



QUÉBEC GREEN BOND FRAMEWORK

QUÉBEC GREEN BONDS

- Green bonds (GBs) issued by the province of Québec are used to raise capital for specific projects that generate tangible benefits for protecting the environment, reducing GHG emissions or adapting to climate change in Québec.
- Projects must comply with Québec’s environmental protection statutes and regulations.

ELIGIBLE GREEN PROJECTS

- The term “eligible projects” refers to a group of selected projects that offer tangible environmental benefits for protecting the environment, reducing GHG emissions or adapting to climate change in Québec.
- Electricity generation projects involving fossil fuels and nuclear energy are excluded.
- Unless otherwise stated, eligible projects must be included in the Québec Infrastructure Plan (QIP), so as to comply with government policy directions for public debt management. In order for a project not included in the QIP to be exceptionally eligible, it must have been approved by the government and already be taken into account in its financial framework.
- Eligible green projects must fall into the categories specified in the table below, and are not limited to the examples listed.

CATEGORIES AND EXAMPLES OF ELIGIBLE PROJECTS

| CATEGORY | EXAMPLE |
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| PUBLIC TRANSIT | <ul style="list-style-type: none"> – Funding of new public transit projects – Improvement of the efficiency of existing public transit fleets, through upgrades or replacements |
| ENERGY EFFICIENCY | <ul style="list-style-type: none"> – Energy retrofits to public sector buildings – Improvement of combustion and industrial process efficiency |
| RENEWABLE ENERGY | <ul style="list-style-type: none"> – Increase in the production of hydro-electricity; biomass, biofuel and geothermal energy; and solar and wind power |
| SUSTAINABLE WASTE MANAGEMENT | <ul style="list-style-type: none"> – Methane capture and destruction – Development of organic waste treatment facilities using biomethanation and composting |
| SUSTAINABLE LAND DEVELOPMENT | <ul style="list-style-type: none"> – Implementation of intermodal projects to reduce emissions generated by passenger and freight transportation – Development of pedestrian pathways and bike paths |
| WATER MANAGEMENT AND/OR WATER TREATMENT | <ul style="list-style-type: none"> – Construction of wastewater treatment plants – Water and dam management |
| FOREST, AGRICULTURAL LAND, AND LAND MANAGEMENT | <ul style="list-style-type: none"> – Reforestation – Sustainable forest management |
| CLIMATE ADAPTATION AND RESILIENCE | <ul style="list-style-type: none"> – Protection against heat islands – Infrastructure strengthening to deal with the impact of climate change |

SELECTION PROCESS AND SELECTION OF ELIGIBLE PROJECTS

- The Green Bond Advisory Committee (GBAC) is comprised of representatives from various government departments and agencies, including the Ministère des Finances, the Ministère de l'Environnement et de la Lutte contre les changements climatiques, the Ministère des Transports, the Secrétariat du Conseil du Trésor and the Société Québécoise des infrastructures.
- The GBAC adopts the selection process and selects projects from among the ones considered eligible that comply with the strict policies and standards of the Québec government (see the appended list of laws and regulations).
- During the funding process, the Ministère des Finances decides which projects selected by the GBAC will be included in the GB.

TRANSPARENCY AND REPORTING

- An amount from the general fund of the province of Québec, equal to the net proceeds from the GB issue, is credited to a designated account, in order to track the use and allocation of funds relating to eligible projects. As long as the account balance is positive, amounts equivalent to the funds disbursed are deducted from the balance of the designated account as the funds are allocated to eligible projects approved under this framework.
- The province promotes its initiative to issue GBs in a dedicated section of the MFQ website. It publishes investor information annually on:
 - the progress in green bond projects;
 - fund allocations to green bond projects;
 - the tangible benefits for protecting the environment, reducing GHG emissions or adapting to climate change in Québec;
 - any other relevant aspect.