



Green, Social and Sustainable Bonds

Allocation, Eligibility & Environmental Impact
2021 Report





The Allocation, Eligibility & Environmental Impact 2021 Report is in accordance with the Republic of Chile's Sustainable Bond Framework.

This document is available in the Sustainable Bonds section of the Ministry of Finance's website: <https://www.hacienda.cl/english/work-areas/international-finance/public-debt-office/esg-bonds/sustainable-bonds>

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01

Introduction

The commitment with the environment and a sustainable development has been one of the key areas of Chile during the last years. Based on this, in 2018 the Ministry of Finance prepared its first Green Bond issuance and its Green Bond Framework, with the technical support of the Interamerican Development Bank (IDB). The final version of this document was published on May, 2019 and received a favourable Second Party Opinion from Vigeo Eiris the same month. Thus, on June, 2019 the Ministry of Finance executed its first Green Bond issuance, which also obtained the CBI certification of its green portfolio.

On November, 2020 and considering the commitment of the country with the sustainable development, as well as to the Sustainable Development Goals established by United Nations in 2015, the Ministry of Finance decided to incorporate social items in its financial strategy. Thus, and again with the support of the IDB, Chile published its Sustainable Bond Framework, which allowed the first Social Bond issuance during November, 2020.

New issuances were executed in 2021, through operations in the external markets, which considered the reopening of two green bonds and two new social bonds, denominated in euros and dollars.

Aligned with the Sustainable Bond Framework, the Ministry of Finance committed to publish three reports, in connection to its green, social and sustainable issuances. These are:

- Allocation Report: Which provides information about the allocation of resources (expenditures) until the complete disbursement of funds.
- Eligibility Report: Informing the alignment of the projects to the criteria established in the section Use of Resources of the Framework. The current report details the eligibility of green projects, as long as it is required to comply with the CBI standard V3.0 (more info here <https://www.climatebonds.net/climate-bonds-standard-v3>). Regarding the eligibility of social projects, they are in line with the established in the Sustainable Bond Framework.
- Impact Report: To be produced along with the Ministry of Environment (green projects) and the Microeconomic Division of the Ministry of Finance (social projects), informing impact indicators related to green and social projects.

These documents shall be published annually, including all the information available until the end of the last year. Through this report, Chile complies with this commitment, which presents in a consolidated way the Allocation, Eligibility and Impact Report.



02

Background of the Report



a) Sustainable Bond Framework

This Report has been made in accordance with the provisions included in the Sustainable Bond Framework,¹ This document establishes the obligations that the government fulfils as a Sustainable issuer.

The green expenses defined as eligible in the Framework establishes the eligible sectors for the inclusion of projects in the bonds. There are six green sectors:

- i.** Clean Transportation
- ii.** Energy Efficiency
- iii.** Renewable Energies
- iv.** Living Natural Resources, Land Use and Marine Protected Areas
- v.** Efficient and climate resilient water management
- vi.** Green Buildings.

The social sectors are:

- i.** Support for the elderly or people with special needs in vulnerable situation
- ii.** Support for low-income families
- iii.** Support for human rights victims
- iv.** Support for the community through job creation
- v.** Access to affordable housing
- vi.** Access to education
- vii.** Food security
- viii.** Access to Essential Health Services
- ix.** Social programs designed to prevent and/or alleviate unemployment stemming from the socioeconomic crisis, even through the potential effect of financing of the SMEs and micro finances.

b) Historical issuances and scope of this report

As of December 31, 2021 the Ministry of Finance had issued approximately US\$17.9 billion in social Bonds, US\$7.6 billion in Green Bonds and US\$1.5 billion in sustainable Bonds. This corresponds to a total of US\$27.1 billion in ESG bonds.

1 Available at: <https://www.hacienda.cl/english/work-areas/international-finance/public-debt-office/sustainable-bonds/chile-s-sustainable-bond-framework>

i. Green Bonds

Table 1 | Green Bond Issuances.

Item	2019 Issuances			2020 Issuances		
	EUR-2031	USD-2050	EUR-2031 (R)	EUR-2040	USD-2032	USD-2050 (R)
Amount (USD million)	€ 861	US\$ 1,418	€ 694	€ 1,269	US\$ 750	US\$ 900
Pricing day (T)	January 25, 2019	January 17, 2019	January 23, 2020	January 23, 2020	January 22, 2020	January 22, 2020
Settlement Date	July 2, 2021 (T+6)	January 25, 2019 (T+6)	January 29, 2020 (T+6)	January 29, 2020 (T+6)	January 27, 2021 (T+3)	January 27, 2021 (T+3)
Maturity	July 2, 2031	January 25, 2050	July 2, 2031	January 29, 2040	January 27, 2032	January 25, 2050
Coupon/Yield	0.830%/0.830%	3.500%/3.530%	0.830%/0.695%	1.250%/1.299%	2.550%/2.571%	3.500%/3.275%
Price	100.000%	99.439%	101.477%	99.14%	99.784%	104.77%%
Spread	MS+50	T+95	MS+50	MS+80	T+80	T+105

Item	2021 Issuances	
	EUR-2031 (R)	USD-2032 (R)
Amount (USD million)	€ 400	US\$ 750
Pricing day (T)	January 19, 2021	January 19, 2021
Settlement Date	January 22, 2021 (T+3)	January 22, 2021 (T+3)
Maturity	July 2, 2031	January 27, 2032
Coupon/Yield	0.830%/0.399%	2.550%/1.962%
Price	104.399%	105.682%
Spread	MS+60	T+87

ii. Social Bonds

Table 2 | Social Bonds issuances.

Item	2020 Issuances	
	CLP-2028	CLP-2033
Amount (USD million)	\$1,040,000	\$560,000
Pricing day (T)	November 19, 2020	November 19, 2020
Settlement Date	November 23, 2020 (T+2)	November 23, 2020 (T+2)
Maturity	October 1, 2033	October 1, 2033
Coupon/Yield	2.30%/2.50%	2.8%/3.4%
Price	98.680%	94.080%

Item	2021 Issuances					
	CLP-2024	CLP-2028	EUR-2027	EUR-2029	EUR-2036	EUR-2051
Amount (USD million)	\$1,061,000	\$1,500,000	€ 1,000	€ 918	€ 750	€ 1,250
Pricing day (T)	December 9, 2021	June 30, 2021	July 21, 2021	September 14, 2021	July 21, 2021	January 19, 2021
Settlement Date	December 13, 2021 (T+2)	July 2, 2021 (T+2)	July 26, 2021 (T+3)	September 21, 2021 (T+5)	July 26, 2021 (T+3)	January 22, 2021 (T+3)
Maturity	June 1, 2024	October 1, 2028	July 26, 2027	January 21, 2029	July 26, 2036	January 22, 2051
Coupon/Yield	5.80%/5.70%	5.00%/4.60%	0.100%/0.296%	0.555%/0.555%	1.300%/1.310%	1.250%/1.298%
Price	100.400%	102.700%	98.932%	100.000%	99.865%	98.814%
Spread	-	-	MS+60	MS+70	MS+110	MS+125

Item	2021 Issuances					
	USD-2033	USD-2041	USD-2041 (R)	USD-2061	USD-2061 (R)	USD-2071
Amount (USD million)	US\$ 2,250	US\$ 1,700	US\$ 1,000	US\$ 1,500	US\$ 500	US\$ 1,000
Pricing day (T)	July 22, 2021	May 4, 2021	July 22, 2021	January 19, 2021	July 22, 2021	September 14, 2021
Settlement Date	July 27, 2021 (T+3)	May 7, 2021 (T+3)	July 27, 2021 (T+3)	January 22, 2021 (T+3)	July 27, 2021 (T+3)	September 21, 2021 (T+5)
Maturity	July 27, 2033	May 07, 2041	May 7, 2041	January 22, 2061	January 22, 2061	September 21, 2071
Coupon/Yield	2.550%/2.577%	3.100%/3.302%	3.100%/3.139%	3.100%/3.116%	3.100%/3.329%	3.250%/3.420%
Price	99.723%	97.060%	99.426%	99.636%	94.989%	95.941%
Spread	T+130	T+115	T+130	T+127	T+140	T+158

iii. Sustainable Bonds

Table 3 | Sustainable Bonds Issuances.

Item	2021 Issuances
	USD-2053
Amount (USD million)	US\$ 1,500
Pricing day (T)	March 30, 2021
Settlement Date	April 15, 2021 (T+10)
Maturity	April 15, 2053
Coupon/Yield	3.500%/3.500%
Price	100.00%
Spread	T+111.9

c) Awards and Recognitions

The Ministry of Finance, in particular its Public Debt Office, has received various awards and recognitions for specific transactions, its strategy in public debt management and the innovation in the development of financial instruments, in particular for the issuance of Green, Social and Sustainable Bonds. The following is a list of some awards and recognitions related to these type of instruments:

- Global Capitals Bond Awards 2022 - Overall Most Impressive Emerging Market Issuer.
- Global Capitals Bond Awards 2022 - Most Impressive Latin America Green/Social Responsible Investing Debt Issuer.
- Environmental Finance Bond Award 2022: Social bond of the year - Sovereign.
- Sovereign Issuer of the Year/Local Currency Deal of the Year, LatinFinance Deals of the Year Awards 2021.
- Sovereign Funding Team of the Year, Bonds & Loans Latin America & Caribbean Awards 2021.
- Most Impressive Latin American Green / SRI Debt Issuer, GlobalCapital Bond Awards 2021.
- Largest Emerging Market Certified Climate Bond in 2020, Climate Bonds Initiative Awards 2021.
- Green Finance 2019, The Banker.
- Green Bond of the Year Sovereign, Environmental Finance Bond Award 2019.
- Financing, Netexplo Smart Cities Accelerator UNESCO 2019.
- Sovereign Issuer of the Year, LatinFinance Awards 2019.
- Best Public Debt Office/Sovereign Debt Management Office in Latin America, GlobalMarkets Awards 2019.
- Green Bond of the Year for Latin America, GlobalCapital Sustainable and Responsible Capital Market Awards 2019.
- Recognition for innovation in sustainable finance 2019, Spanish Observatory of Sustainable Financing.



03

Green Projects



a) 2019 & 2020 Green Portfolio

Since 2019, Chile has certified Green portfolios with CBI, with a strong focus on clean transportation, clean energies and Green buildings. The portfolios certified in 2019 and 2020 were the following:

Projects Certified in 2019.

- Subway Line 3 (Metro de Santiago).
- Subway Line 3 extension (Metro de Santiago).
- Subway Line 7 (Metro de Santiago).
- Electromobility projects in Metropolitan mobility system (RED)
- Renewal of Train Parts.
- Installation of Solar Thermal Systems
- Installation of PV Panels.
- Solar panels in public buildings.
- Green building.
- Water Resources Analysis and Conservation.

Projects certified in 2020.

- Subway Line 8 (Metro de Santiago).
- Subway Line 4 Extension (Metro de Santiago).
- Subway Reconstruction (Metro de Santiago).
- Alameda-Melipilla Commuter Rail, National Railway Company (EFE).
- Alameda-Chillan Commuter Rail, EFE.
- Metro-train Coronel-Lota.

b) Projects certified in 2021.

New buses for the national electromobility system (RED).



This project includes the necessary financing for the acquisition through auctions of new electric buses for the RED system. In total, this project includes the purchase 992 electric buses, of which 82 correspond to Foton U10 model and 910 correspond to Foton U12 model.

Green buildings.



These include building and other works performed by the Direction of Architecture of the Ministry of Public Works, and considered the Certification of Sustainable Building, as energy efficient. Between the buildings considered in this portfolio, there are activities of restoration, reposition or reconstruction of public infrastructure in health, security, recreation and education, among others.



04

Social Programs

The report considers the following social items, which are explained below:

1. Pension Support for Elderly People

The Pension Support for elderly people is a monthly support provided by the state, for people above 65 years with a pension below the Maximum Pension with Solidarity Support, that comply with the requisites of focalization and residence established in Law Nr. 20,255 (which created and established solidarity pensions).

2. Pension Support for People with Special Needs

The Pension Support for People with Special Needs is a monthly support provided by the state, for people between 18–65 years, with a pension lower than the Solidarity Pension for People with Special Needs and that comply with the requisites of focalization and residence established in Law Nr. 20,255.

3. Basic Pension for Elderly People

It is a monthly monetary Support, for people that do not receive pension, with 65 years or more, included in the poorest 60% of the population, according to the Social Registry of Households RSH (standardized tool to categorize the socioeconomic level of the population, in order to support the selection process for subsidies and social programs). They must have Chilean residence for a minimum of 20 years (accumulated), living in the country for at least four out of the five years before the support is requested.

4. Permanent Support for Families

This benefit seeks to improve the family income, in which the people with lower incomes suffer a financial disruption due to the higher expenditures they should incur on March of each year. These families receive a monetary support, oriented to cover these kind of expenditures. The payment is effected by the Social Security Institute (decentralized public entity) in a single payment effected on March of each year.

The benefit is received by low income people that comply with the requisites established in Law Nr 20,743. Thus, they are applicable to receive other benefits like the Family Subsidy or the Family Support. The benefit is also oriented to people or families that as of December 31 of the previous year were not receiving these kind of subsidies, but participated in other social plans, such as the Solidarity Chile system or the Security and Opportunities system.

5. Family Subsidy

It is a monthly monetary support, oriented to low income families, for each person below 18 years and for people with special needs of any age, as long as they depend economically of the beneficiary. This help is oriented to people that do not access to the Family Assignment support, because they are not dependent workers affiliated to a security system. It is paid through the Social Security Institute.

The beneficiaries are people pertaining to the poorest 60% of the population, according to the Social Registry of Households, that also take care of people complying with certain conditions. The condition are the following:

- To be less than 8 years, attending health programs.

- To be 6–18 years old, with regular studies in the primary, middle or superior education.
- To be pregnant, which at least 5 months in that condition.
- To be a person with special needs or mental disability.
- To be a mother of children living under their care.

The salary of this people could not be equal or higher than the amount of the support.

6. Solidarity Fund for Housing

This program seeks to support families of the poorest quintile of the population that due to their economic and social condition, cannot afford a housing. Considering this, the program provides a subsidy oriented to finance the acquisition or construction of a house. The price of the house could not be higher than UF 800 (inflation linked unit). This program is implemented in all regions of the country.

7. Preferential Grant for Education

This program seeks to face the scarcity of resources in the case of students in situation of economic vulnerability, pertaining to public or semi public schools. It consists in a monetary support, which is implemented in all regions of the country.

8. Foods in Schools

This program seeks that students of institutions financed by the State, receive healthy and appropriate food. It also considers gluten free support for celiac students; food during the vacations pe-

riod, provided to students that participate in recreational activities during that period, and the provision of food service to students that participates in additional activities in semi public schools.

9. Capitalization to the Fund for Small Enterprises (FOGAPE)

The portion considered as social expenditure corresponds to the capitalization made by the State to the Fund. This fund seeks to guarantee a percentage of the loans, leasing and other financial mechanisms that the financial institutions, both public and private, provide to SMEs

Banco Estado, supervised by the National Commission for the Financial Market, performs the management of the Fund.

10. Emergency Family Income

The Emergency Family Income corresponds to a transitory monetary transfer, benefiting people included in the National Registry of Households. The portion considered as social expenditure corresponds to that provided to people without formal incomes or with low incomes.

Between May and October 2020, there were six payments. Additionally, one additional payment was made during Christmas.

During the first quarter of 2021, the last period included in this report, the Emergency Family Income was available to the poorest 60% of the population, according to the National Registry of Households. The amount received depended on the mobility restrictions derived from the COVID-19.





05

Allocation Report



The allocation report includes the expenditures effected to the total Green portfolio certified by CBI in 2019, 2020 and 2021, as well as the social projects described in the Sustainable Framework and detailed below in the Social Bonds section. This document reports the execution between January, 2018 and December, 2021.

Following the methodology used in the last reports, the bonds will follow a distribution according to its ESG characteristic and the year of issuance. Thus, this document reports the allocation of the 2019, 2010 and 2021 Green Bonds; 2020 and 2021 Social Bonds and 2021 Sustainable bonds.

For the assignation of the expenditures, to the amount informed in the previous reports (2020 Allocation Report), it is added the new expenditures, in equal parts between each group of bonds. For these purposes, the expenditures incurred in each year will be allocated in equal parts to each group.²

a) Green Bonds

The information of this report was provided by the different Ministries. Due to the Budgetary purposes of the information, and considering the annual character of the Budget Law, the information is provided annually.

In aggregated terms, of the US\$7,584 million issued in Green Bonds, US\$325 were disbursed in 2018, US\$266 in 2019 and US\$346 in 2020, and

US\$288 in 2021, totaling US\$1,255 million for the financing of Green Bonds.

According to this methodology, 2019 Green Bonds reached a total disbursed of 30.6%, of which 13.7% correspond to refinancing and 16.9% to financing. It is important to highlight that the percentage of execution varies for each project. For example, renewable energy or management of water projects were fully executed in only 1 year, but in the case of the construction or extension of metro lines railroads, the execution could last 5 years or more (see Figure 1).

In the case of 2020 Green Bonds, they reached 10.2%, of which 3.4% were oriented to refinancing and 6.8% to financing. At the same time, it has been assigned 7.5% of the total amount issued in 2021 Green Bonds, of which 0.1% corresponds to refinancing and 7.5% to financing. Figure 1 shows a summary of the expenditures, the amounts pending to execute and the progress status for each of the 3 groups of Green Bonds.

Considering the total amount issued in Green Bonds, and the total committed to disburse, there are still US\$6,359 million to execute. Figure 2 shows the pending amounts to disburse in each green sector, as well as an estimated timeline for their execution. As mentioned, projects related to water management and renewable energies are fully executed. In the case of clean transportation, there is still 87% to disburse, due to the characteristic of these projects.

² There are exceptions. The rule only applies until the full allocation of a bond. In the event that the expenditures to allocate are higher than the size of the bond, these will be allocated only until complete the size of the bond. In addition, refinancing is only allowed one year backward, e.g. 2020 Bonds could not be refinanced with 2018 expenditures.

According to the established in the Framework, and in order to avoid delays or reallocation in green projects, the certified portfolio reaches US\$9,660 million, higher than the total amount issued in 2019, 2020 and 2021. In effect, the portfolio has suffered minor changes in comparison to the initial projection.

Considering the financial projections, it is expected to fully assign the expenditures in 6 years, for

each group of bonds. In line with the established in the Framework, until the full allocation green expenditures into the associated Green Bonds, the Ministry of Finance and the Budget Office, as appropriate, will manage the funds according to the State Financial Management Law (Ley de Administracion Financiera del Estado) and the other applicable Law.

Figure 1 | Expenditures in Green Bonds (USD MM).

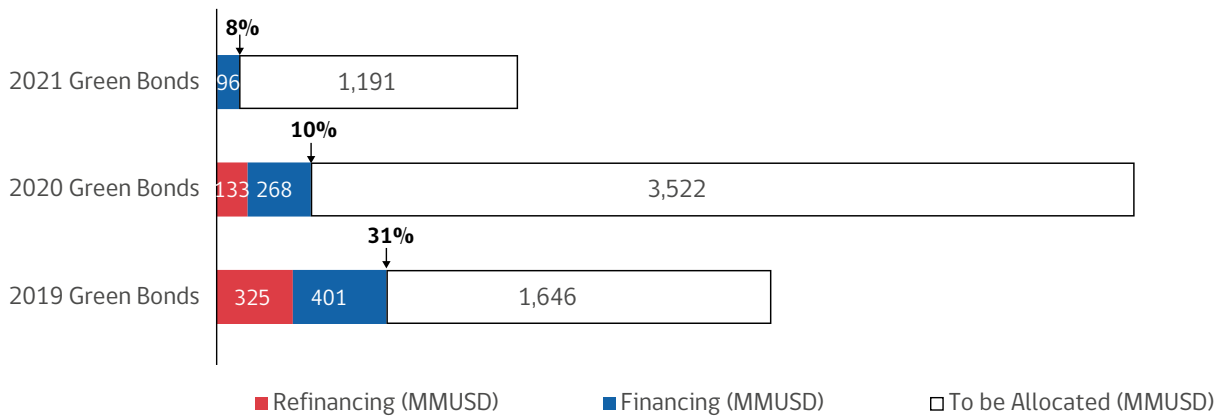


Figure 2 | Expenditures by Green Sector.

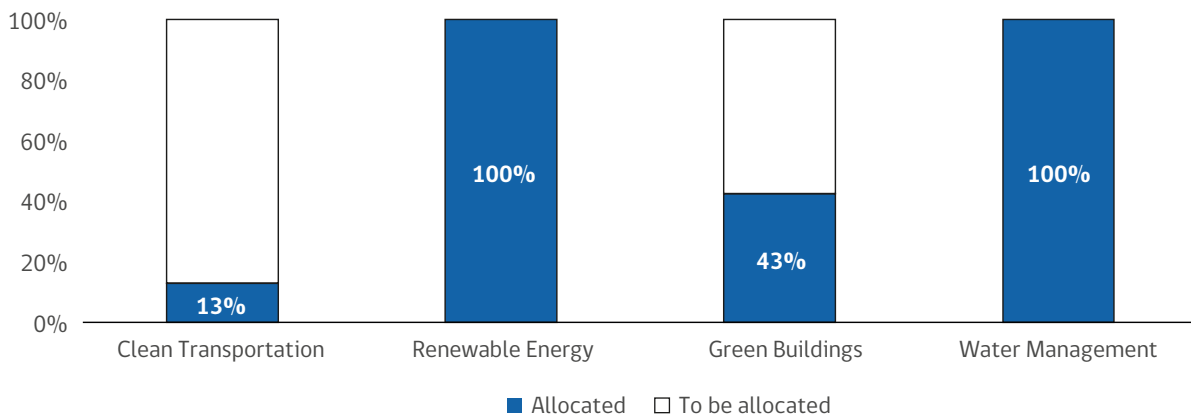


Table 4 shows a summary of the allocation per year of each Project included in the 2019, 2020

and 2021 green portfolio. The detail could be found in the corresponding notes.

Table 4 | Green Allocation Summary, as of the end of 2021.

Green Sector	Note	Project	(1)	(2)	(3)	(4)	1)+(2)+(3)+(4)	To be allocated	Execution term
			2018 Expenditures	2019 Expenditures	2020 Expenditures	2021 Expenditures	Accumulated Expenses (2018-2021)		
			(in 2018 US\$ MM)	(in 2019 US\$ MM)	(in 2020 US\$ MM)	(in 2021 US\$ MM)	(sum, USD MM)	(in 2021 US\$ MM)	
Clean Transportation		Line 3 of Metro	236.7	123.8	0.9	1.8	363.2	8.9	2022
		Extension of Metro, Line 3	70.2	40.2	41.0	63.1	214.6	154.1	2025
		Extensión of Metro, Line 2	7.7	50.7	74.7	64.2	197.3	197.4	2024
		Line 7 of Metro	3.8	20.7	93.8	53.2	171.6	2,402.0	2027
	1	Electromobility in RED	0.2	5.2	20.1	25.8	51.3	358.4	2031
		Renewal of Train Parts	0.0	5.0	0.7	23.5	29.2	7.9	2021
		Line 8 of Metro	0.0	0.0	0.0	0.1	0.1	2,000.5	2029
		Metrotrain Alameda-Melipilla	0.0	2.8	10.1	49.2	62.1	1,811.3	2026
		Metrotrain Alameda-Chillán	0.0	0.0	0.0	0.4	0.4	42.9	2023
		Metrotrain Coronel-Lota	0.0	0.0	0.0	0.0	0.0	32.5	2025
		Metro Reconstruction	0.0	0.0	78.9	56.2	135.1	113.2	2023
		Extension of Metro, Line 4	0.0	0.0	0.0	0.0	0.0	425.3	2029
		New auction of electric buses	0.0	0.0	0.0	0.0	0.0	683.9	2036
Renewable Energy		Solar Thermal Energy	0,0	0,0	0,0	0,0	0,0	683,9	2036
		Panel on Houses	0.1	0.1	0.0	0.0	0.2	0.0	2019
		Installation of PV Panels	0.8	0.0	0.0	0.0	0.8	0.0	2018
Green Buildings	2	Sustainable Public Buildings 1	0.3	10.5	14.9	10.1	35.9	0.0	2021
		Sustainable Public Buildings 2	0.0	0.0	7.8	29.8	37.6	99.1	ND
Water Management	3	Analysis and Conservation of Water Resources	4.9	6.5	4.0	6.4	21.7	0.0	ND
Total			325.4	266.0	347.1	383.6	1,322.2	8,337.5	

1. Electromobility projects in metropolitan mobility system (RED)

The progress, re-financing and co-financing per stage is show in Table 5.

Table 5 | Summary of Electromobility projects, Ministry of Transport and Telecommunications.

Project	2018 Expenditure	2019 Expenditure	2020 Expenditure	2021 Expenditure	Accumulated Expenditure (2018–2021)	Total by project	Co-Financing (% of total)
	USD MM	USD MM	USD MM	USD MM	USD MM	USD MM	
Electromobility I	0.2	3.2	4.5	4.0	11.9	61.9	2018: 48% 2019: 51% 2020: 72% 2021: 65%
Electromobility II	0.0	1.6	3.5	3.1	8.2	57.8	
Electromobility III	0.0	0.4	7.4	6.7	14.5	104.5	
Electromobility IV	0.0	0.0	4.7	12.0	16.7	185.5	
Total	0.2	5.2	20.1	25.8	51.3	409.7	

2. Sustainable Public Buildings

Below is the list of buildings included and their status.

Table 6 | Green Building Projects' status, Ministry of Public Works.

Project	Status
Green Buildings (Group 1)	
Construction of Liceo Politécnico C-20, Taltal	Precertified
Replenishment of Investigaciones Police Station, Vallendar	Precertified
MOP Building Extension, Atacama	Precertified
Reposition of Teleton Institute, Coquimbo	Certified
Replenishment of the 5th Police Station of Vicuña	Void tender
Carabineros Training School, Ovalle	Certified
Police department, Limache	Precertified
Vocational institute, Chillán	Precertified
Fresia Muller school, Lebu	Precertified

Replenishment of the Police Complex, Concepción	Void tender
Replacement with Relocation and Equipment Police Station, Lota	Void tender
Construction of the Regional Library of La Araucanía, Temuco	Precertified
Licancura primary school, Curarrehue	Precertified
Health facilities, Lautaro	Precertified
Construction of the Municipal Library of Nueva Imperial	Precertified
Construction of the Local Prosecutor's Office of Castro	Precertified
Construction of the Police Facilities, Punta Arenas	Registered
Replacement of the 4th Croatian Fire Company Barracks, Punta Arenas	Precertified
Police Station Construction Design Consulting, South Providencia	Void Tender
Replacement of the Fire Station for the 2nd Valdivia Company	Precertified
Restoration and Enabling Regional Library, former Railways Arica La Paz	Registered
Construction of the Regional Prosecutor and Local Prosecutor's Office of Arica - Parinacota	Void Tender
Replacement and Expansion of the Pampa Algodonal School, Arica.	Precertified
Construction of the Regional Comptroller's Office, Tarapacá Region	Void Tender
Alberto Gallardo Lorca school, Punitaqui	Certificied
Replacement Fire Station 2nd Company, Marchigue	Void Tender
Replacement with Relocation and Equipment Lota Police Station, 2nd call	Void Tender
Miguel Huentelen school, Collipulli	Precertified
Replacement Salvador Allende of Pailahueque school, Ercilla	Precertified
Primary Health facilities in Huiscaپی, Loncoche	Precertified
Collín Alto school, Vilcún	Certified
Construction of the Local Prosecutor's Office of Pucón	Certified
República Argentina school, Coyhaique	Precertified
Provincial office of Public Works division, Chacabuco	Precertified

Project	Status
Green Public Buildings (Group 2)	
Reposition of BICRIM facilities, Ovalle	Precertified
Reposition of Manzanar school, Lumaco	Precertified
Construction of the Regional Comptroller's Office, Tarapacá Region	Registered
Reposition of Consistorial Building, Tierra Amarilla	Precertified
Reposition SENAME facilities, Coquimbo	Registered
Reposition Local prosecutor's office, Combarbalá	Precertified
Construction of Police Station in Forestal Alto, Viña del Mar	Precertified
Design for construction of prosecutor's office in San Fernando	Not Registered
Design for Repositon of Unión Mujeres Americanas School, Buclemu	Precertified
Design for Repositon of Copequén School , Coinco	Precertified
Design for Repositon of Firemen Headquarters, La Estrella	Precertified
Partial Repositon of Vocational School in San Fernando	Registered
Construction of Sport Center in Yervas Buenas	Void tender
Reposition of Regional Direction of National Institute of Sport, Maule Region	Certified
Reposition with resettlement of Coronel Police Station	Certified
Reposition Police headquarters, Concepción	Precertified
4th Police Station , Curanilahue	Void Tender
Construcction of Local Prosecutor's Office in Carahue	Precertified
Construction of health facilities for police, Araucanía - Angol	Void Tender
Construction of Firemen Headquarters, Villarica	Precertified
Partial Repositon of Town Hall, Angol	Precertified
Reposition of Municipality Building, Chaitén	Precertified
Reposition of Fridolina Barrientos Cultural, Castro	Precertified
Rural School of Compu, Quellon	Precertified
Reposition of 2nd Police Station of Puerto Natales	Precertified
Design of Dental Medical Center, Police Area	Precertified

Reposition of GYM and Improvements to Sport Center "September 18th"	Precertified
Advisory of Design, Providencia Sur Police Station	Precertified
Construction of Bus Station, Ranco	Precertified
Reposition of 5th Police Station, Quirihue	Certified
Reposition of Caren Medical Center, Coquimbo	Not Registered
Construction of Comptroller's Regional Headquarters, Coquimbo	Precertified
Construction of Medical Center for Zone V of Police, San Felipe	Void Tender
Reposition of Firemen Headquarters, 2nd company, Marchigue	Not Registered
Design for Reposition of San Jose del Carmen School, Palmilla Rancagua	Precertified
Construction of Justice Building, Rancagua - O'Higgins Region	Precertified
Reposition of Police Headquarters, Curicó	Precertified
Reposition and Extension of Entre Ríos School, San Clemente	Registered
4th Police Station, Curanilahue	Registered
Construction of Police Headquarters, Talcahuano	Registered
Police Medical Center, Zone IX, Angol	Void Tender
Reposition of Criminal Investigation Department Headquarters, Puerto Varas	Registered
Police Dental Medical Center, Zone IX, Coyhaique	Not Registered
CESFAM Reposition, Niebla, Valdivia	Registered
Reposition of José Manuel School, Futrono Los Rios	Registered
Construction of San Miguel Anthropological Museum, Arica y Parinacota	Registered
Reposition Police Headquarter, Ñuble	Certified
Reposición Police Facilities, Coihueco Ñuble	Void Tender
Reposition Police Station, Huambalí Ñuble	Precertified

3. Analysis and Conservation of Water Resources

The following Table includes the original list of included projects and their status.

Table 7 | Water Management Projects' status.

Project	Status
Analysis for the development of a national plan for water resources	In force
Analysis for the implementation of the national plan of water research	Renamed as "Analysis for the implementation of the national basin plan "
Analysis for the implementation of basin plans for water resources management	Renamed as "Analysis for the implementation of the national basin plan"
Analysis for the implementation of the national basin plan	In force
Conservation measurement network of glaciological parameters	In force
Diagnosis of the integrated water management model in Copiapó basin	Only with 2018 expenditures
Conservation and maintenance of the national hydrometric network	In force
Conservation/construction of fluviometric stations and repairs	Renamed as "Fluviometric stations conservation and major national repairs"
Fluviometric stations conservation and major national repairs	In force
Hydrometric replacement in the Huasco river basin	Finished in 2019
Conservation of inventory of water rights affected to payment taxes for non-use	In force
Conservation of public inventory of effective use of underground and surface water	In force
Conservation of the national water resources protection network	In force
Conservation of the hydrometeorological network	In force
Conservation of the water network and hydrogeology	In force
Updating the national water balance	Expenses in 2018 and 2019
Conservation of the groundwater network	In force
Conservation of the data collection network through third parties	In force
Lake network conservation	In force
Conservation of the data transmission network in real time	In force
Conservation of the sedimentometric network	In force

b) Social Bonds

The Allocation Report considers disbursements associated with social bonds issued between 2020 and 2021. Thus, it accounts for the disbursements made in social projects, executed from January 1, 2020 to December 31, 2021.

The data for the preparation of this report was mainly obtained from the Budget Office and the

General Treasury of the Republic. Considering that the information is produced for budgetary purposes and the Budget Law is annual, the information is provided annually.

Based on the social bonds mentioned in Section II and the average exchange rate, the total amounts of social bonds issued per year, by currency, are as follows.

Table 8 | Social issuances, by currency (USD million).

Currency	2020 (USD MM)	2021 (USD MM)
CLP	\$2,020	\$ 3,446
EUR	-	\$ 4,601
USD	-	\$ 7,822
	\$ 2,020	\$ 15,869

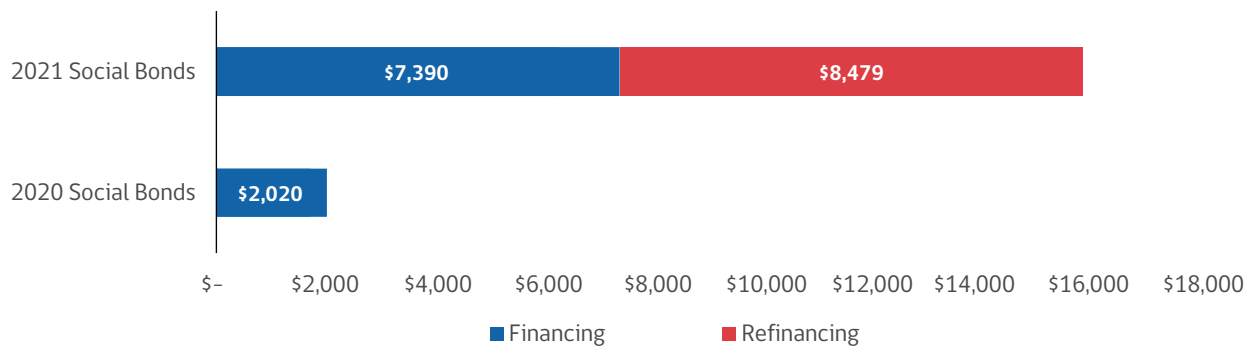
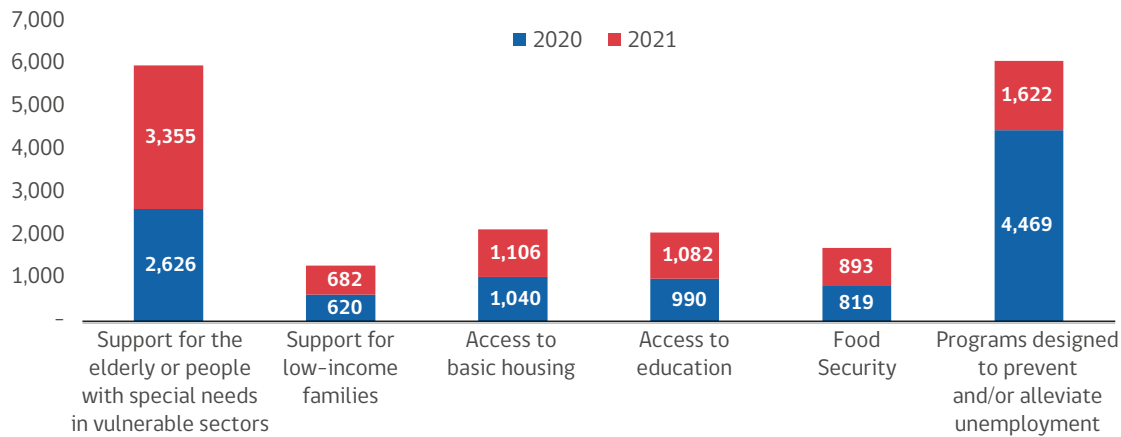
For the allocation of social expenditures, social expenses incurred in 2020 are allocated as financing for the bonds issued in 2020 (2020 Social Bonds), and as refinancing of the bonds issued in 2021 (2021 Social Bonds). Expenditures incurred in 2021 are considered financing in the case of the 2021 Social Bonds.

In aggregate terms, out of US\$17,889 million raised in social bonds, US\$10,564 million were disbursed in 2020 and US\$7,390 million in 2021, totaling 100% of the amount issued in social bonds.³

For the 2020 Social Bonds, 100% of the proceeds has been disbursed, equivalent to US\$2,020 million. This amount is reported as financing.

In the case of 2021 Social Bonds, these also reached 100% of disbursement, of which 53%, or US\$8,479 million corresponds to refinancing, and 47%, or US\$7,390 million, to financing. Figure 3 presents the detail of expenditures.

³ Although the projects considered for the Sustainable and Social bonds are the same, this amount only includes the disbursement in Social Bonds.

Figure 3 | Total disbursed in 2020 & 2021 Social Bonds (USD million).**Figure 4** | Expenditures by Social Sector, per year (USD million).⁴

Social Sectors

Regarding the sectors in which the disbursements were made, they are concentrated in the programs to prevent and/or alleviate unemployment, which totaled 32% for both years, and in the item Support for the Elderly People or People with Special Needs, which totaled 31%. This is due to the importance of the support derived

from the situation produced by COVID, as well as the importance of the effect of pensions in the country. Figure 4 presents a breakdown of the expenditures considered.

Regarding the specific disbursement in each project, Table 9 presents a summary of the disbursement per year for each social sector included in the 2020 and 2021 Social Bonds.⁵

⁴ It includes the amounts allocated to Sustainable Bonds. In addition, it considers the total social expenses audited and executed between 2020 and 2021, allocated to the items considered in the Sustainable Bonds Framework, which totals US\$19,303 million, of which US\$10,564 million were executed in 2020 and US\$8,739 million in 2021. In fact, this expenditure is slightly higher than that the portion attributable to the Social Bonds and the social portion of the Sustainable Bonds. This was done to avoid allocation risks, as well as because it is difficult for the items to match up exactly.

⁵ Includes the portion of expenses allocated to Sustainable Bonds, as well as the total audited social expenses, which is slightly higher than that portion included in Social Bonds (see note above).

Table 9 | Summary of Social Expenses Disbursement as of December, 2021 (2020–2021).

Social Sector	Item Description ⁶	Project	2020 Expenditure (USD MM of 2020)	2021 Expenditure (USD MM of 2021)
Support for the elderly or people with special needs in vulnerable sectors	1	Solidarity Old Age Pension Contribution	1,250	1,713
	2	Basic Solidarity Pension for Elederly People	977	1,156
	3	Basic Solidarity Disability Pension (PBSI)	398	487
Support for low-income families	4	Permanent Family Contribution	194	215
	5	Family Subsidy (SUF)	426	467
Access to basic housing	6	Solidarity Fund for Choose of Housing DS49	1,040	1,106
Access to education	7	Preferential School Subsidy (SEP)	990	1,082
Food Security	8	Foods in Schools	819	893
Programs designed to prevent and/or alleviate unemployment resulting from socioeconomic crises, including through the potential effect of SME financing and microfinance	9	Capitalization to the Fund for Small Enterprises (FOGAPE)	850	450
	10	Emergency Family Income	3,619	1,172
Total			10,564	8,739

⁶ The description is in section 4, with the same number.

c. Sustainable Bonds

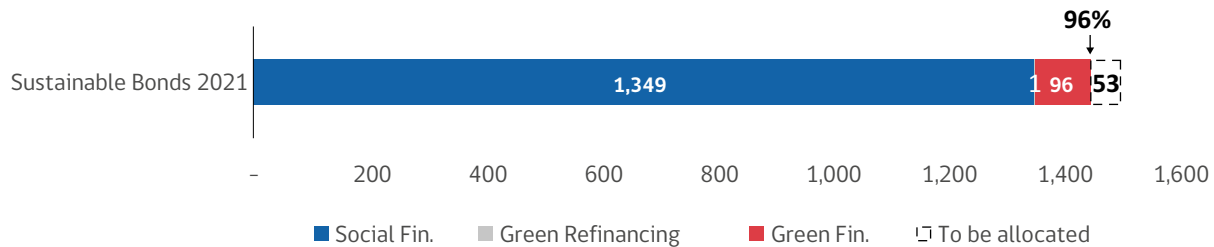
For the allocation of expenses in the case of the Sustainable Bond issued in 2021, 10% of its amount is allocated to green items, and 90% to social items. In the case of the social items, this 90%, corresponding to US\$1,349 million, has been accounted as financing. On the other hand, the green portion to be financed reaches US\$ 150 million.

Following the methodology described at the beginning of this section, US\$ 1,349 million were

allocated to the total portion, completing all the commitments in social expenditures attributable to Sustainable Bonds; US\$ 97 million were allocated to the green portion, reaching 65% of the amount to be financed. Thus, the total allocation in sustainable bonds reached 96% of the commitment.

Figure 5 shows the total amount to be financed and the amount financed for both the social and green portion of the 2021 Sustainable Bond.

Figure 5 | Sustainable Bond Allocation (MM USD).







06

Green Projects Eligibility Report



In accordance with the Sustainable Bond Framework and the CBI standard V. 3.0, the Green Projects Eligibility Report gives an account of the eligibility of the projects included in this report, informs possible modifications and establishes an explicit link with CBI standards.

a. Compliance with the Use of Resources and the Description of Sectors

Clean Transport

The MoF confirms that all the projects included under this category include investments in public infrastructure or assets related to electric public transport and/or subsidies or measures to incentivize for the use of public transport. There is no new relevant information regarding these projects that would allow their exclusion from the selected portfolio.

Renewable Energy

The MoF confirms that all the projects included under this category include investment in projects for the development of non-fossil energy sources, in wind/solar energy projects that include generation and storage and/or training projects and the increase of technical capacities in training centers for renewable energy installation. There is no new relevant information regarding these projects that would allow their exclusion from the selected portfolio.

Efficient and climate-resilient water management

The MoF confirms that all the projects included under this category seek to preserve water resources. It also includes stations to monitor the correct, clean and efficient operation of the resources. There is no new relevant information

regarding these projects that would allow their exclusion from the selected portfolio.

Green Buildings

The MoF confirms that all the projects included under this category include the design and construction of public buildings certified under the National Environmental Quality and Energy Efficiency Certification System for buildings for public use, as well as the modernization of these buildings in accordance with the “Sustainable Building” Certification. There is no new relevant information regarding these projects that would allow their exclusion from the selected portfolio.



07

Impact Report

entre los motivos que llevan a la denunciar, están las circunstancias de la denuncia como una pérdida con 61.9%.

Causas atribuibles a la autoridad	2010	2011
Otras Causas	61.2	63.2
No	36.3	35.9
er:	2.6	0.8

a. Environmental impact of the green portfolio

This report gives an account of the progress, in environmental terms, of the implementation of the projects financed through the issuance of Chilean Sovereign Green Bonds. The information contained herein is presented in accordance with the requirements established in the "Green Bond Framework", published on May 20, 2019, and sub-

sequently adapted through the "Chile Sustainable Bond Framework" (See Framework).

The projects financed through the Bonds in the Ministries of Energy, Transport and Telecommunications and Public Works are reported here. This report estimates the contribution in reducing greenhouse gas emissions for the projects listed in Table 10, where a brief description of their objectives is presented.

Table 10 | Summary of projects considered in the environmental report, by ministry, project line, name and description.

Ministry	Project Line	Program/project name	Description
Energy	Renewable Energy	Reconstruction program for homes affected by natural disasters that occurred in 2014 and 2015	<p>The Program arises in response to the need to rebuild homes affected by the damage caused by the Norte Grande earthquake and the Valparaíso fire in 2014.</p> <p>A subsidy was promoted for the installation of Solar Thermal Systems, for heating sanitary water, in the homes (subject to technical feasibility).</p> <p>In total, it seeks to benefit 2,677 social homes located in the regions of Arica and Parinacota, Tarapacá and Valparaíso.</p> <p>From 2016 to 2021, 2,439 Solar Thermal System have been installed.</p>
		Construction of a residential photovoltaic (PV) system in Isla Huapi, Futrono, Los Ríos region.	<p>The project arises as a response to the community's need to have electricity, in a sustainable manner and in accordance with its isolation conditions.</p> <p>The project consists of the construction of 151 individual self-generation systems made up of a 2.76 kWp PV plant and a 25 kWh battery bank.</p> <p>100% of the systems are located on Huapi Island, Futrono commune, Los Ríos region. The beneficiaries correspond to 146 families, 4 churches and 1 community ruca.</p>
		Technical assistance program for the development and implementation of photovoltaic projects in public institutions.	<p>The Public Solar Roofs Program is an initiative of the Ministry of Energy inserted in the Energy Agenda, aimed at installing photovoltaic systems (SFV) on the roofs of public buildings, with the aim of contributing to the maturation of the photovoltaic market for self-consumption, and reduce the cost of electricity consumption.</p> <p>8 high schools were benefited in 2018, and 17 high schools in 2019, thus fulfilling 100% of the planning. Additionally, along with those installed in 2019 by the PTSP, the PV systems tendered in 2020 by the ASE (73 kindergartens) are included in this report.</p>

Public Works	Green Buildings	Sustainable Public Building	<p>Projects and architectural works that consider the "Sustainable Building Certification" (CES).</p> <p>The objective of the system is to evaluate, qualify and certify the degree of environmental sustainability of the building, understanding this as the capacity of a building to achieve adequate levels of internal environmental quality, with an efficient use of resources and low generation of waste and emissions.</p> <p>Among the 76 projects reported by the MOP, design, replacement, and construction works under CES certification are included, which present different stages of progress, with four possible ones: i) Certified; ii) Precertified; iii) Registered; and iv) Not Registered. Certified projects are those that are operational, and therefore achieve reductions. Those that are pre-certified, registered and not registered, in some cases, have information that allows projecting GHG emission reductions once they are operational.</p>
	Water Management	Water Resources Management	<p>Considers the report of the 2021 management indicators committed in the framework of the Management Control System of the Budget Office. Specifically, it focuses on the following indicators: i) Pronouncement and environmental inspections; ii) research and evaluation of water resources; and iii) operational hydrometeorological stations.</p>
Transport and Telecommunications	Clean Transport	Construction of Line 3 of Metro	<p>It contemplates 22kms, which includes 18 underground stations, 6 of which are stations connected to lines 1, 2, 4, 5 and 6. The layout extends through 6 districts of Santiago. The number of users is estimated at 660,000.</p>
		Extension of Line 3 of Metro	<p>Extension of Line 3 of Metro by 3.8 km, building 3 new stations towards the district of Quilicura. This will benefit nearly 200,000 residents.</p>
		Construction of Line 2 Extension of Metro	<p>Extension of Line 2 of Metro by 5.1 km, and 4 new stations to the districts of El Bosque and San Bernardo.</p>
		Construction of Line 7 of the Metro.	<p>This work will benefit more than 400,000 people and will facilitate access to the Metro for residents of La Cisterna, alleviating the influx of La Cisterna Intermodal Station on lines 2 and 4A.</p>
		Incorporation of electromobility in the Public Transport of Santiago I	<p>The route extends for 25.9 km between the communes of Renca and Las Condes.</p>
		Incorporation of electromobility in the Public Transport of Santiago II	<p>The main benefits are the decongestion of line 1, connection with lines 6 and 7 and increasing the participation of the metro in the Santiago transport system.</p>

		Incorporation of electromobility in public transport in Santiago III	Incorporation of 100 electric buses to the Santiago Public Transport System (Transantiago), including an electric charging terminal and 40 smart bus stops (USB port, Wi-Fi, variable information panels and energy through solar panels)
		Incorporation of electromobility in the public transport of Santiago IV	Incorporation of 100 electric buses to the Santiago Public Transportation System (Transantiago), plus 2 electric charging terminals.
		Renovation of Rancagua Metrotrain	Incorporation of 208 electric buses to the Santiago Public Transport System, plus 1 terminal suitable for electric mobiles.
Transportes y Telecomunicaciones	Transporte Limpio	Construction of line 8 of Metro	The route is 19 km long and connects with line 1. It will benefit 1.6 million people in the districts of Ñuñoa, Macul, La Florida and Puente Alto and will allow lines 4 and 5 to be decongested.
		Metrotrain Alameda-Melipilla	This project will come into operation in 2027 and is financed 100% with public funds.
		Metrotrain Alameda-Chillán	Enabling of local passenger service between Melipilla and Santiago.
		Metro train Coronel-Lota	Enabling of an express passenger service between Chillán and Santiago.
		Subway Reconstruction	Enabling of passenger service between Coronel - Lota.
		Construction of Line 4 extension of Metro	It corresponds to reconstruction works to enable the stations damaged during the social mobilizations of the year 2019.
Transport and Telecomunicaciones	Clean Transport	Tender of Buses for the Metropolitan Public Transport System (RED)	The tender means the incorporation of 992 electric buses, 82 short buses and 910 medium buses, which will be integrated into the system in 2022.

The sectoral ministries identified in Table 10 reported environmental information of qualitative and/or quantitative nature, corresponding to the 2021 results, according to the operation of the projects, and the effective availability of data. It is important to note that the impact report presents information on the projects that are operational, achieving reductions in greenhouse gas emissions, local pollutants, and also management results, in accordance with the institutional commitments. In the case of Sustainable Building Certification projects, from the Architecture Directorate (Ministry of Public Works), it is informed also the estimated GHG reduction for the projects in the pipeline.

Each sectoral ministry in charge of implementing projects financed by the Green Bonds applied an ad hoc methodology to estimate the environmental impact, reporting, according to the information available, indicators designed by each sector for following-up and monitoring progress. The main aspects reported are mainly related to the activity or measure committed the reduction of emissions (pollutants and/or greenhouse gases), the reduction of energy consumption, and the fulfillment of institutional objectives and goals in relation to the project.

Projects of the Ministry of Energy

Table 11 was prepared based on the information provided by the Ministry of Energy. The assumptions are the following:

- Reduced emissions parameters: IPCC 2006 sources for LPG and NG and Open Energy for electricity emission factors;
- Contributions of Solar Technical Systems (SST): FChart algorithm, considering the commune of the capital of each region as representative;
- Average efficiency of standard Sanitary Hot Water (DHW) equipment = 80%;
- Emissions correspond to the year 2021, using the average emission factor of the SEN for the year 2021. The average emission factor for 2021 of the SEN is 0.3907 tCO_{2eq}/MWh (<http://energiabierta.cl/visualizaciones/factor-de-emision-sic-sing/>);
- For the diesel generator, an efficiency of 40% is considered, obtaining an EF of 0.67 tCO_{2eq}/MWh.

Table 11 | Summary of Environmental Impact (avoided CO_{2e} emissions) Energy sector projects.

Name of the project and environmental measures contemplated	Indicator Name	Calculation form	Result
Reconstruction program for homes affected by natural disasters that occurred in 2014 and 2015. These homes incorporate Solar Thermal Systems (STS) for heating sanitary water, in the selected homes.	Annual greenhouse gas (GHG) emissions avoided (tCO _{2e})	The estimate of mitigated emissions (CO ₂) in a year t, is calculated as the level of energy saved in a year t by the average emission factor of the year t. The level of savings in a year t corresponds to the number of STS projects implemented multiplied by the annual energy production that a SST would have in a given region. The average emission factor for year t corresponds to the weighted average of the emission factors by energy (LPG, NG and electricity) by disaggregating energy consumption for domestic hot water in the residential sector.	5,192 tCO _{2eq} avoided Corresponding to a universe of 2,439 homes delivered to beneficiaries by SERVIU, where each home has an SST in operation from 2016 to 2021.
Construction of a residential photovoltaic (PV) system in Isla Huapi, Futrono, Los Ríos region.	Annual greenhouse gas (GHG) emissions avoided (tCO _{2e})	Annual generation of renewable energy (MWh) multiplied by the Emission Factor of the National Electric System	Year 2021 = 59.47 tCO _{2eq} Year 2020 = 58.35 tCO _{2eq} Year 2019 = 61.74 tCO _{2eq} Year 2018 = 58.45 tCO _{2eq}
Technical assistance program for the development and implementation of photovoltaic projects in public institutions.	Annual generation of renewable energy (MWh)	Minimum monthly design generation, multiplied by 12 months and by the number of operating systems, divided by a thousand.	Year 2021 = 320.611 MWh; Annual emissions avoided (diesel generator): 125.26 tCO _{2eq} Year 2020 = 496.8 MWh Year 2019 = 152.208 MWh Year 2018 = 139.608 MWh

Source: Ministry of Energy

Projects of the Ministry of Transport and Telecommunications

The information presented was constructed based on the studies required for the environmental impact assessment process for each of the projects presented, for which the public company Metro requested the collaboration of the Transportation Planning Secretariat (SECTRA) of the MTT. These evaluations correspond to projections calculated from transport simulations (baseline situation and project). Once the calculations of the emission levels for the base scenario and the project have been obtained, the comparison of pollutant emissions, including greenhouse gases (GHG), is made.

For electromobility projects, the reduction in emissions from electric buses was obtained from the

modeling carried out for the "Fourth Annual Report on Atmospheric Emissions of the RED Bus System Year 2021", assuming that in the case without the project, the buses would have been renewed by buses with Euro VI technology. This methodology was not incorporated in the "2020 Allocation, Eligibility and Environmental Impact Report".

The other projects specified in Table 12 have not entered into operation, except for the Metro Reconstruction; however, no information is available. Regarding Line 8, SECTRA estimated in the framework of the EIA of the project, estimated savings of CO₂eq is 25,241.2 (ton) and of PM 2.5 is 1.3 (ton) per year. In relation to the EFE projects (Metrotren Alameda-Melipilla Metrotren Alameda-Chillán Metrotren Coronel-Lota), to date they are in a Carbon Footprint estimation process.

Table 12 | Summary of Environmental Impact projects Transport sector.

Projects	Indicator Name	Result
Construction of Line 3 of the Red Metro S.A.	km of new lines	22.0
	Number of users	660,000
	Reduced annual GHG emissions (tCO ₂ e)	170,300
	Atmospheric pollution avoided (ton PM _{2.5})	7.4
Construction of Line 3 Extension of Red Metro S.A.	km of new lines	3.8
	Number of users	200,000
	Reduced annual GHG emissions (tCO ₂ e)	1,246
	Atmospheric pollution avoided (ton PM _{2.5})	0.2
Incorporation of electromobility in the Public Transport of Santiago I	Number of buses replaced	100
	Reduced annual GHG emissions (tCO ₂ e)	1,974
	Atmospheric pollution avoided (ton PM _{2.5})	0.0054
Incorporation of electromobility in the Public Transport of Santiago II	Number of buses replaced	100
	Reduced annual GHG emissions (tCO ₂ e)	1,974
	Atmospheric pollution avoided (ton PM _{2.5})	0.0054
Incorporation of electromobility in public transport in Santiago III	Number of buses replaced	200
	Reduced annual GHG emissions (tCO ₂ e)	3,974
	Atmospheric pollution avoided (ton PM _{2.5})	0.0107
Incorporation of electromobility in the public transport of Santiago IV	Number of buses replaced	365
	Reduced annual GHG emissions (tCO ₂ e)	7,204
	Atmospheric pollution avoided (ton PM _{2.5})	0.0196
Buses for RED system: Metropolitan Public Transport Tender	Number of buses replaced	992
	Reduced annual GHG emissions (tCO ₂ e)	Not available
	Atmospheric pollution avoided (ton PM _{2.5})	Not available

Source: Ministry of Transport and Telecommunications

Projects of the Ministry of Public Works

Table below was prepared based on the information provided by the Ministry of Public Works. To calculate energy saving, it was used the "Assessment and Qualification Manual, Version 1 (2014)" of the National Certification System for Environmental Quality and Energy Efficiency for Buildings for Public Use. The realization of the

estimates of reduction of energy consumption was in charge of the Construction Institute, in accordance with the process defined for Sustainable Building Certification (CES). The results for the projects of the Ministry of Public Works are presented in Table 13.

Table 13 | Summary of Environmental Impact projects Public Works sector.

Name of the project and environmental measures contemplated	Indicator Name	Calculation form	Result
Sustainable Public Building (EPS). Corresponds to projects and works of architecture that consider Sustainable Building Certification (CES).	Percentage of energy savings in EPS projects. Note: A total of 160 EPS Program projects were considered, reporting 12 of them that had information available at the time the report was closed, in accordance with the CES process.	Percentage of electric consumption reduction with respect to reference levels	Year 2021: 10,046 tCO _{2eq} /year
	Status of current projects in the portfolio as of 2021	Projects were calculated and clasified considering their status of progress, including their potential estimated reduction	— Certified: 12 — Precertified: 62 — Registered: 30 — Not Registered: 56* — Estimated reduction of projects in the pipeline (does not include certified projects): 3,472 tCO _{2eq} /year
Water Resources Management through the General Directorate of Waters (DGA)	Pronouncements and environmental inspections	Percentage of inspections environmental inspections carried out, with respect to the total number of environmental inspections requested by the Superintendence of the Environment	Year 2021: 93.3%
	Research and Assesments on Water Resources	Percentage of studies completed in year t with respect to studies scheduled to be completed in year t for the management of aquifers or new water sources.	Year 2021: 100%
	Operational Hydrometeorological Stations	Percentage of hydrometeorological network stations that remain operational during year t, with respect to the total number of stations that make up the hydrometeorological network.	Year 2021: 98.4%

*Referred to the CES control of the projects that must be registered, requested for the follow up, with flexibility regarding the formal registration at the end of the Design stage and in the Construction stage at the end of the work.

b. Social impact of social programs

El presente reporte da cuenta de los proyectos. This report gives an account of the social projects selected to be financed through the issuance of Social Bonds of the State of Chile. This issuance was carried out simultaneously with the preparation of the Sustainable Bond Framework, published in November, 2020.

With the collaboration of the Budget Office, it was analyzed the programmatic offer of the State in terms of social development, in order to identify social programs or initiatives that were partially or totally focused on the most vulnerable population. With this purpose, a qualitative and/or quantitative analysis was carried out, where figures were reviewed both at the level of budget execution, as well as the different targeting criteria of the programs carried out by different public entities. The information was obtained mainly from the budget execution reports made by the Budget Office, together with the monitoring reports of the Integrated Bank of Social and Non-Social Programs, which are carried out by the Ministry of Social Development and Family.

In relation to the impact of the programs included, it is used the information provided by the Integrated Social and Non-Social Programs Database, obtaining indicators that assess areas such as the coverage and effectiveness of the projects evaluated. Given that, all the projects financed through this instrument are in force in 2022, which mainly consists of direct transfers to households. Additionally, there are programs that provide other types of benefits, such as food in educational establishments, resources for the purchase of housing, among others.

Regarding the beneficiary population, it should be noted that more than 90% of the budget is

allocated to the 60% of the most vulnerable population, according to the Social Registry of Households. The foregoing, without prejudice to the fact that the rest of the resources are also allocated to vulnerable segments of the population, only through other targeting criteria.

Using the National Socioeconomic Characterization Survey (CASEN) of the year 2020, it is possible to characterize the first three quintiles according to the autonomous income of households (income in 2020 pesos), which constitute an approximation to the first three quintiles of vulnerability identified by the Social Registry of Households (SRH). On average, households belonging to these quintiles are made up of 3.2 individuals, a figure that is relatively higher than the national average of three members per household. In this area, the average autonomous per capita income of households, which corresponds to liquid income from work, rents and others, of the first three quintiles is equal to \$115,000. At the same time, and mainly due to the transfers made by the State, the total income per capita of households amounts to \$226,000, which is an example of the impact of social programs.

The social programs to be financed by the issuance of Social and Sustainable Social Bonds are shown in Table 14. The information comes from the Integrated Social and Non-Social Programs Database of the Ministry of Social Development and Family, and it focuses on showing the resources that are effectively transferred to each project. From another point of view, the budget execution figures do not include administrative expenses. At the same time, it shows the number of beneficiaries of each program and the average contribution received by each one.

Table 14 | Impact indicators of the social projects that are the object of the Social Bonds.

	Number of Benefited	Annual Average contribution (\$)	Number of Benefited	Annual Average contribution (\$)
	2020		2021	
Pension contribution for elderly people	988,787	1,402,950	1,090,982	1,526,099
Pension contribution for people with special needs	78,911	1,266,021	78,911	1,526,099
Basic solidarity pension for elderly people	409,643	1,984,862	409,643	2,162,786
Basic solidarity pension for people with special needs	18,115	1,888,800	18,115	2,121,812
Permanent support for families	1,554,819	110,255	1,554,819	111,767
Family subsidy	2,125,127	176,957	2,129,527	179,321
Solidarity fund for housing	17,289	53,058,650	17,823	48,691,915
Preferential school subsidy	2,611,293	348,436	2,081,070	499,025
Schools food program	2,029,882	60,554	1,582,817	456,501

Source: Integrated Social and Non-Social Programs Database, Ministry of Social Development and Family.

Social Impact of FOGAPE: The fund for Small Enterprises correspond to a fund that works on a notional basis, and that received a capitalization, considering the situation faced by companies during the pandemic. Thus, it is not possible to tie the guarantees given to the capitalization, although in effect, the funds were used for that purposes, considering the situation derived from COVID-19.

As reference, as of March 26, 2022, the last data available, guarantees totaled US\$9,976 million, of which 25.9% were given to SMEs.

Social Impact of the Emergency Family Income: Being an extraordinary program, derived from the situation caused by COVID-19, and considering as well the changing pandemic conditions, this support, initially conceived as a support for the population affected by mobility restrictions,

suffered subsequent changes, especially regarding the target group.

Notwithstanding the above, and as mention in the corresponding section, for this report it is considered only the payment effected until March, 2021. This is, when the support was oriented to the poorest 60% of the population.

The Emergency Family Income, as well as other mechanism of the social protection network, grew up during the first months of 2020, as the mobility restrictions increased, reaching its peak, in terms of the amount, in August of that year (\$606,739 million). This amount decreased as the mobility restrictions were lifted.

In terms of households benefited, the peak was reached in October, 2020 when 3,356,516 people received the support.

Table 15 | Impact indicators of social projects associated to Social Bonds.

Month	People benefited	Households benefited
May, 2020	3.617.480	1.264.962
June, 2020	6.645.663	2.473.333
July, 2020	7.737.622	2.998.253
August, 2020	7.986.630	3.169.115
September, 2020	8.168.005	3.287.987
October, 2020	8.277.887	3.356.516
December, 2020 (*)	8.267.099	3.350.504
January, 2021	5.195.187	1.911.405
February, 2021	6.349.131	2.399.399
March, 2021	6.580.566	2.520.354

(*) It was a special support for Christmas, that benefited the same group although by a different amount

Source: <https://reporte.hacienda.cl/ingreso-familiar-de-emergencia/>



08

External Audit Report - EY



Independent Limited Assurance Report

(Free translation of the report originally issued in Spanish)

Regarding the disbursements related to green and social projects, information which is contained in section V, table 4 and 9, respectively, of the 2021 Green, Social and Sustainable Bonds Allocation Report issued by the Chilean Ministry of Finance

To the Ministry of Finance of the Republic of Chile,

Scope

We have been engaged by “Ministerio de Hacienda de Chile” (the Chilean Ministry of Finance”) to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as “the engagement”, to report on the disbursements related to green and social projects, information which is contained in section V, table 4 and 9, respectively, of the 2021 Green, Social and Sustainable Bonds Allocation Report issued by the Chilean Ministry of Finance, for the period between January 1, 2021 through December 31, 2021, including additional the disbursements related to social projects carried out between January 1, 2019 through December 31, 2020, associated with the green, social and sustainable bonds issued during the years 2019, 2020 and 2021, respectively.

Other than described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the 2021 Green, Social and Sustainable Bonds Allocation Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Ministerio de Hacienda

In determining the disbursements related to green and social projects, information contained in section V, table 4 and 9, respectively, of the 2021 Green, Social and Sustainable Bonds Allocation Report, the Ministry of Finance applied the Criteria set out on page 37 “Allocation Report” in section VI, of the 2020 Chilean Sustainable Bond Framework, which includes, on pages 38 and 39, respectively, the eligible green and social sectors that could be financed and/or be refinanced.

The green sectors included in the Framework are:

- Clean transport;
- Energy efficiency;
- Renewable energy;
- Living natural resources, land use and marine protected areas;
- Efficient and climate resilient water management;
- Green buildings (ecological buildings).

The social sectors included in the Framework are:

- Support for the elderly or people with special needs in vulnerable situation;
- Support for low-income families;
- Support for victims of human rights violations;
- Support for the community through job creation;
- Access to Affordable Housing;
- Access to education;
- Food Security;
- Access to Essential Health;
- Social programs designed to prevent and/or alleviate unemployment derived from socioeconomic crises, including through the potential effect of financing small and medium sized entities and micro finances.

Ministerio de Hacienda's responsibilities

The Chilean Ministry of Finance's administration is responsible for selecting the Criteria, and for presenting the disbursements related to green and social projects, information contained in section V, table 4 and 9, respectively, of the 2021 Green, Social and Sustainable Bonds Allocation Report, in accordance with that Criteria set out in the 2020 Chile's Sustainable Bond Framework, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the disbursements related to green and social projects, information contained in section V, table 4 and 9, respectively, of the 2021 Green, Social and Sustainable Bonds Allocation Report, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on regarding the disbursements related to green and social projects, information contained in section V, table 4 and 9, respectively, of the 2021 Green, Social and Sustainable Bonds Allocation Report based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with the Ministry of Finance on June 22, 2022. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the regarding the disbursements related to green and social projects, information contained in section V, table 4 and 9, respectively, of the 2021 Green, Social and Sustainable Bonds Allocation Report, in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Control

The Partners of the EY Chile have maintained your independence of the Chilean Ministry of Finance and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the report regarding the disbursements related to green and social projects, information contained in section V, table 4 and 9, respectively, of the 2021 Green, Social and Sustainable Bonds Allocation Report, and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Inquiry with the members of the administration responsible for preparing the Green, Social and Sustainable Bonds Allocation Report to understand the main criteria and premises used.
- Understand to the systems and procedures for monitoring and control of performed expenses.
- Verification of the traceability of the funds obtained through Green, Social and Sustainable Bonds assigned to the financing and/or refinancing of projects and the unallocated funds.

- Verification of the documentation associated with the Green, Social and Sustainable Bonds issued.
- Validation through sampling tests¹, of the evidence, documents, files, reports, data bases and corporate policies that support the quantitative data the disbursements related to green and social projects, information contained in section V, table 4 and 9, respectively, of the 2021 Green, Social and Sustainable Bonds Allocation Report prepared by the Ministry of Finance.
- The Letter of representations signed by the Head of the Public Debt Office of the Ministry of Finance of Chile was obtained.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the disbursements related to green and social projects, information contained in section V, table 4 and 9, respectively, of the 2021 Green, Social and Sustainable Bonds Allocation Report, for the period from January 1, 2021 through December 31, 2021, including the disbursements to social projects carried out between January 1, 2019 and December 31, 2020, in order for it to be in accordance with the Criteria set out on page 37 “Allocation Report” in section VI, of the 2020 Chilean Sustainable Bond Framework.

¹ EY requested additional evidence about the following selected green projects: Subway Line 7, Subway Line 3 Extension, Subway Line 2 Extension, Alameda-Melipilla Commuter Rail, Subway Reconstruction, where we obtained as evidence invoices from suppliers, payment statements and contracts that support the performed expenses and for the following social projects: Solidarity Old-age pension, Basic Solidarity Old-age Pension, Solidarity Fund for Choosing Housing, Preferential School Subsidy, School food program and Emergency Family Income, in which the execution reports prepared by the Chilean Budget Office (DIPRES) were observed, indicating the performed expenses of the period, the review of these disbursements will not be extended to support documentation, such as bank statements, liquidation of subsidies and others.

Restricted use

This report is intended solely for the information and use of the Ministry of Finance of the Republic of Chile and is not intended to be and should not be used by anyone other than those specified parties.

EY Audit SpA



Chris Heidrich
EY Audit SpA

Santiago, September 15, 2022

Appendix A – Summary of allocated per green projects, as of December 2021

Section V, table 4, of the 2021 Allocation Report shows the disbursements carried out between January 1, 2021 through December 31, 2021, with proceeds from the sovereign green bonds issued in 2019, 2020 and 2021; and sustainable bonds issued in 2021 on the following eligible green projects:

Green Sector	Project	Expense 2021 (in USD MM, 2021)
Clean Transportation	Subway Line 3	1.8
	Subway Line 3 Extension	63.1
	Subway Line 2 Extension	64.2
	Subway Line 7	53.2
	Electromobility in RED Metropolitana de Movilidad	25.8
	Renewal of Rolling Stock	23.5
	Subway Line 8	0.1
	Alameda-Melipilla Commuter Rail	49.2
	Alameda-Chillán Commuter Rail	0.4
	Coronel-Lota Commuter Rail	-
	Subway Reconstruction	56.2
	Subway Line 4 Extension	-
	Nueva Licitación de Buses RED	-
Energy Efficiency	Installation of Solar Thermal Systems	-
	Installation of PV Panels	-
	Solar Panels in Public Buildings	-
Green buildings (ecological buildings)	Green Public Buildings	(*) 10.1
	Green Public Buildings 2	29.8
Efficient and climate resilient water management	Water Resources Analysis and Conservation	6.4

(*) Corresponding to USMMS\$ 9.98 made expenses during el 2021 and USMMS\$ 0.13 corresponding to made expenses to green public building Project in previous years.

Appendix B - Summary of allocated per social projects, as of December 2021

Section V, table 9, of the 2021 Allocation Report shows the disbursements carried out between January 1, 2021 and December 31, 2021, with proceeds from the sovereign social bonds issued in 2020 and 2021; and sustainable bonds¹ issued in 2021 on the following eligible social projects (expenses social not were executed during in 2019):

Green Sector	Project	Expense 2020 (in USD MM, 2020)	Expense 2021 (in USD MM,2021)
Support for the elderly or people with special needs in vulnerable situation	Solidarity Old-age pension	1.250	1.713
	Basic Solidarity Old-age Pension	977	1.156
	Basic Solidarity Disability Pension	398	487
Support for low-income families	Permanent Family Subsidy	194	215
	Family Subsidy	426	467
Access to Affordable Housing	Solidarity Fund for Choosing Housing	1.040	1.106
Access to education	Preferential School Subsidy	990	1.082
Food Security	School food program	819	893
Social programs designed to prevent and/or alleviate unemployment derived from socioeconomic crises, including through the potential effect of financing SMEs and micro finances	Capitalization to "FOGAPE"	850	450
	Emergency Family Income	3.619	1.172

¹ Of the Sustainable Bond issued in 2021, 10% is allocated to green projects and 90% of its amount to social projects.

