



Hydro One Inc. Green Bond Allocation Report

May 7, 2026



Hydro One completes allocation of \$2.69 billion of Green Bonds



In August 2024, Hydro One Limited (“Hydro One”) updated and published the Sustainable Financing Framework (as issued on August 13, 2024, the “Framework”) in which five eligible green categories and two eligible social categories were identified that align with our sustainable strategy and are intended to support the achievement of the corresponding applicable United Nations Sustainable Development Goals. The Framework has been reviewed by, and received a second party opinion from, Sustainalytics, a global leader in providing environmental, social and governance (ESG) research and analysis. Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Framework.

This allocation report covers the reporting period from August 1, 2025 to November 30, 2025 (the “reporting period”). During the reporting period, Hydro One Inc., a subsidiary of Hydro One, issued \$2.7 billion aggregate principal amount of Green Bonds under the Framework for net proceeds of \$2.69 billion.

This consisted of:

- an offering of \$450 million aggregate principal amount of 3.94% Medium Term Notes, Series 61, due 2032 (“Series 61 notes”), comprising Green Bonds under the Framework;
- an offering of \$300 million aggregate principal amount of 4.30% Medium Term Notes, Series 62, due 2035 (“Series 62 notes”), comprising Green Bonds under the Framework;
- an offering of \$350 million aggregate principal amount of 4.95% Medium Term Notes, Series 63, due 2055 (“Series 63 notes”), comprising Green Bonds under the Framework;
- an offering of \$1,200 million aggregate principal amount of 3.90% Medium Term Notes, Series 64, due 2033 (“Series 64 notes”), comprising Green Bonds under the Framework; and
- an offering of \$400 million aggregate principal amount of 4.80% Medium Term Notes, series 65, due 2056 (“Series 65 notes”), comprising Green Bonds under the Framework.

As of November 30, 2025, Hydro One had fully allocated the net proceeds from the Green Bonds issued under the Framework during the reporting period, to finance Eligible Projects that are Green Projects in the “Clean Energy”, “Energy Efficiency” and “Biodiversity Conservation” categories.

A full description of the eligibility criteria for Eligible Projects is outlined in the Framework.

We engaged KPMG LLP to conduct an independent limited assurance engagement on the Schedule of Use of Green Bonds Proceeds (the “Schedule”) as at November 30, 2025.

The Schedule accompanies and should be read in conjunction with the appendix titled “*2025 Sustainable Finance Impact Report*” in the [2025 Hydro One Sustainability Report](#) dated May 7, 2026, which discusses and provides case studies for specific Eligible Projects to which Hydro One has allocated funding, to support both the allocation and impact reporting commitments made in the Framework.

Hydro One previously established a Sustainable Financing Framework dated January 23, 2023 (the “2023 Framework”) that continues to apply in respect of certain sustainable financing instruments that were issued by Hydro One or its subsidiaries prior to August 13, 2024. Hydro One separately published an annual report addressing the allocation of funds with respect to sustainable financing instruments issued under the 2023 Framework.



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INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

To the Board of Directors and Management of Hydro One Limited,

We have undertaken a limited assurance engagement of the net proceeds allocated to eligible projects (the "Subject Matter Information") as reported within the Schedule of Use of Green Bond Proceeds (the "Report"), as at November 30, 2025, based on applicable criteria for eligible projects as defined in the Hydro One Limited Sustainable Financing Framework dated August 13, 2024 (the "applicable criteria") of Hydro One Inc. (the "Entity").

Management's Responsibility

Management is responsible for the preparation and presentation of the Subject Matter Information in accordance with the applicable criteria.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error. This responsibility includes determining the Entity's objectives in respect of sustainability performance and reporting, identifying stakeholders and material issues, and selecting or developing appropriate criteria.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability of the criteria used by the Entity in preparing the Subject Matter Information in the circumstances of the engagement, assessing the risks of material misstatement, whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances.

We exercised professional judgment and maintained professional skepticism throughout the engagement. Our procedures were designed and performed to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. In carrying out our engagement, we:

- Evaluated the suitability of the criteria used by the Entity in preparing the Subject Matter Information in the circumstances;



- Assessed the appropriateness of the allocation of the net proceeds to eligible projects in accordance with the applicable criteria;
- Through inquiries, obtained an understanding of the Entity's control environment, processes and systems relevant to the preparation of the Subject Matter Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation, or test their operating effectiveness;
- Inspected a limited number of items to or from supporting records, as appropriate;
- Evaluated the presentation and disclosure of the Subject Matter Information made by the Entity in accordance with the applicable criteria.

The 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 Independence and Quality Management

We have complied with the independence and other ethical requirements of relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Significant Inherent Limitations

Historical non-financial information, such as that contained in the Report, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time. It is important to read the Entity's reporting methodology disclosed in the Hydro One Limited Sustainable Financing Framework dated August 13, 2024.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that the Entity's Subject Matter Information for the year ended November 30, 2025, is not prepared and presented, in all material respects, in accordance with the applicable criteria.

Specific Purpose of Subject Matter Information

The Subject Matter Information has been prepared in accordance with the applicable criteria and as a result may not be suitable for another purpose.



Restriction on Use

Our report is intended solely for use by Hydro One's Limited's Board of Directors and Management in fulfilling their oversight responsibilities for the Subject Matter Information. Our report may not be suitable for any other purpose and is not intended for use or reliance by any third parties. While KPMG LLP acknowledges that disclosure of this report may be made, in full, by Hydro One Inc. in its Schedule of Use of Green Bonds Proceeds, KPMG LLP does not assume or accept any responsibility or liability to any third party in connection with the disclosure of our report.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants
Toronto, Canada

May 7, 2026

HYDRO ONE INC.
SCHEDULE OF USE OF GREEN BONDS PROCEEDS
As at November 30, 2025
(in millions of Canadian dollars)

	2025	
Net proceeds from Green Bonds		
Series 61 notes	448.3	
Series 62 notes	298.6	
Series 63 notes	347.9	
Series 64 notes	1,194.5	
Series 65 notes	397.6	
Net proceeds available for allocation	2,686.8	
Net proceeds allocated to Eligible Projects:		
Green Projects		<i>% of net proceeds</i>
Clean Energy	2,611.1	97.2%
Energy Efficiency	75.4	2.8%
Biodiversity Conservation	0.4	0.0%
Total allocated net proceeds	2,686.8	100.0%
Remaining balance of unallocated net proceeds	—	

Figures may not sum to total due to rounding

1. BACKGROUND

From August 1, 2025 to November 30, 2025, Hydro One Inc. issued an aggregate principal amount of \$2,700 million (gross proceeds of \$2,698.2 million) of medium term notes pursuant to Hydro One Limited's Sustainable Financing Framework (as issued on August 13, 2024, the "Framework") consisting of Green Bonds, including:

- an offering of \$450 million aggregate principal amount of 3.94% Medium Term Notes, Series 61, due 2032 ("Series 61 notes"), comprising Green Bonds under the Framework that closed on August 25, 2025;
- an offering of \$300 million aggregate principal amount of 4.30% Medium Term Notes, Series 62, due 2035 ("Series 62 notes"), comprising Green Bonds under the Framework that closed on August 25, 2025;
- an offering of \$350 million aggregate principal amount of 4.95% Medium Term Notes, Series 63, due 2055 ("Series 63 notes"), comprising Green Bonds under the Framework that closed on August 25, 2025;
- an offering of \$1,200 million aggregate principal amount of 3.90% Medium Term Notes, Series 64, due 2033 ("Series 64 notes"), comprising Green Bonds under the Framework that closed on November 21, 2025; and
- an offering of \$400 million aggregate principal amount of 4.80% Medium Term Notes, series 65, due 2056 ("Series 65 notes"), comprising Green Bonds under the Framework that closed on November 21, 2025.

HYDRO ONE INC.
SCHEDULE OF USE OF GREEN BONDS PROCEEDS
As at November 30, 2025
(in millions of Canadian dollars)

The net proceeds from the issuance of the Green Bonds under the Framework were approximately \$2,686.8 million. The net proceeds amount is derived from the gross proceeds of \$2,698.2 million net of \$11.4 million in issuance fees.

As at November 30, 2025, the net proceeds from the Green Bonds were fully allocated to Eligible Projects that are Green Projects as described in the Framework.

2. BASIS OF ACCOUNTING

Net proceeds obtained from Hydro One Inc.'s Green Bonds will be allocated or used to finance and/or refinance, in whole or in part, new and/or existing Eligible Projects that are Green Projects pursuant to the Framework.

The Schedule of Use of Green Bonds Proceeds was prepared to report on the allocation of proceeds to the Eligible Projects that were approved under the Framework. The Schedule of Use of Green Bonds Proceeds was prepared to assist Hydro One Inc. in disclosing its use of proceeds allocation for the Green Bonds issued pursuant to the Framework. As a result, it may not be suitable for other purposes.