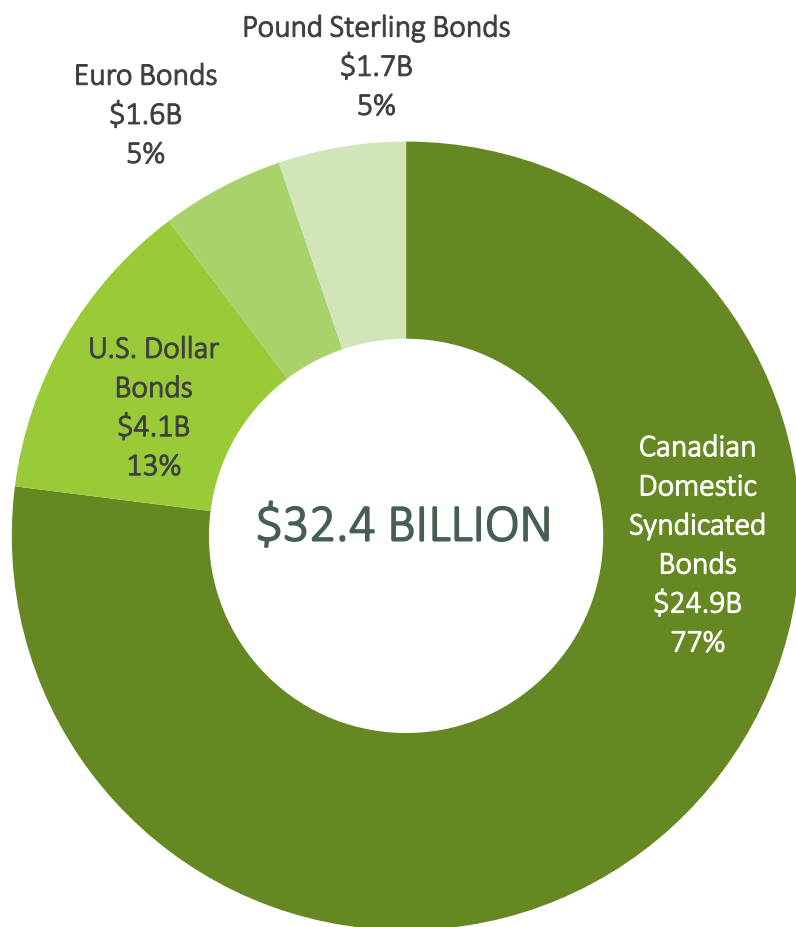




Province of Ontario

 GREEN BOND PRESENTATION

2020–21 BORROWING PROGRAM

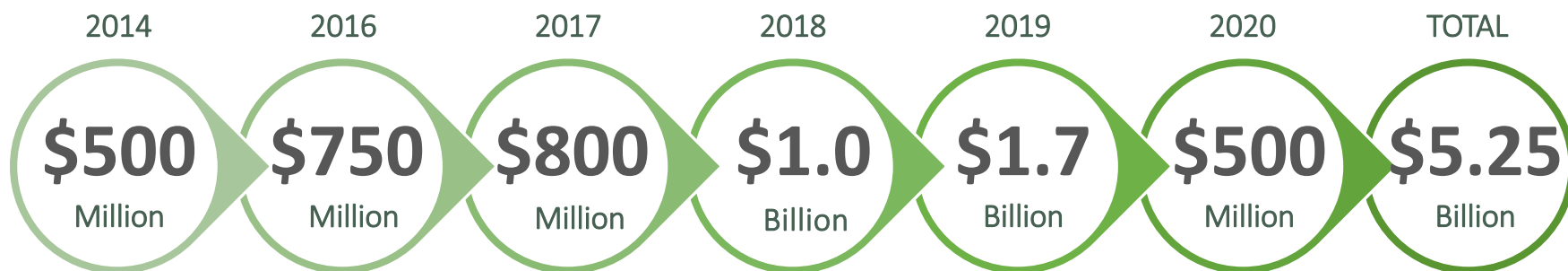


2020–21 Borrowing Status

Total Borrowing Requirement:	\$52.1 B
Borrowing Completed:	\$32.4 B (62.1%)
Domestic:	77%
International:	23%
Average Term:	12.3 years

ONTARIO'S GREEN BOND PROGRAM

- In November 2018, Ontario's Environment Plan¹ included the Green Bond program as an initiative in place to address Climate Change.
- Ontario is currently the largest issuer of Canadian dollar Green Bonds:



Ontario's Previous Green Bond Issues:

Format

Global Canadian dollar

Domestic Medium Term Note

Listing

Luxembourg Stock Exchange Euro MTF

Luxembourg Green Exchange

Green Bond Indices

Bloomberg Barclays MSCI Green Bond Index

ICE BofA Merrill Lynch Green Bond Index

S&P Green Bond Index

Solactive Green Bond Index

Note 1: Preserving and Protecting our Environment for Future Generations: A Made-in-Ontario Environment Plan (Ontario's Environment Plan).

ONTARIO'S GREEN BOND PROGRAM

- Ontario is a member of the Green Bond Principles (GBP) group, maintained by the International Capital Market Association.
- 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
- Ontario remains committed to the Green Bond market, and expects to continue issuing Green Bonds in the coming years.

The Province of Ontario intends to launch its next Green Bond issue in the near future, subject to market conditions.

USE AND MANAGEMENT OF PROCEEDS

- Green 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 Green 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.
- Green Bond projects are expected to be funded within one year from the date of issue.

Assurance Audit

- An assurance audit is performed by 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 29, 2019.

External Review

- Ontario's Green Bond Framework was developed in consultation with the Center for International Climate and Environmental Research — Oslo (CICERO) and is consistent with the Green Bond Principles.

ONTARIO'S GREEN BOND FRAMEWORK

- Ontario's Green Bond Framework aligns with Ontario's Environment Plan.¹
- The Green Bond 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

- Public transit initiatives



Energy Efficiency and Conservation

- Public sector building efficiency improvements
- Buildings meeting recognized building codes



Clean Energy and Technology

- Smart grid infrastructure and energy storage
- Renewable investments (production, transmission, appliances, products)



Forestry, Agriculture and Land Management

- Sustainable forest management
- Preservation and restoration of natural landscapes



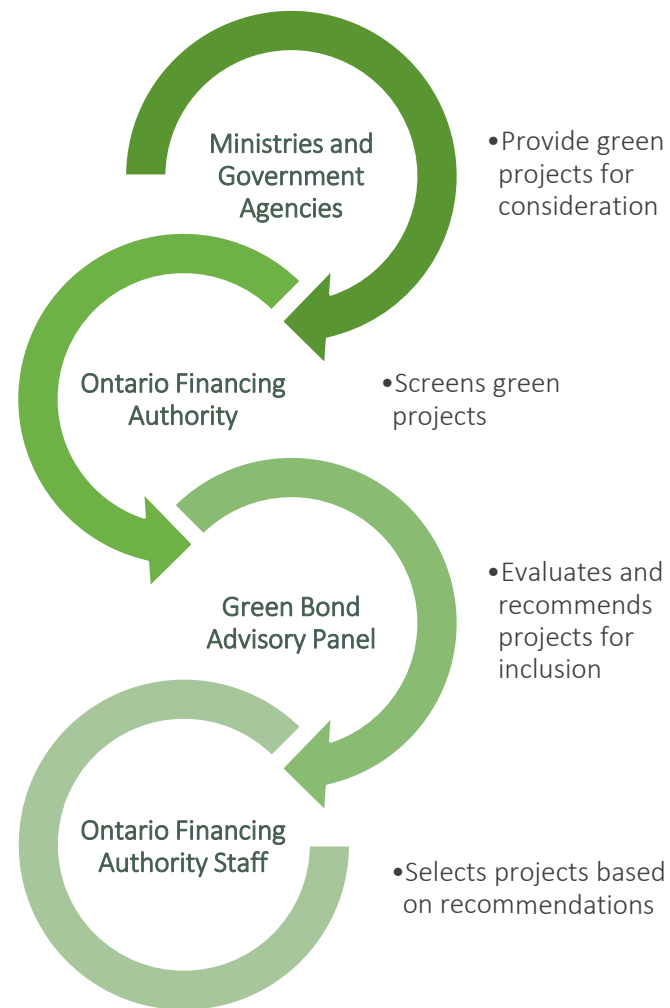
Climate Adaptation and Resilience

- Flood protection and storm water management, extreme weather resistant infrastructure

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

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 Green Bond Advisory Panel (GBAP).
- The GBAP, which includes staff from various ministries and agencies, including the Ministry of the Environment, Conservation and Parks and the OFA, evaluates and recommends projects for inclusion in Ontario's Green Bond program based on selection criteria including:
 - Environmental project assessment considerations, including measurable results or other performance indicators clearly outlining the environmental benefits and features of each project;
 - Funding requirements that occur within a period of 6 months prior to and 12 months following the issue of the Green Bond; and
 - An ability to track the progress and funding of the selected projects.



ELIGIBLE PROJECTS

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

Clean Transportation

GO Expansion

Finch West Light Rail Transit (LRT)

Energy Efficiency & Conservation

Cortellucci Vaughan Hospital
(formerly Mackenzie Vaughan Hospital)

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 UNSDGs listed below:



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.

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**

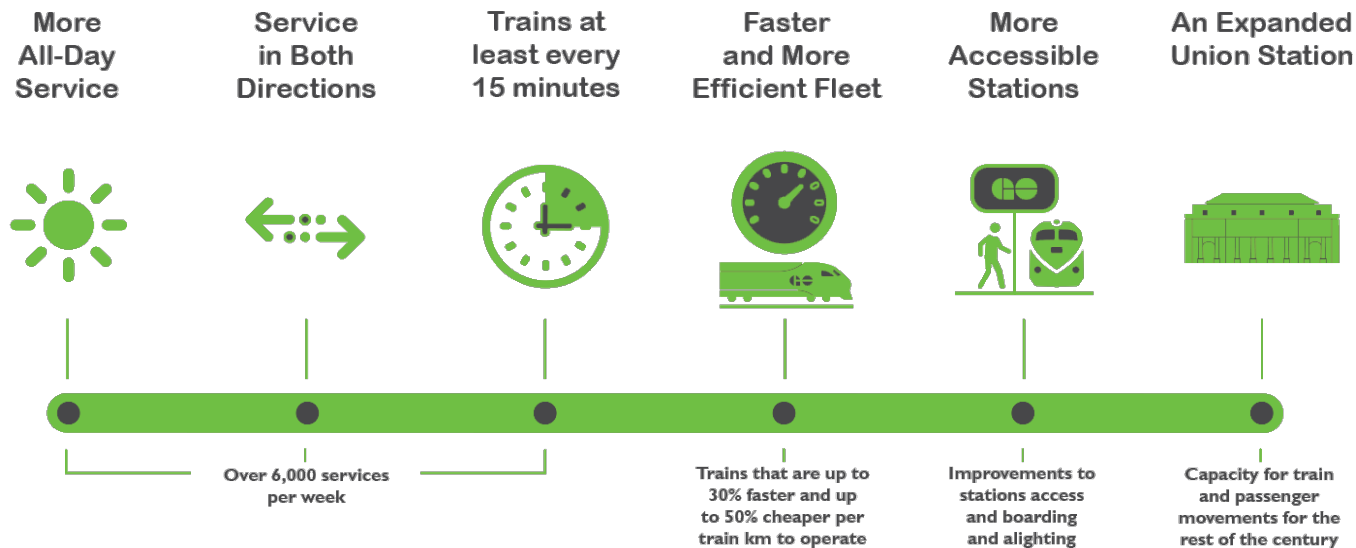
GO EXPANSION

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 greenhouse gas (GHG) emissions and criteria air contaminants (CACs).
- New facilities will be minimum LEED Silver and are targeting LEED Gold certification where possible.

Other Benefits

- The GO Expansion will also provide a range of improvements across the Greater Toronto and Hamilton Area:



FINCH WEST LRT

Project Description

- A \$1.2 billion (2010\$) capital commitment to expand transit in Toronto through the building of an 11-kilometre LRT line along the Finch West Corridor.

Environmental Highlights

- Transition from diesel buses to electric light rail vehicles contributes to decreasing GHG emissions and CACs, manage traffic congestion, and encourage mode shift from auto trips to transit trips.
- New stations and facilities are aiming to meet LEED Silver certification.



CORTELLUCCI VAUGHAN HOSPITAL

Project Description

- Formerly known as the Mackenzie Vaughan Hospital, this project is a 1.2 million square foot hospital including: a state-of-the-art emergency department, modern surgical services and operating rooms, advanced diagnostic imaging, and specialized ambulatory clinics.
- Substantial completion achieved in August 2020.

LEED Certification

- Targeting LEED Silver Certification.



PORT LANDS FLOOD PROTECTION

Project Description

- The first project to receive Green Bond funding in the Climate Adaptation & Resilience category.
- A \$1.25 billion project for flood protecting southeastern portions of downtown Toronto that are at risk of flooding under a provincially defined Regulatory Storm event. There are four major components to the project: parks, roads and municipal infrastructure, bridges, and earthworks/flood protection. Expected completion is in 2024.
- The project involves excavating a new river valley that has the capacity to handle large volumes of flood water and creating a naturalized mouth for the Don River in the Port Lands. The project also includes structures to control water flow and manage sediment and debris, transit infrastructure to support future development, new parks, and aquatic habitat.

Environmental Highlights



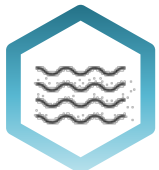
240 hectares of land protected from flooding



30 hectares of naturalized greenspace



11 hectares of parkland



More than **1,000 metres** of a new river channel



5 hectares of terrestrial habitat to strengthen biodiversity and help clean water



11 hectares of new coastal wetland



1,000,000 plants will be installed to create the lush, varied habitats throughout the new river valley

IMPACT REPORTING

- Since 2015, Ontario has published an annual Green Bond Newsletter with its most recent released on December 9, 2019. The newsletter provides:
 - An overview of the process for project evaluation and selection
 - The total funds allocated to projects and amounts
 - Updates on selected projects
 - A link to the assurance audit performed by the Auditor General of Ontario
 - Projected environmental benefits
- 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 uses widely recognized core indicators for its projects and expects to adopt any future impact reporting recommendations of the GBP.

SUMMARY

- Ontario has a mature Green Bond program and expects Green Bonds to continue having an important role in the Province's annual borrowing.
- Ontario strives to be a leader in its transparency and impact reporting efforts with the publication of its annual newsletter.
- Four projects are expected to receive funding from the next issue, including two in Clean Transportation, one in Energy Efficiency & Conservation, and one in Climate Adaptation & Resilience.

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