

# 2024 Sustainable Finance Impact report

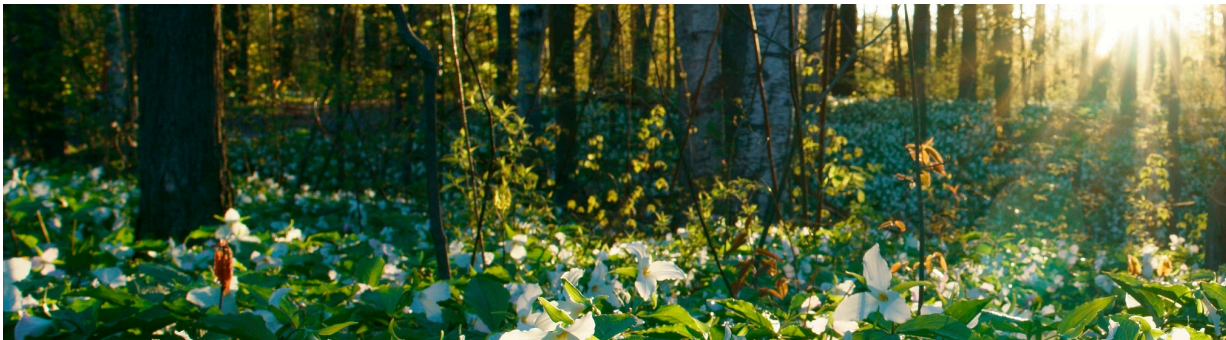
KPMG LLP (KPMG) was engaged to provide a limited assurance conclusion over indicators identified with † as at and for the period ended December 31, 2024. Our greenhouse gas (GHG) emissions data for 2024 was verified by external auditors GHD Limited (GHD) and identified by ‡. For more information, refer to the [KPMG Independent Practitioner’s Limited Assurance Report](#) and the [GHD Letter of Assurance](#).

In January 2023, Hydro One was the first utility in Canada to publish a [Sustainable Financing Framework](#) (Framework<sup>1</sup>). The Framework was updated in August 2024 to reflect best practices in sustainable finance. The Framework allows Hydro One and its subsidiaries (including Hydro One Inc.) to issue Sustainable Financing Instruments (SFIs). By issuing SFIs such as green and sustainability bonds, Hydro One and its subsidiaries can allocate the net proceeds to eligible investments in green categories such as Clean Energy; as well as social project categories such as Socio-economic Advancement of Indigenous Peoples.

<sup>1</sup> As updated from time to time.

<sup>2</sup> In January 2024, Hydro One issued \$800m of green bonds. which is discussed in the [2023 Sustainability Report](#) (page 30)

<sup>3</sup> Projects are classified as clean energy projects if the average system grid emissions factor is below the threshold value of 100 gCO<sub>2</sub> e/kWh, over a rolling five-year period or over 67% of newly enabled generation capacity below the generation threshold value of 100 gCO<sub>2</sub> e/kWh, over a rolling five-year period.



## 2024 performance

In 2024, Hydro One Inc. issued \$2.75 billion in SFIs (including sustainability and green bonds).<sup>2</sup>

In this report, we highlight a few projects and initiatives financed, in part or in whole, in 2024 by green and sustainability bonds under the following eligible green and social project categories of the Framework:

**Clean Energy:** Hydro One is financing clean energy projects by constructing, operating and maintaining electricity transmission and distribution infrastructure and equipment.<sup>3</sup>

- **Energy savings and bolstering supply:** Hydro One is upgrading its transmission circuits with a larger conductor between Richview Transformer Station (TS) and Trafalgar TS to allow increased energy transfers from Southwestern Ontario to Central and Eastern Ontario to help alleviate

capacity constraints in the region. A larger conductor will lead to lower resistive losses and translate into reduced line losses, increased energy savings and reduced emissions. The anticipated benefits of this project are illustrated in table 3.

- **Supporting economic growth:** Hydro One is constructing a new transmission line in the County of Lambton and the Municipality of Chatham-Kent as part of a network of electricity infrastructure projects to support economic growth. The St. Clair Transmission Line is expected to reduce line losses due to the conversion of Wallaceburg TS from 115kV to 230kV supply and the use of lower resistance conductors. Once built, the project is expected to provide clean electricity that supports local agriculture and further economic development and job creation. Refer to table 4 for additional details on this project.

## 2024 performance

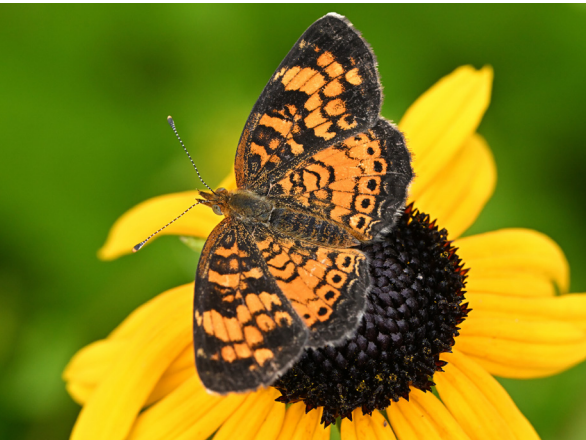


**Clean transportation:** Hydro One has a goal of converting 50% of its fleet of sedans and SUVs to electric vehicles or hybrids by 2025 and 100% by 2030. In 2024, we financed the conversion of 41 vehicles in our fleet to EVs with the proceeds of the December 2024 sustainability bond. Refer to table 5 for details of the emissions reduced associated with these 41 financed vehicles.



**Biodiversity conservation:** Hydro One supports the protection and restoration of biodiversity and terrestrial ecosystems.

- **Protecting nesting turtles:** Hydro One collaborated with Dundas Turtle Watch and the Royal Botanical Gardens to install fencing around the Dundas Transmission Station to protect turtles during nesting season and reduce turtle road mortality. This collaborative effort is essential to protecting Ontario’s at-risk turtle population and furthers Hydro One’s commitment to safeguarding biodiversity and promoting environmental stewardship. Hydro One financed the purchase of materials for wildlife fencing with the proceeds of the green bond issued in August 2024.



- **Enhancing pollinator habitats:** Hydro One is planting pollinator-friendly plants to create and enhance pollinator habitats under our electricity lines and around our station properties across Ontario. In 2024, we created approximately 62 hectares of pollinator habitats in Ontario. Hydro One partially financed the purchase of seeds to enhance pollinator habitats with the proceeds of the green bond issued in August 2024. Hydro One intends to study the benefits and value of using native pollinator planting strategies in the future, especially to limit the growth of undesirable vegetation near infrastructure.



**Socio-economic advancement of Indigenous Peoples:** Hydro One is proud to have a goal of increasing our Indigenous procurement spend to 5% of the company’s purchase of materials and services by 2026. In 2024, Hydro One spent over \$158.3 million (or 5.5%<sup>†</sup> of total sourceable spend) and established a new record for purchases with Indigenous businesses and materials due to our precedent setting procurement model. Hydro One financed the purchase of \$36.7 million of goods and services from 72 Indigenous businesses with the proceeds of the sustainability bond issued in December 2024.

## Sustainable finance performance

Table 1: Total sustainable finance issuance by year

Indicator	2022	2023	2024
Total bond issuance (first issuance in 2023) (\$ million)	-	2,375	2,750

Table 2: Hydro One Inc. sustainable finance issuances to date

Green/ Sustainable	Issued	Maturity	ISIN	Amount Issued (\$M)	Allocation Reporting	Impact Reporting
Sustainable	January 27, 2023	November 30, 2029	CA 44810ZCK45	\$300	Hydro One 2023 Sustainable Bond Allocation Report	Sustainalytics “Corporate Impact Report”
Sustainable	January 27, 2023	January 27, 2033	CA 44810ZCL28	\$450		
Sustainable	January 27, 2023	January 27, 2053	CA 44810ZCM01	\$300		
Green	September 21, 2023	September 21, 2026	CA 44810ZCN83	\$425	Hydro One 2024 Sustainable Bond Allocation Report	2023 Sustainability Report (pg. 30 and the data tables)
Green	October 20, 2023	October 20, 2025	CA 44810ZCP32	\$400		
Green	November 30, 2023	November 30, 2054	CA 44810ZCQ15	\$500		
Green	January 12, 2024	March 1, 2034	CA 44810ZCR97	\$550		
Sustainable	January 12, 2024	November 30, 2029	CA 44810ZCK45	\$250		
Green	August 20, 2024	November 30, 2054	CA 44810ZCQ15	\$500	Hydro One 2025 Sustainable Financing Instruments Allocation Report	Current document
Green	August 20, 2024	January 4, 2035	CA 44810ZCS70	\$700		
Green	December 11, 2024	January 4, 2035	CA 44810ZCS70	\$375		
Sustainable	December 11, 2024	January 27, 2053	CA 44810ZCM01	\$375		
Total				\$5,125		



Sustainable finance performance

Table 3: Richview TS x Trafalgar TS reconductoring project financed emissions reduced

Allocated amount (\$M)	Share of total project financing %	Line Loss Reductions (MWh/year) <sup>1</sup>	Project GHG Enabled Emissions Reduced (tCO2e/year)	Financed GHG Enabled Emissions Reduced (tCO2e/year)	Financed GHG Enabled Emissions Reduce / \$M (tCO2e/year/\$M)
\$34.6	57%	1,516	49.2	28.0 <sup>‡</sup>	0.8

Table 4: Wallaceburg TS: Conversion from 115 kV to 230 kV financed emissions reduced

Allocated amount (\$M)	Share of total project financing %	Line Loss Reductions (MWh/year) <sup>2</sup>	Project GHG Enabled Emissions Reduced (tCO2e/year)	Financed GHG Enabled Emissions Reduced (tCO2e/year)	Financed GHG Enabled Emissions Reduce / \$M (tCO2e/year/\$M)
\$14.7	11%	2,139	97.5	10.4 <sup>‡</sup>	0.7

Table 5: EV financed emissions reduced

Project type	Allocated amount (\$M)	Share of total project financing %	Number of EVs #	Emissions Factor <sup>1</sup> (gCO2e/km)	Financed GHG Enabled Emissions Reduced for 2024, <sup>2,3</sup> (tCO2e/year)	Financed GHG Enabled Emissions Reduced for 2024 / \$M (tCO2e/year/\$M)
EV Ford	\$3.7	100%	40	16.5	46.3 <sup>‡</sup>	12.4
EV Chevrolet	\$0.1	100%	1	12.3	2.0 <sup>‡</sup>	30.0

<sup>1</sup> Source: 2024 Fuel Consumption Guide. EV models are Ford F-150 Lightning & Chevrolet Blazer. The emission factors used in the calculation of reduced emissions were based on Hydro One specific assumptions.

<sup>2</sup> Financed GHG emissions reduced are calculated assuming that the EV purchases would replace light-duty gasoline vehicles and light-duty gasoline trucks. Between 2022-2024, on average a Hydro One light-duty gasoline vehicle drove 22,100.16 km and the emission factor (gCO<sub>2</sub>e/km) was 192.2. Between 2022-2024, on average a Hydro One light-duty gasoline truck drove 22,651.75 km and the emission factor (gCO<sub>2</sub>e/km) was 221.09. In 2023, the estimated grid emission factor was 54 gCO<sub>2</sub>e/kWh (obtained from Canada's National Inventory Report 1990-2023). Hydro One EV emission factor is determined by utilizing the estimated grid emissions factor of 54 gCO<sub>2</sub>e/kWh and multiplying the 2024 Fuel Consumption Guide for the combined 30.6 kWh/100km & 22.8 kWh/100km respectively, for Ford F-150 Lightnings & Chevrolet Blazer. The Government of Canada publishes updated grid emission factors in Canada's National Inventory Report from time to time. The emissions factor used for this calculation is the best available information at the time of production of this report.

<sup>3</sup> The calculations for GHG emissions reductions have been prorated according to the vehicle's on-road date for reporting year 2024 and therefore reflect only partial year impact. Full year impact is calculated to be 189.33<sup>‡</sup> tCO<sub>2</sub>e (185.35<sup>‡</sup> tCO<sub>2</sub>e and 3.98<sup>‡</sup> tCO<sub>2</sub>e from Ford F-150 Lightnings and Chevrolet Blazers, respectively).

Refer to the About the Report section of the [2024 Sustainability Report](#) for information on the report scope, process and frameworks. The Forward-looking Statements in the 2024 Sustainability Report applies to this document and is incorporated by reference into this document.