuances

Type	Identifier	Name	Date	Maturity	Amount issued (Mil. CHF)	Amount allocated
Bond	CH1335850348	EMPRESATRANS24/31	Oct. 2024	Oct. 2031	155	61.5%

Sources: Empresa de Transporte de Pasajeros Metro S.A.'s Allocation and Impact Report 2024-2025 and S&P Global Ratings.

✓ Allocation consistency with pre-issuance commitments

Allocations to environmental projects are consistent with the issuer’s pre-issuance commitments. Metro’s green financing framework states that renewable energy investments include sources such as solar and wind. However, it does not consider a comprehensive definition for hydroelectric energy. On the other hand, the company’s PPAs include hydroelectric energy within the scope of renewable sources. Approximately 38% of the total amount was allocated so far to a PPA with Enel Chile, which includes hydroelectric generation sourced from the El Toro and Ralco dams. As of the first half of 2025, the Enel’s PPA accounted for 40% of Metro's electricity acquired (GWh).

Allocation Analysis

This section provides information on the allocation of proceeds, incorporating the conclusions that led to our consistency opinion.

Environmental projects

- According to the allocation report, environmental allocations include expenses related to the 3-km extension of the rail line no. 6 (accounting for 43% of the total allocation so far), and for PPAs to supply Metro’s operations (representing the remaining 57%). None of the proceeds were allocated to the purchase of renewable energy in the spot market or of International Renewable Energy Certificates (I-RECs) that certify electricity was generated from renewable sources.

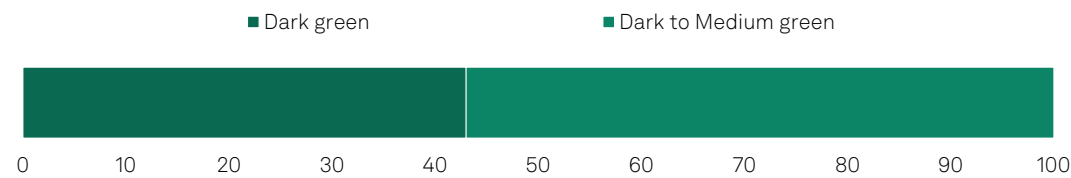
- The use of electrified public transport is essential to decarbonization and will allow for the eventual phasing out of emission-intensive technologies such as internal combustion engines. Notably, Metro has been sourcing 100% of its electricity from renewable sources since 2024, signaling the electrification's environmental benefits.
- The criteria for the clean transportation project category in the company's framework include electric and hybrid trains (< 50 gCO₂e per person kilometer), upgrades to the rail network's infrastructure, intermodal systems like pedestrian access, and facilities that support clean mobility such as bike parking. Metro has stated that it has not allocated proceeds to hybrid trains and does not intend to do so within its current extension plan, which is projected to run until 2033.
- As of June 2025, the extension of the line no. 6 had reached 25.2% completion and is anticipated to begin operations by the end of 2027. The remaining unallocated amount of US\$70.42 million (representing 38% of the total bond issuance) is expected to be used to buy electric trains and the extension of the line no. 6. However, the exact distribution is still uncertain, and Metro estimates that 39% could be allocated to purchase electric trains and 61% for the rail line extension expenses.
- The criteria for the renewable energy project category in the framework include investments for on-site renewable energy and purchasing PPAs. Approximately 50% of renewable energy comes from solar and wind energy and the remaining 50% from a mix of solar, wind and hydroelectric power. Renewable energy sources such as solar, wind, and hydroelectric power are key elements in limiting global warming to well below 2°C. Still, these renewable energy projects may cause land-use changes and harm local biodiversity and are exposed to physical risks.
- Hydropower accounts for nearly 30% of Chile's annual energy consumption, varying by year. Since 2014, the country's hydropower infrastructure has comprised run-of-river plants, which had an installed capacity of approximately 4 GW, and reservoir-based systems, which contributed around 3.4 GW. Run-of-river plants typically have a reduced environmental impact, while large reservoirs offer reliable capacity but often pose significant ecological and social challenges. Although there is no specific assessment of life cycle greenhouse (GHG) emissions for hydropower plants in Chile, it is noteworthy that most reservoir dams were constructed between the 1970s and 1990s. Additionally, Chile's Andean temperate climate and vegetation generally result in lower emissions than in tropical areas.
- The allocation for securing renewable energy PPAs ensures that Metro's operations are fully powered by renewable energy. Furthermore, as of the end of 2024, about 65% of Chile's installed power capacity came from renewables, and the country has phased out a substantial portion of its coal power capacity, enhancing the environmental benefits of electrified transportation.
- Metro's green financing framework specified a look-back period for capital expenditure of up to 24 months prior to the issuance of the green financing. Approximately 39% of the allocation was directed to expenses incurred in 2023, 49% in 2024, and the remaining 12% in the first half of 2025.

Shades of Green

- Allocations to expand Metro's electric line no. 6 and purchase of electric trains represent Dark green investments.
- Allocations to purchase renewable energy PPAs represent the Dark to Medium green investments. We consider solar and wind power as Dark green investments, given that the lifecycle emissions for these technologies are typically well below 100 grams of carbon dioxide equivalent per kilowatt hour (gCO₂e/kWh), with a global median of 48 gCO₂e/kWh for solar PV and 12 gCO₂e/kWh for wind. In addition, we have assigned a Medium green shade to the two existing large-scale hydroelectric power plants that generate energy under the Metro's PPA due to limited data availability regarding life cycle GHG emissions. However,

given that the El Toro and Ralco dams were commissioned 52 and 21 years ago, respectively, we assume minimal methane release from decomposing vegetation.

Environmental allocations at the date of the report (% of allocation per shade)



Source: S&P Global Ratings.

Reporting Quality Assessment

This section provides an opinion on the quality of the issuer’s post-issuance allocation reporting.

✓ Alignment with reporting requirements

The report aligns with the requirements for allocation reporting contained in the Green Bond Principles.

✓ Satisfaction of pre-issuance reporting commitments

The report satisfies the issuer’s pre-issuance commitments related to allocation reporting.

Additional reporting considerations

Comprehensiveness of allocation reporting













- We consider good practice that the report provides information on the type of renewable energy by PPA. However, there are no details on how the consistency with the green financing framework’s eligibility criteria was determined, which is particularly relevant for renewable energy.
- The report also provides additional information that adds to its comprehensiveness. For example, cumulative allocation since issuance, and the share of allocated versus unallocated proceeds can be deduced from information in the report (amounts issued minus amounts allocated).
- We note the report does not specify the financing and refinancing amounts. The issuer provides a breakdown of investment expenses by year instead.

Linking allocations and issuer level sustainability performance, targets, and strategy

- The issuer explains how the financed projects align with its sustainability strategy, while the allocation report enables readers to contextualize allocations link to the issuer’s environmental goals. Particularly, its commitment to providing

efficient, low-carbon transportation as an alternative to private transportation to reduce congestion, CO2 emissions and pollution.

S&P Global Ratings' Shades of Green

Assessments					
 Dark green	 Medium green	 Light green	 Yellow	 Orange	 Red
Description					
Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects					
 Solar power plants	 Energy efficient buildings	 Hybrid road vehicles	 Health care services	 Conventional steel production	 New oil exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Related Research

- [Analytical Approach: Sustainable Financing Post-Issuance Reviews](#), June 30, 2025
- [FAQ: Applying Our Analytical Approach for Post Issuance-Reviews](#), June 30, 2025
- [Analytical Approach: Second Party Opinions](#), March 6, 2025
- [FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions](#), March 6, 2025
- [Analytical Approach: Shades Of Green Assessments](#), July 27, 2023

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