

ONTARIO 8-YEAR — \$2.75 BILLION DMTN CAD GREEN BOND

Background

- On July 27, 2021, the Province of Ontario priced a \$2.75 billion Green Bond, marking the largest ever single offering of a Canadian dollar Green Bond to-date.
- The transaction also represents the Province's tenth Green Bond offering and the Province's first Green Bond issue in 2021–22. It is the Province's fourth Green Bond issue offered in the Domestic Medium Term Note (DMTN) program.
- Ontario is the largest and most consistent issuer in the Canadian dollar Green Bond market, having issued \$10.75 billion since its inaugural issue in 2014.
- Eight projects have been selected as eligible to receive funding from the issue. This includes five Clean Transportation projects, two Energy Efficiency and Conservation projects and one project under the Climate Adaptation and Resilience framework category.
- Ontario strives to be a leader in its transparency and impact reporting efforts with the publication of its annual newsletter.

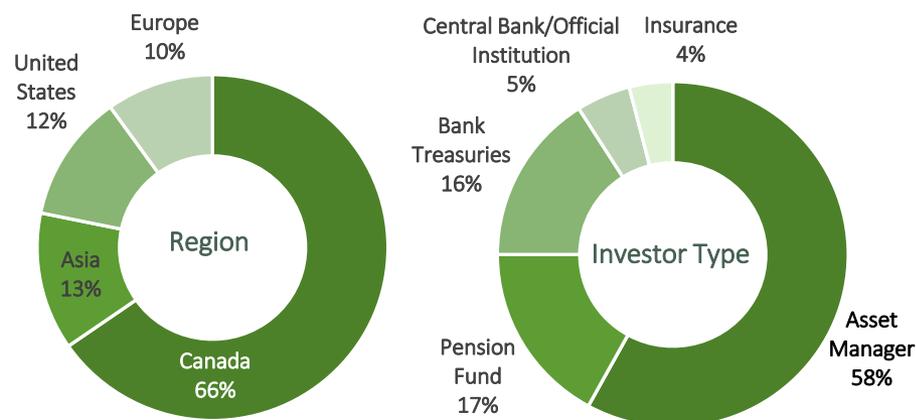
Execution Highlights

- The deal was officially announced on Monday, July 26, 2021, with initial spread guidance set in the context of the market, which was in the area of +59.0 bps.
- The transaction met with strong investor demand and the order book grew in excess of \$3.4 billion. This demand allowed for the issue to be priced slightly through Ontario's benchmark curve with the final size and spread set at \$2.75 billion and +58.0 bps.
- 62 investors participated in the trade with interest driven by Asset Managers (58%), Pension Funds (17%), Banks Treasuries (16%), Central Banks/ Official Institutions (5%) and Insurance (4%).
- North American investors made up the majority of regional demand (78%) highlighting the increasing number of North American funds with sustainable investing mandates and needs. Investors with Green mandates and/or UN PRI & PRB signatories represented 78% of overall sales.

Transaction Summary

Issuer:	Province of Ontario
Issuer Ratings:	Aa3/A+/AA-/AAL (all stable)
Size:	CAD 2.75 Billion
Coupon:	1.55%
Pricing Date:	July 27, 2021
Settlement Date:	July 29, 2021
Maturity Date:	November 1, 2029
Re-offer Spread:	+58.0 bps over the CAN 2.25% June 1, 2029
Re-offer Price:	\$99.752
Joint Bookrunners:	BMO Capital Markets RBC Capital Markets TD Securities

Investor Demand by Region and Investor Type



Note: Numbers may not add due to rounding.

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Ontario's Green Bond Framework

- Ontario's Framework aligns with [Ontario's Environment Plan](#).¹
- The Framework was developed in consultation with the Center for International Climate and Environmental Research — Oslo (CICERO) and is consistent with the Green Bond Principles.
- The Framework sets out the types of projects that may be eligible for proceeds from Green Bonds and excludes fossil fuel and nuclear energy projects. Eligible project categories include, without limitation:

-  Clean Transportation
-  Energy Efficiency and Conservation
-  Clean Energy and Technology
-  Forestry, Agriculture and Land Management
-  Climate Adaptation and Resilience

Use and Management of Green Bond Proceeds

- Proceeds are paid into the Consolidated Revenue Fund of Ontario.
- Proceeds are invested short-term in Government of Canada treasury bills.
- An amount equal to the net proceeds of each Green Bond issue is recorded in a designated account in the Province's financial records. These designated accounts are used to track the use and allocation of funds to eligible projects.
- Green Bond projects are expected to be funded within one year from the date of issue.
- An assurance audit is performed by the Auditor General of Ontario verifying amounts allocated to selected projects and tracking the Green Bond proceeds. This assurance audit is expected within a year of the issue date. The most recent assurance audit was completed on December 11, 2020.

Eligible Projects for Ontario's Tenth Green Bond

Clean Transportation

Eglinton Crosstown
Light Rail Transit (LRT)

GO Expansion

Finch West LRT

Hurontario LRT

Ontario Line Subway

Energy Efficiency & Conservation

Macdonald Block Reconstruction

New Toronto Courthouse

Climate Adaptation & Resilience

Port Lands Flood Protection

United Nations Sustainable Development Goals

- Ontario funds eligible Green Bond projects within Framework categories which primarily support the following UNSDGs:



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.

Note 1: Examples of eligible projects have expanded to align with Ontario's Environment Plan, Preserving and Protecting our Environment for Future Generations: A Made-in-Ontario Environment Plan.