

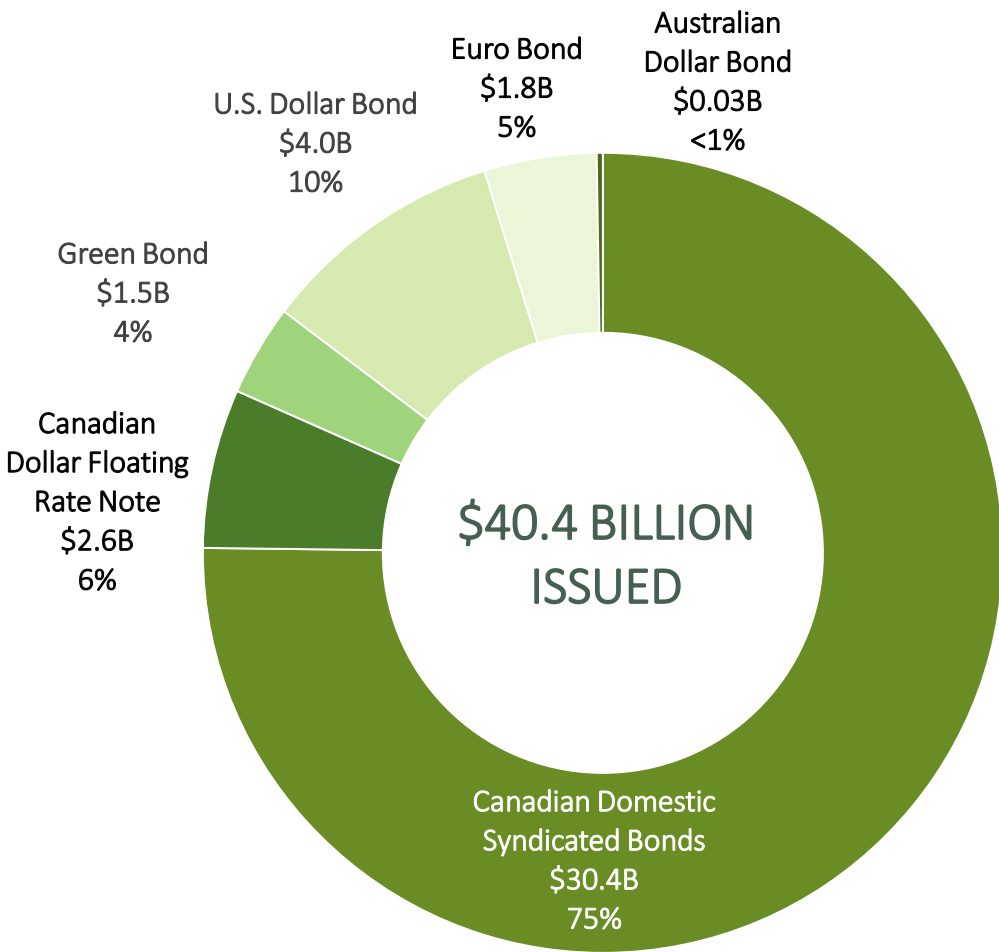


Tobermory, ON

Province of Ontario

GREEN BOND PRESENTATION

BORROWING PROGRAM



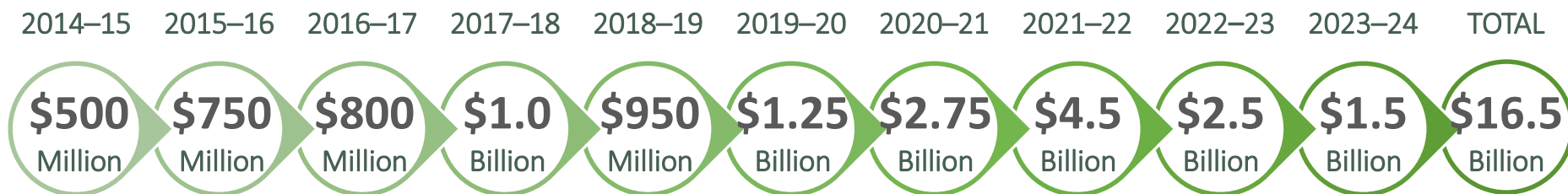
2023–24 Borrowing Status

Total Borrowing Requirement:	\$33.6 B
Borrowing Completed:	\$40.4 B (119.9%)
Domestic:	\$34.5 B (85.4%)
International:	\$5.9 B (14.6%)
Average Term:	15.5 years

Note: As of February 27, 2024. Numbers may not add due to rounding.

ONTARIO'S GREEN BONDS

- Ontario is currently the largest and most frequent issuer of Canadian dollar Green Bonds:



- A total of 28 projects have received funding from Ontario's fourteen Green Bond issues, issued under the 2014 Green Bond Framework, with funding allocated towards clean transportation, energy efficiency and conservation, and climate adaptation and resilience projects.

Ontario's Previous Green Bond Issues:

Format	Listing	Green Bond Indices
Global Canadian dollar	Luxembourg Stock Exchange Euro MTF	Bloomberg MSCI Green Bond Index
Domestic Medium Term Note	Luxembourg Green Exchange	ICE BofA Merrill Lynch Green Bond Index S&P Green Bond Index Solactive Green Bond Index

ONTARIO'S SUSTAINABLE BOND PROGRAM

- In January 2024, Ontario released its Sustainable Bond Framework, replacing its Green Bond Framework from 2014. The new Framework allows for a broader range of potential bond offerings in the future.
- Ontario remains committed to the Green Bond market. Subject to market conditions, Ontario plans to issue multiple bonds under the new Framework each fiscal year.
- Ontario's Green Bond program has been recognized with the following awards in recent years:
 - **Environmental Finance Bond Awards 2019**
Green Bond of the Year — Local/Municipality (2018 Green Bond issue)
 - **Climate Bonds Initiative 5th Green Bond Pioneer Awards**
Largest Subnational Green Bond Issuer Over the Past 10 Years

Green Bond Principles

- Since March 2016, Ontario has been a member of the Green Bond Principles (GBP) group, maintained by the International Capital Market Association.



EU Taxonomy

- Ontario funds Green Bond projects that contribute to environmental objectives set out in the EU Taxonomy, primarily in Climate Change Mitigation and Climate Change Adaptation.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

- In 2018, Ontario's Green Bond impact reporting began referencing the United Nations Sustainable Development Goals (UNSDGS). Under the new Sustainable Bond Framework, Ontario will fund eligible projects within Framework categories that support the UNSDGS below:

SUSTAINABLE DEVELOPMENT GOALS



USE AND MANAGEMENT OF PROCEEDS

- Bond proceeds are paid into the Consolidated Revenue Fund of Ontario.
- The proceeds are invested short-term in Government of Canada treasury bills.
- An amount equal to the net proceeds of each bond issue is recorded in a designated account in the Province of Ontario's financial records. These designated accounts are used to track the use and allocation of funds to eligible projects.
- A lookback period of 6 months from the Bonds' issuance and a 12 month forward period will define the 18 month window in which the Bonds' proceeds are expected to be spent.

Assurance Audit

- An assurance audit is performed by the Office of the Auditor General of Ontario verifying amounts allocated to selected projects and tracking the amount of Green Bond proceeds.
- This assurance audit is expected within a year after the issue date. The most recent Assurance Audit was completed on November 15, 2023.

External Review

- Ontario received an independent Second Party Opinion (SPO) from Sustainalytics regarding its Sustainable Bond Framework.
- The Ontario Sustainable Bond Framework aligns with the four core components of the International Capital Market Association (ICMA), Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines.

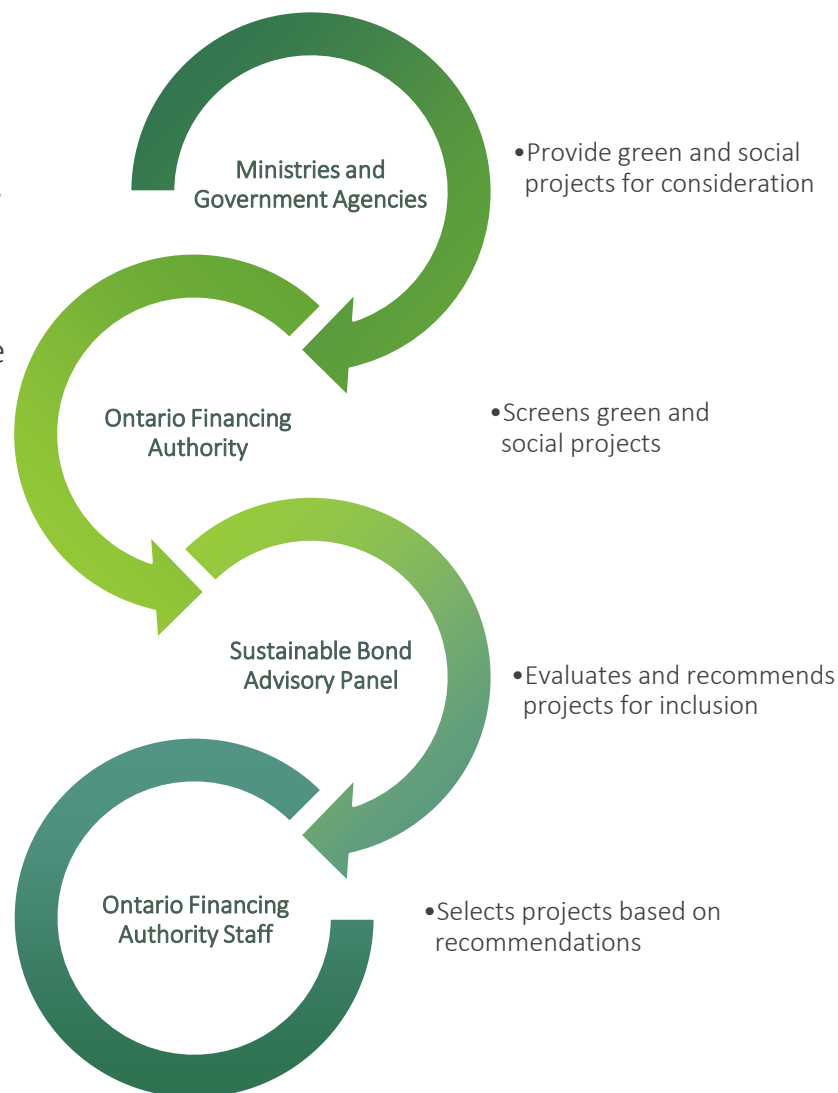
ONTARIO'S SUSTAINABLE BOND FRAMEWORK

- Ontario's approach to sustainability is embedded in its policies, programming, capital expenditures and other initiatives that govern the people, places and businesses resident in the Province.
- The Sustainable Bond Framework sets out the types of projects that may be eligible for Bond proceeds. Eligible Green Bond project categories include, without limitation:



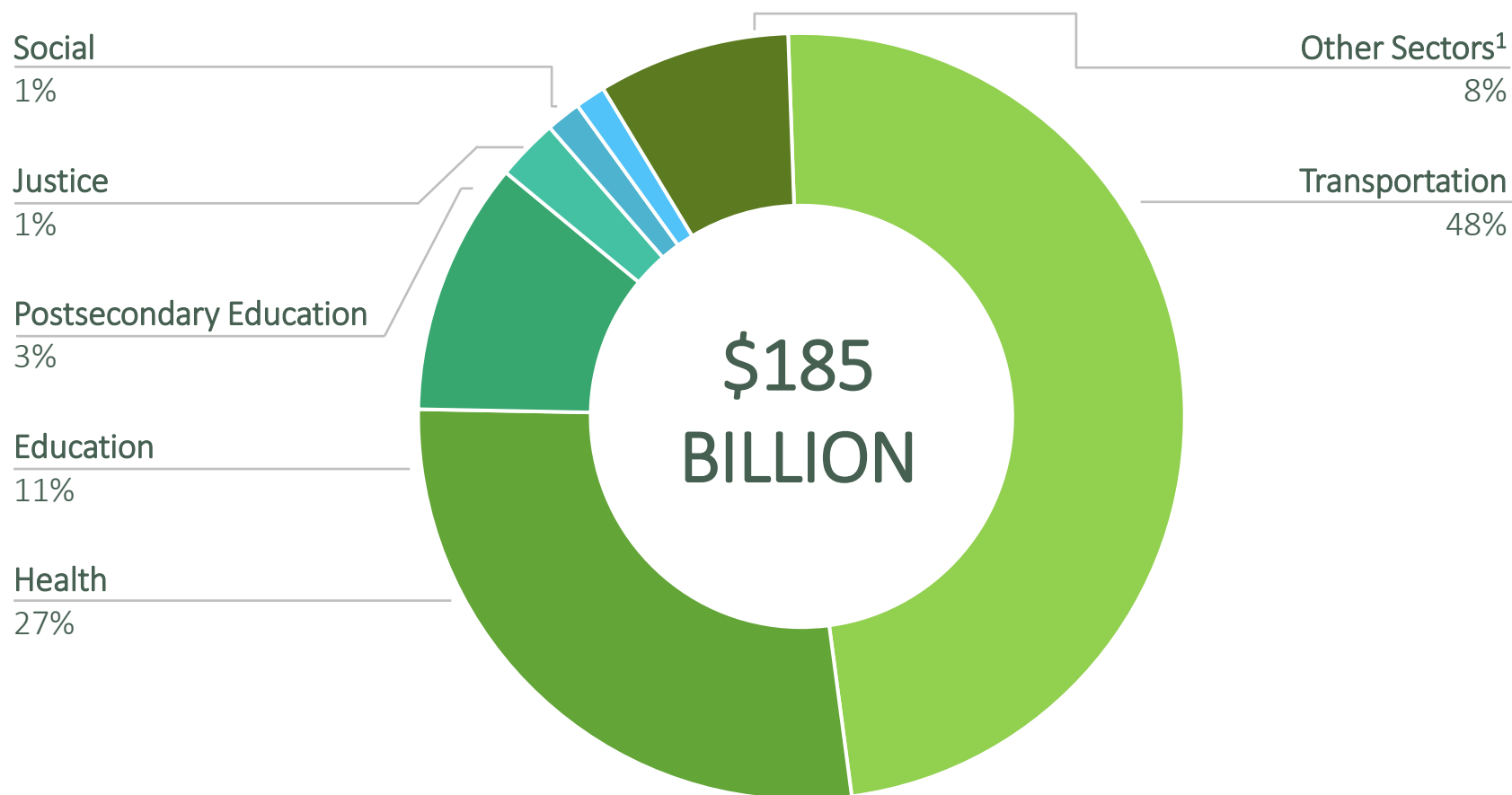
PROCESS FOR PROJECT EVALUATION AND SELECTION

- The selection of eligible green projects is done on behalf of the Province by Ontario Financing Authority (OFA) staff with advice from the Province's Sustainable Bond Advisory Panel (SBAP), which supersedes the Green Bond Advisory Panel (GBAP) established in 2014.
- The SBAP, which includes staff from various ministries and agencies, including the Ministry of the Environment, Conservation and Parks, the OFA, and the OFA Board, evaluates and recommends projects for inclusion in Ontario's Sustainable Bond program based on selection criteria including:
 - Environmental and social project considerations including measurable results or other key performance indicators that clearly outline the environmental and/or social benefits and features of each project;
 - Financial factors to ensure that funding requirements are within the 18-month window defined for each bond at time of bond issuance (September 1, 2023 to February 28, 2025); and
 - Use of funds including the ability to monitor the progress of projects and track and report spending.



INFRASTRUCTURE INVESTMENTS – 10 YEAR PLAN

- Planned infrastructure investments over the next 10 years total \$185 billion.
- Assuming adequate demand, Ontario’s green project pipeline should easily support an ongoing Green Bond program for many years to come.



Note 1: Includes broadband infrastructure, government administration, natural resources, and culture and tourism industries.

Note: Numbers may not add due to rounding.

Source: 2023 Ontario Economic Outlook and Fiscal Review.

ELIGIBLE PROJECTS

- Five projects have been selected and are expected to receive funding from the next Green Bond.



Clean Transportation

GO Expansion

Hazel McCallion Light Rail Transit (LRT)
(formerly Hurontario LRT)

Ontario Line Subway

Scarborough Subway Extension

Electric Vehicle (EV) ChargeON

Electrification

- Electrification is a major focus in Ontario's mass transit system buildout:
 - Electric rail technology will be used across all new subway and light rail projects currently in delivery.
 - In addition, electrification of the GO rail network is a key component of the Province's commitment to transform the GO Transit rail network into a comprehensive, all-day rapid transit network.
 - Electric vehicles will provide faster journey times and support lower operating costs per kilometer, delivering safe, fast and reliable service while reducing localized emissions and noise impacts.
- In 2022, Ontario's generation mix was approximately 90 per cent emissions-free.

Background

- The *2023 Ontario Economic and Fiscal Review* outlines the Province's investment of \$70.7 billion over 10 years to build new and expanded provincial transit infrastructure across Ontario.
- Through investments in Ontario's priority subway projects, the GO Rail Expansion Program, and light rail transit projects across the Province, Ontario is delivering an integrated transit network that will support the development of sustainable communities and travel patterns.

GO EXPANSION

Project Description

- The GO Rail Expansion program will transform the existing GO Rail network into a comprehensive, all-day rapid transit network by providing two-way, all-day service every 15 minutes over core segments of the GO Transit rail network.



**WITH
GO EXPANSION
PEAK SERVICE LEVEL**

Note: The latest impact reporting statistics for this project can be found in the [2023 Ontario Green Bond Newsletter](#).

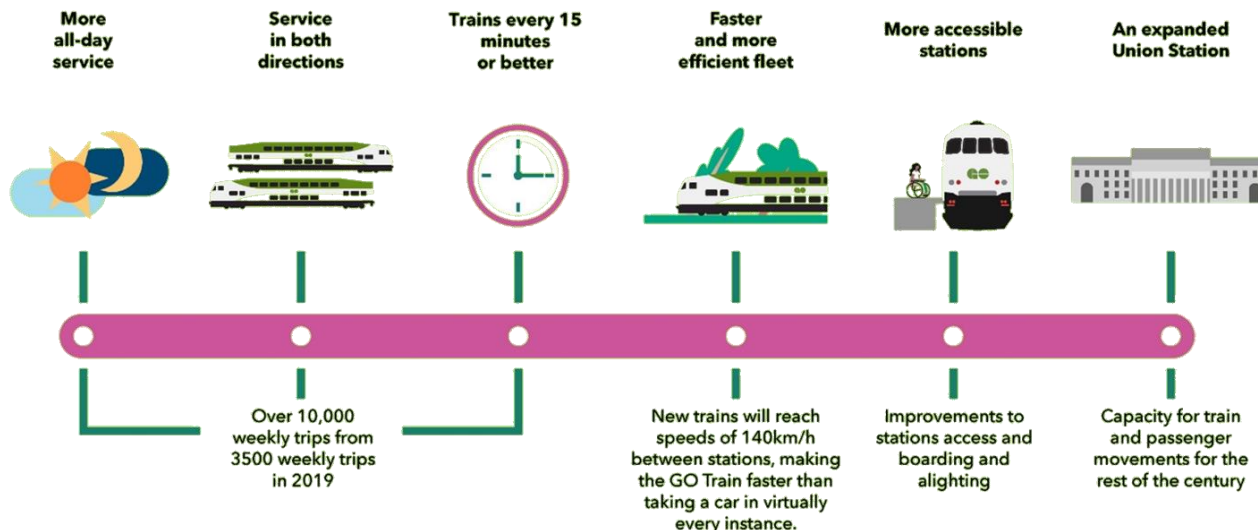
GO EXPANSION

Environmental Highlights

- GO Expansion will shift the GO Rail network from a largely commuter system to a comprehensive regional rapid transit option, thereby contributing to mode shift and decreasing GHG emissions and CACs.
- New facilities will be minimum LEED Silver and are targeting LEED Gold certification where possible.

Other Benefits

- The Province is moving forward with critical procurements to support the delivery of enhanced GO rail services, including entering into a contract with ONXpress Transportation Partners to deliver the On-Corridor Works project. Among other components, the scope of the On-Corridor Works project includes works, such as electrification infrastructure, signaling and new fleet.
- The GO Expansion program will provide a range of improvements across the Greater Toronto and Hamilton Area:



HAZEL MCCALLION LRT

Project Description

- The Hazel McCallion LRT (formerly Hurontario LRT) will be a new 18-kilometre LRT line with 19 stops, connecting the cities of Mississauga and southern Brampton.

Environmental Highlights

- Reductions in auto usage and the switch from diesel buses to electric light rail vehicles contributes to decreasing GHG emissions and CACs, manages traffic congestion, and encourages mode shift from auto trips to transit trips.
- Maintenance and storage facility will aim to meet LEED Silver certification.



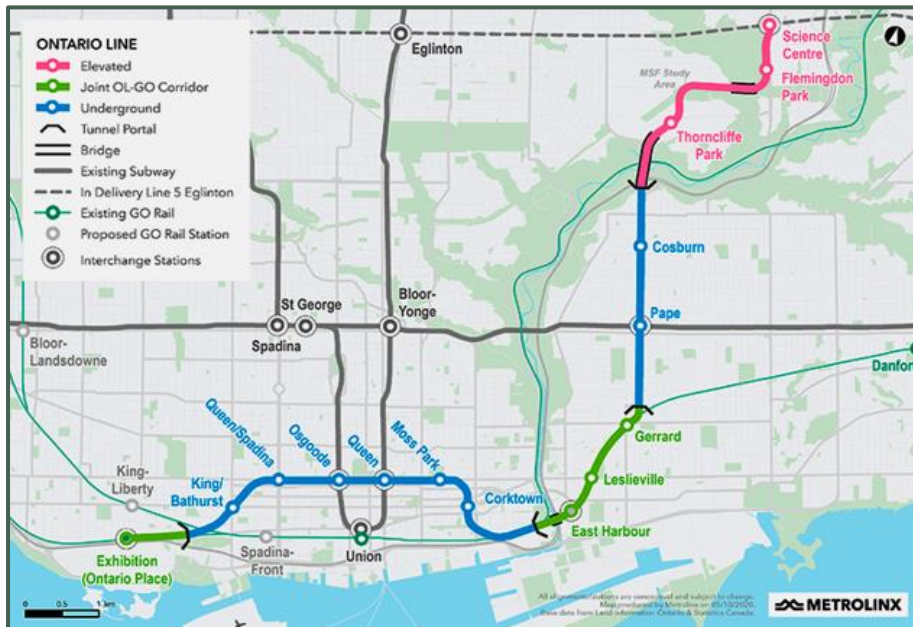
ONTARIO LINE SUBWAY

Project Description

- A new 15.6-kilometre rapid transit line in Toronto that will connect Exhibition/Ontario Place through downtown Toronto to the Ontario Science Centre. The project will include 15 stations (including six interchange stations) and connections to three GO lines, the TTC's Line 1 and Line 2 subways, the future Line 5 (Eglinton Crosstown LRT), and streetcar lines at ten Ontario Line stations.

Environmental Highlights

- Reductions in auto usage and the switch from diesel buses to electric rail vehicles contributes to decreasing GHG emissions and CACs, manages traffic congestion, and encourages mode shift from auto trips to transit trips.



15.6
Kilometres



388,000
Daily Boardings



227,500
more people within
walking distance to transit

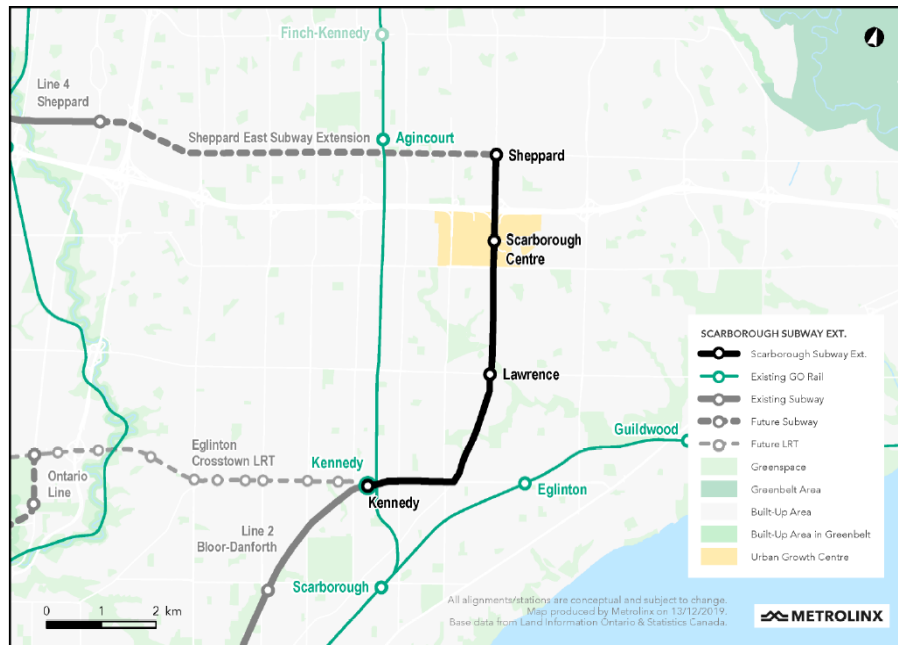
SCARBOROUGH SUBWAY EXTENSION

Project Description

- The Scarborough Subway Extension will bring the TTC's Line 2 subway service 7.8-kilometres farther into Scarborough, extending from Kennedy Station to Sheppard Avenue and McCowan Road.
- The project includes three new stations, and up to six transit connections.

Environmental Highlights

- Reductions in auto usage and the switch from diesel buses to electric rail vehicles contributes to decreasing GHG emissions and CACs, manages traffic congestion, and encourages mode shift from auto trips to transit trips.



7.8
Kilometres



105,000
Daily Boardings



38,000
more people within
walking distance to transit

EV CHARGEON

Project Description

- Through the EV ChargeON program, the Ontario government is providing \$91 million in funding to build thousands of new electric vehicle (EV) charging stations in small and medium-sized communities and on government-owned land, including Ontario's highway rest areas, carpool parking lots and tourist destinations such as Ontario Parks.

Environmental Highlights

- As of February 2024, there are over 3,300 public charging stations with over 8,900 ports (or outlets) in Ontario including over 7,400 Level 2 ports and over 1,400 Level 3 fast-charging ports.
- As of January 2024, there were more than 152,000 EVs registered in Ontario, including both battery-electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV). By 2030, over one million EVs are expected on Ontario's roads. Drivers can reduce their greenhouse gas emissions by driving battery-electric vehicles or plug-in hybrid electric vehicles and using Ontario's low-carbon electricity to power their vehicles.



IMPACT REPORTING

- Since 2015, Ontario has published an annual Green Bond Newsletter with its ninth newsletter released in December 2023. The newsletter provides:
 - An overview of the process for project evaluation and selection
 - Total Funds allocated to projects by eligible project category and amounts, unallocated amounts, and projected Environmental impacts
 - Updates on selected projects (including projected Environmental impacts)
 - A link to the assurance audit performed by the Office of the Auditor General of Ontario
- In developing the newsletter, the OFA works alongside other Ontario ministries and government agencies, with support from the Ministry of the Environment, Conservation and Parks providing expertise in the analysis of projected environmental benefits.
- Ontario will use widely recognized impact metrics for its projects and expects to adopt any future impact reporting recommendations of the GBP, SBP and Sustainability Bond Guidelines.

SUMMARY

- Ontario has a mature Green Bond program and expects Green Bonds issued under the new Sustainable Bond Framework to continue having an important role in the Province's annual borrowing. Subject to market conditions, Ontario plans to continue to issue multiple bonds under the new Framework each fiscal year, including 2023–24.
- Five projects in the Clean Transportation category are expected to receive funding from the next Green Bond issue.
- Electrification is a major focus of Ontario's mass transit system buildout:
 - Electric rail technology will be used across all new subway and light rail projects currently in delivery. In addition, electrification of the GO rail network is a key component of the Province's commitment to transform the GO Transit rail network.
- Ontario strives to be a leader in its transparency and impact reporting efforts with the publication of its annual newsletter.

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