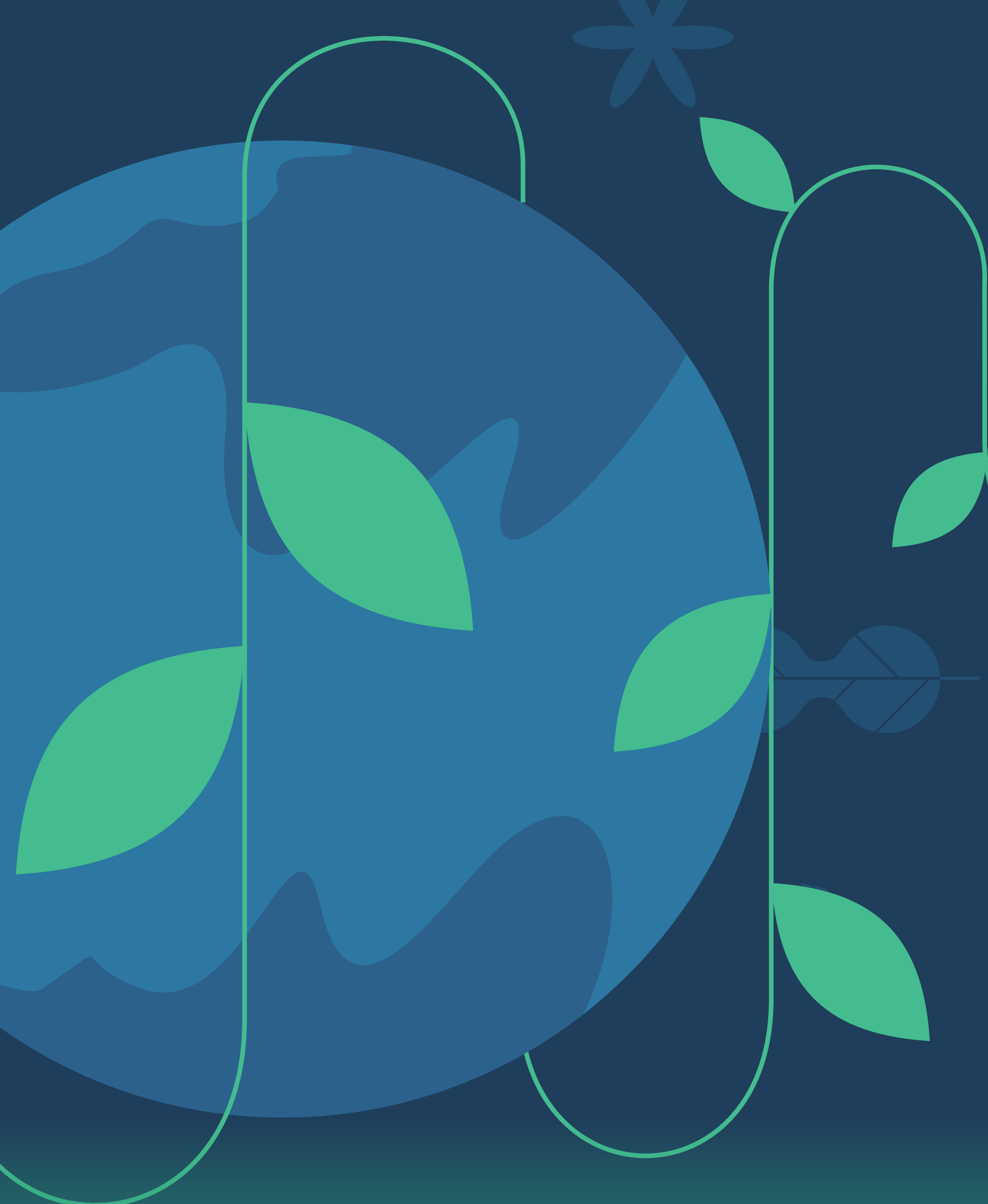


Green Bond Newsletter

Province of Québec
November 2025

Votre gouvernement

Québec

Québec Green Bond program

Québec's Green Bond program draws on the Green Bond Principles (GBP).

A member of the GBP group since October 2018, Québec has committed to publishing an annual information bulletin for investors.

To demonstrate its commitment to protecting the environment and developing the Green Bond market, Québec put in place, in February 2017, a Green Bond program, and updated its framework in July 2022.

- As at March 31, 2025, the Québec government has launched nine Green Bond issues. It is committed to being a regular issuer on this market.
- Québec is advertising its Green Bond program in a dedicated section of the Ministère des Finances website: www.finances.gouv.qc.ca/department/financing/green_bonds/.

Second Opinion on Québec's Green Bond Framework

- Shades of Green (formerly part of CICERO[1]) issued an independent opinion on the framework and the selection process of Québec's Green Bond program.
- Québec's Green Bond framework was awarded the highest possible rating - dark green.
- The most recent version of Shades of Green's Second Opinion is available on the Ministère des Finances website. Consult the document from Shades of Green at www.finances.gouv.qc.ca/documents/Autres/en/AUTEN_SecondOpinionCICERO_GB.pdf.

1 On December 1, 2022, S&P Global acquired Shades of Green from CICERO.

Québec Green Bond issues

Nine issues
Total amount of issues: CAD 5.7 B

● Matured ● Current

July 6, 2025
CAD 500 M
Pricing on June 28, 2018

February 13, 2027
CAD 500 M
Pricing on February 6, 2020

May 27, 2031
CAD 500 M
Pricing on May 19, 2021

May 20, 2032
CAD 1 B
Pricing on May 13, 2022

November 22, 2032
CAD 1.4 B
- **Pricing on November 15, 2022 CAD 800 M**
- **Pricing on June 8, 2023 CAD 600 M**

March 3, 2022
CAD 500 M
Pricing on February 24, 2017

March 1, 2023
CAD 500 M
Pricing on February 22, 2018

February 22, 2024
CAD 800 M*
Pricing on February 14, 2019

Note: As at March 31, 2025.
*Environmental Finance Bond Awards 2020 – Green Bond of the Year – Local authority/Municipality.

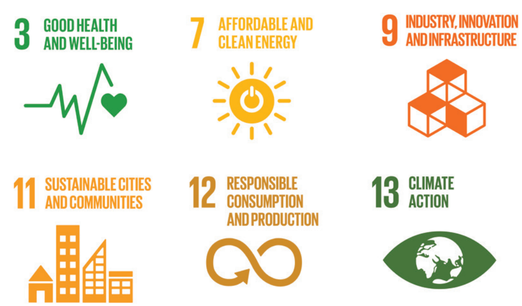
Format: GLOBAL (five first issues) and MTN CAN (last four issues and upcoming issues)

Stock exchange
Luxembourg Green Exchange (LGX) – Euro MTF Market

Inclusion in green indexes
Bloomberg Barclays MSCI Green Bond Index
ICE BofA Merrill Lynch Green Bond Index
Solactive Green Bond Index
S&P Green Bond Index

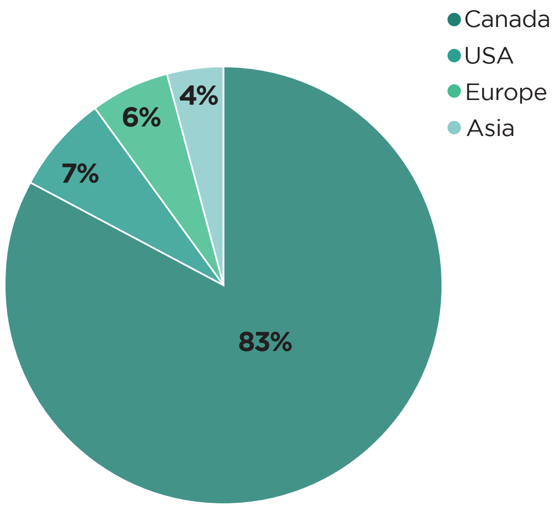
Categories of projects funded to date:
Clean Transportation and Green Buildings (LEED Gold project)

Alignment with the United Nations' sustainable development goals

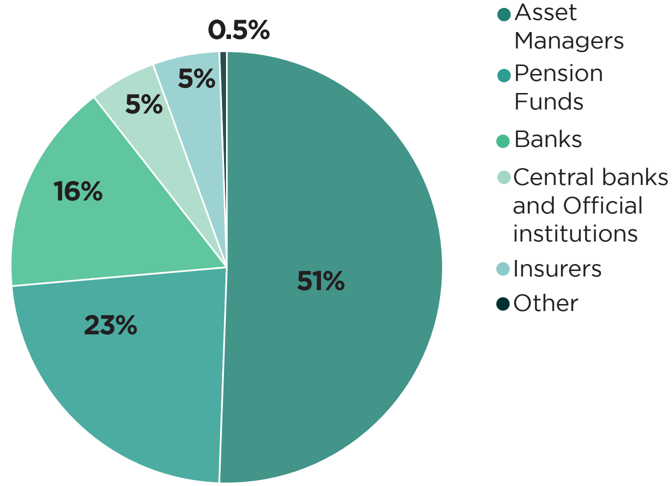


Global statistics of Québec's nine green bond issues

Geographic Distribution



Investors' Distribution



Investors with Green Mandates or signatories of the UN PRI

Note: The acronym UN PRI stands for United Nations Principles for Responsible Investment.

Use and allocation of proceeds from Québec Green Bonds

Use of proceeds as at March 31, 2025

Balance as at March 31, 2024		**CAD 30 661 000**
Balance from the ninth Green Bond issue (CAD 30 661 000)		
Proceeds used for the Réno-Systèmes project	(CAD 30 661 000)	
Balance as at March 31, 2025		**CAD 0**

Photo: Julien Perron-Gagné

Distribution of the use of proceeds as at March 31, 2025

Total net proceeds from Green Bond issues: CAD 5 675 906 000

Amount paid for the REM:
CAD 1 199 020 000 (21.2%)

Amount paid for AZUR:
CAD 1 109 550 000 (19.6%)

Amount paid for the Blue line extension:
CAD 710 835 000 (12.5%)

Amount paid for Réno-Infrastructures:
CAD 484 300 000 (8.5%)

Amount paid for Réno-Systèmes:
CAD 459 416 000 (8.1%)

Amount paid for Accessibility program:
CAD 262 900 000 (4.6%)

Amount paid for the Bellechasse bus garage:
CAD 238 430 000 (4.2%)

Amount paid for the Ville de Québec's structuring public transit network[1]:
CAD 201 047 000 (3.5%)

Amount paid for electric or hybrid[2] buses:
CAD 174 088 000 (3.1%)

New green financings: CAD 4 839 586 000 (85.3%)

Refinancing of the portion of AZUR initially financed with conventional bonds:
CAD 152 320 000 (2.7%)

Refinancing of the portion of AZUR initially financed with matured Green Bonds:
CAD 626 375 000 (11.0%)

Refinancing of the portion of Réno-Infrastructures initially financed with matured Green Bonds:
CAD 57 625 000 (1.0%)

Refinancings: CAD 836 320 000 (14.7%)

[1] On June 13, 2024, following an analysis conducted by the Caisse de dépôt et placement du Québec (CDPQ Infra), the government authorized the completion of the first phase of the new structuring public transit network project, namely a 19-km tramway line. According to information received by the Ville de Québec, the amounts already paid through Green Bonds will be used for this new structuring project.

[2] Since June 2022, the Green Bond program no longer finances hybrid buses, only electric buses.

Allocation of Green Bond proceeds by project as at March 31, 2025

(millions of dollars, unless otherwise indicated)

	Project name	Total cost authorized	Québec's participation	Financed with Green Bonds	% of the total cost of the project	Refinancing[1]	Total
Clean Transportation	Réseau express métropolitain (REM)	6 900.00	1 280.00	1 199.02	17.4%	—	**1 199.02**
	AZUR	2 583.90	1 779.90	1 109.55	42.9%	778.70	**1 888.25**
	Blue line extension	7 533.90	4 905.70	710.84	9.4%	—	**710.84**
	Réno-Infrastructures	1 456.00	1 055.30	484.30	33.3%	57.63	**541.93**
	Réno-Systèmes	2 471.80	1 683.10	459.42	18.6%	—	**459.42**
	Accessibility program	685.30	472.50	262.90	38.4%	—	**262.90**
	Ville de Québec's structuring public transit network[2]	3 965.00	2 197.50	201.05	5.1%	—	**201.05**
	Electric or hybrid[3] bus purchase	2 048.70	1 029.50	174.09	8.5%	—	**174.09**
	Bus garage electrification	1 341.90	973.00	—	0.0%	—	**—**
	Subtotal – Clean Transportation						**5 437.48**
Green Buildings	Bellechasse bus garage	584.40	444.40	238.43	40.8%	—	**238.43**
	East end of Montréal bus garage	315.40	270.50	—	0.0%	—	**—**
	Subtotal – Green Buildings						**238.43**
Total		**29 886.30**	**16 091.40**	**4 839.59**		**836.32**	**5 675.91**

Note: Totals may not add due to rounding.

(1) Québec can refinance unamortized borrowings from existing projects. For example, a project with a 15-year amortization period financed with a 5-year Green Bond issue could be refinanced with Green Bonds. Conversely, a project with a 5-year amortization financed with a 5-year Green Bond issue cannot be considered for refinancing. Consequently, matured Green Bonds will not be refinanced without the refinancing of a project being associated with it.

(2) On June 13, 2024, following an analysis conducted by the Caisse de dépôt et placement du Québec (CDPQ Infra), the government authorized the completion of the first phase of the new structuring public transit network project, namely a 19-km tramway line. According to information received by the Ville de Québec, the amounts already paid through Green Bonds will be used for this new structuring project.

(3) Since June 2022, the Green Bond program no longer finances hybrid buses, only electric buses.

Financed projects

Update

- Réno-Systèmes and Réno-Infrastructures

Réno-Systèmes and Réno-Infrastructures

Projects' description

The Réno-Systèmes program attends to the replacement, construction or refurbishment of the Montréal métro network's operational stationary equipment, while the Réno-Infrastructures program attends to the replacement or refurbishment of the infrastructure related to the métro's network. These two programs aim to optimize investments by using them as leverage to improve service quality and safety as well as the financial and operational performance of the Montréal métro's network.

The two projects are essential to maintaining the métro service and are closely linked to the AZUR métro car acquisition project, partly funded through Québec Green Bond issues.

Advantages

Réno-Systèmes

- Improvement in the reliability, availability and safety of the métro network's operational stationary equipment (fewer service outages)
- Improvement in communications with clients (public address system and visual) and network monitoring
- Improvement in response times in the event of a service outage and reduction in their occurrence
- Improvement in universal accessibility
- Upgrading of systems and equipment

Réno-Infrastructures

- Maintenance of the infrastructure's resilience and reliability
- Maintenance of the métro network's availability and safety
- Upgrading of infrastructure

Estimated benefits for the environment

- Société de transport de Montréal

Société de transport de Montréal (STM)

The STM is a major player in the fight against climate change. According to a study carried out in 2016, for every tonne of greenhouse gases (GHG) emitted by the STM, 20 were avoided. In addition to this regional contribution, the STM aims to set an example by reducing its own emissions and by being a leader in the field of sustainable mobility.

Total GHG emissions

Progress toward carbon neutrality in operations

Total GHG emissions decreased by 0.7% compared to 2023, to 135 743 t CO_2 eq. These results are mainly due to:

- the 11.4% decrease in gas consumption for heating surface buildings. This result was influenced by a milder winter and improved performance at the Stinson transportation centre, but also by increased consumption at the Legendre transportation centre, due in particular to the start-up of steam boilers installed in its expansion;
- the 1.6% increase in GHG emissions from buses related to fuel consumption due, in particular, to the 2.4% increase in the number of kilometres travelled by buses and an increase in the proportion of services provided by electric or hybrid buses;
- the 8.3% increase in GHG emissions paratransit cabs due to an 11.2% increase in kilometres travelled.

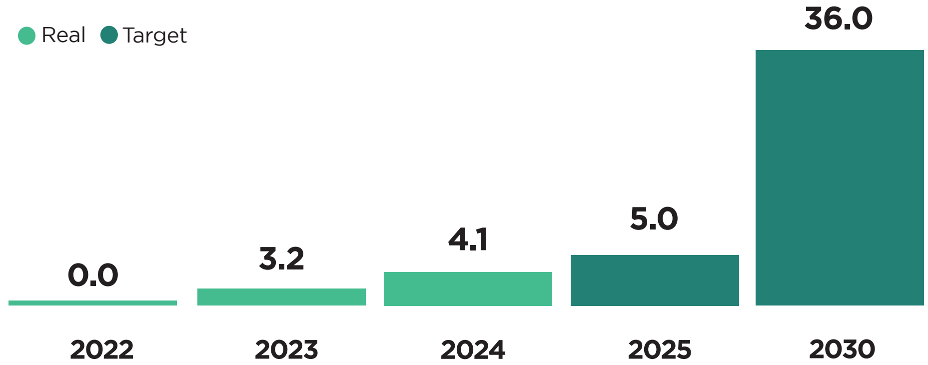
Total GHG emissions by type of emissions

(t CO_2 eq., unless otherwise indicated)

	Reference year 2015	2022	2023	2024	Difference 2023-2024
Level 1: Direct emissions	160 631	137 010	132 668	131 412	–-0.9%
Level 2: Emissions – Electricity	402	234	232	235	1.0%
Level 3: Indirect emissions – Paratransit cabs	3 804	3 038	3 783	4 096	8.3%
Total emissions	**164 837**	**140 282**	**136 683**	**135 743**	**–-0.7%**

The rate of progress toward carbon neutrality in operations* by 2040 has reached 4.1%. This rate refers to the reduction compared to 2022 emissions.

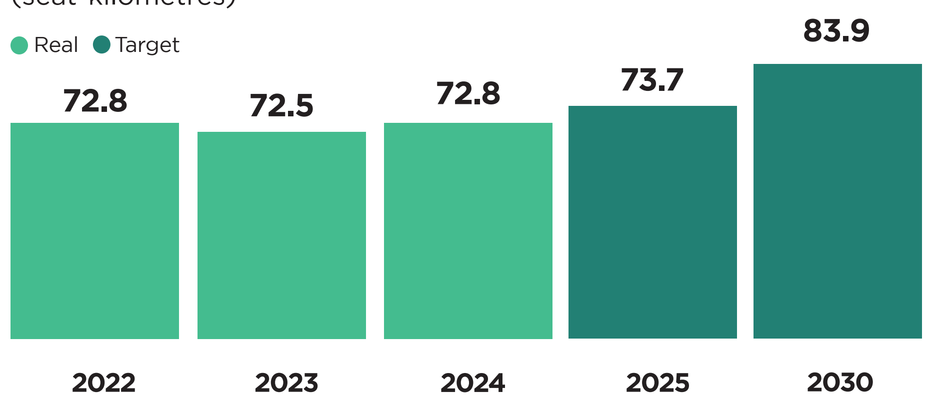
Rate of progress toward carbon neutrality in operations*
(per cent)



* According to GHG Protocol standards, emissions from operations include only Level 1 and Level 2 GHG emissions.
Level 1: direct emissions from STM buildings and vehicles.
Level 2: emissions related to the production of electricity consumed by the STM.

The proportion of overall service provided by electric vehicles has remained stable since 2022, at 72.8%.

Proportion of overall service provided by electric vehicles
(seat-kilometres)



Reducing GHG emissions from buses

In preparation for a call for tenders to be launched in 2025, work was carried out to redefine selection criteria for renewable fuels in line with the STM' carbon neutrality objectives.

During the year, the STM put pre-production models of 100% electric buses through a series of tests focusing, in particular, on optimizing electric or diesel heating while considering the impact on battery range and life, as well as optimal power and recharge time.

Reprogramming the transmission control software of certain buses should reduce fuel consumption by 4% to 6%, which represents an estimated reduction of 6 600 tonnes of GHG over the buses' lifetime.

Electrification of service vehicles and locotractors

The electrification rate of the service vehicle fleet reached 37.8%:

- It is 25% for light-duty road vehicles. In 2024, 18 fully electric light-duty vehicles were added to the fleet as part of the renewal of vehicles at the end of their useful life.
- It reaches 81% for non-road service vehicles.

The commissioning of electric locotractors to replace diesel-powered models continued, increasing the proportion of electric vehicles used for tunnel work from 20.5% in 2023 to 32.6% in 2024.

	2022	2023	2024
Total GHG from buses (t CO_2 eq.)	105 743	103 797	105 475
Electrification rate of the service vehicle fleet	n/a	n/a	37.8%

Note: The emission factors used for the GHG emissions inventory were updated following the publication of the *National Inventory Report 1990-2022: greenhouse gas sources and sinks in Canada* and Hydro-Québec's *GHG Emission Rate Associated with Residual Electricity Supplies, 1990-2023.*

Find out more:

- Société de transport de Montréal, Sustainable Development Reports for 2024 (French only)(PP. 36-54 of the Annual Reports for 2024)
- Société de transport de Montréal, Complete Table of Sustainable Development Indicators for 2015-2024 (French only)

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Green Bond Newsletter

Province of Québec
November 2025

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