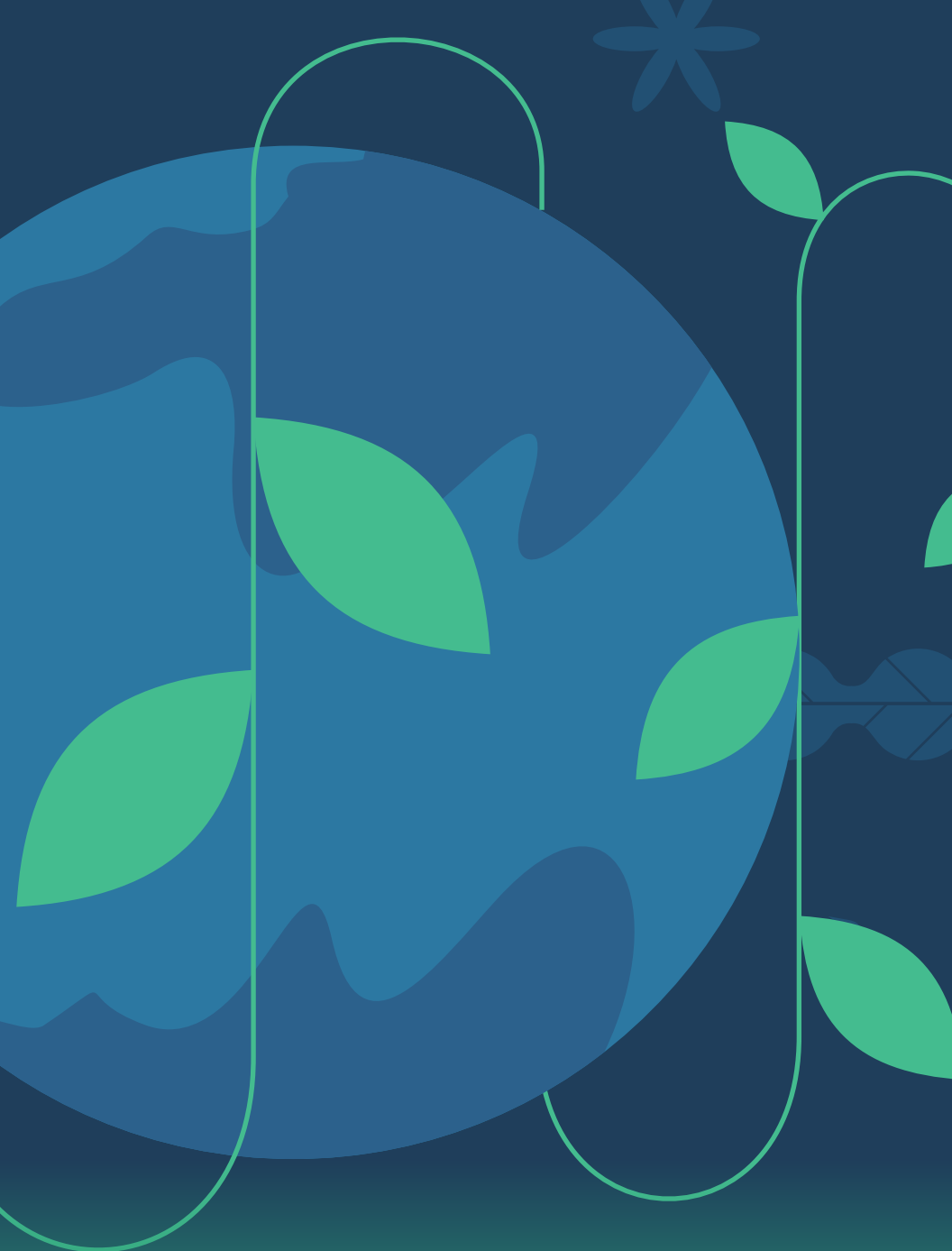




Green Bond Newsletter

Province of Québec
September 2026

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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. The framework, which was updated in July 2022, is currently under review and will be updated again in the near future.

- As at March 31, 2026, the Québec government has launched nine Green Bond issues.
- Québec promotes its [Green Bonds Program](#) in a dedicated section of the government's Québec.ca Web platform.



Second Opinion on Québec's Green Bond Framework

- Shades of Green (formerly part of CICERO¹) 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 Québec.ca.

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**



Note: As at March 31, 2026.

*[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:

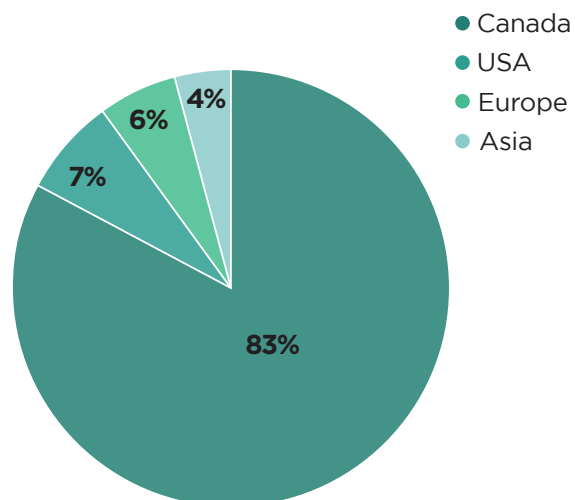
Clean Transportation and
Green Buildings (LEED
Gold project)

Alignment with the United Nations' sustainable development goals

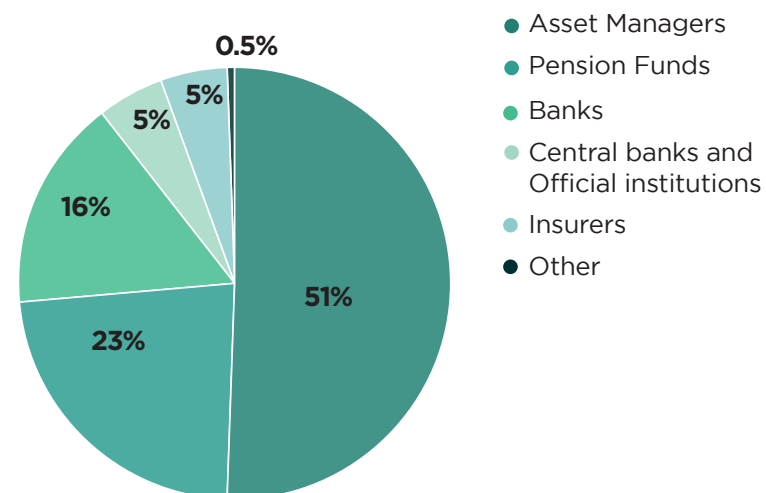


Global statistics of Québec's nine green bond issues

Geographic Distribution



Investors' Distribution



Investors with Green Mandates or signatories of the UN PRI



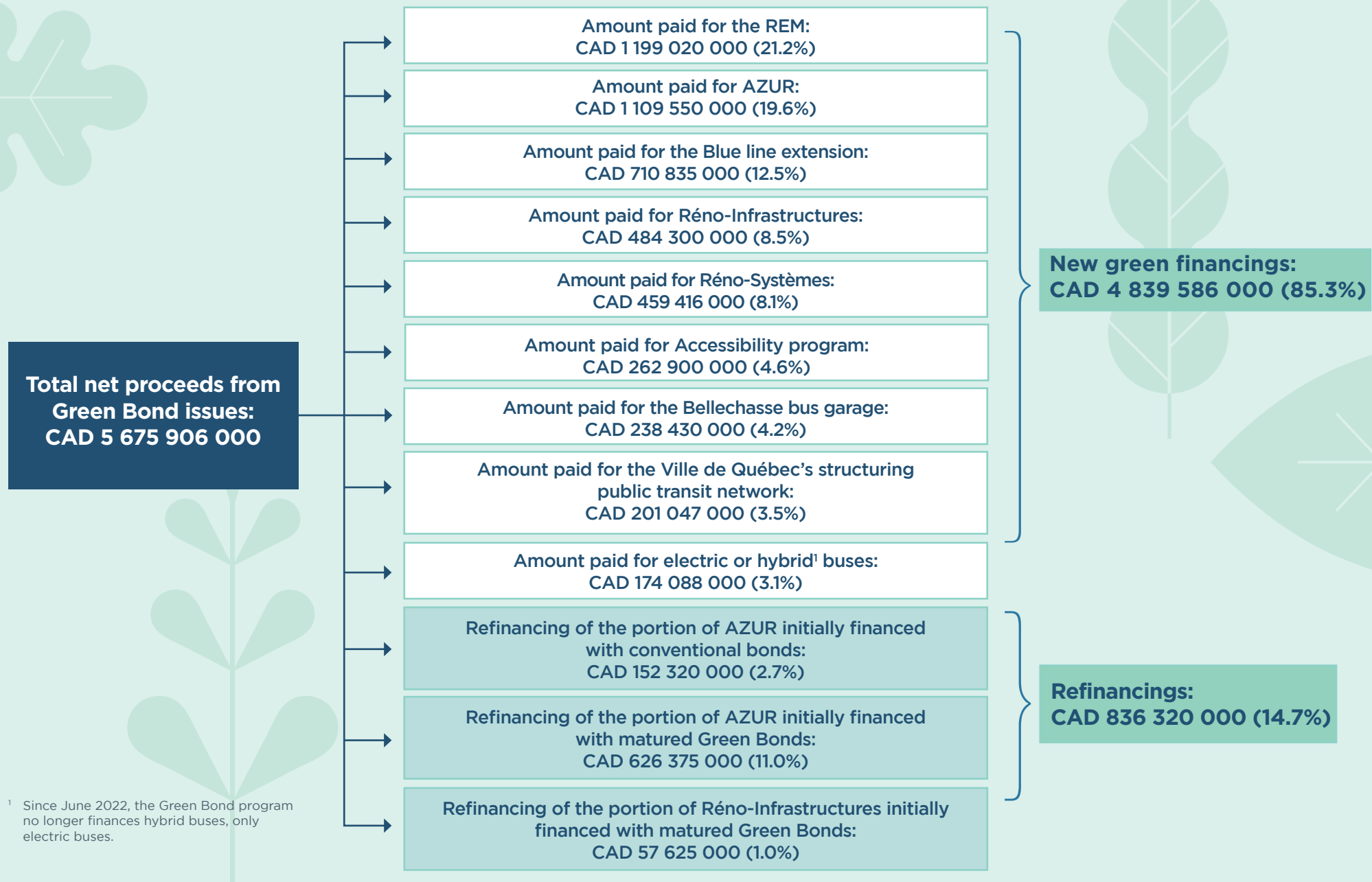
Note: The acronym UN PRI stands for United Nations Principles for Responsible Investment.

Use and allocation of proceeds from Québec Green Bonds

Since March 31, 2025, 100% of the net proceeds from Green Bonds issues (CAD 5.7B) have been allocated to eligible projects.



Distribution of the use of proceeds per project as at March 31, 2026



Allocation of Green Bond proceeds by project as at March 31, 2026

(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	2 529.60	1 740.90	1 109.55	43.9%	778.70	1 888.25
	Blue line extension	7 534.00	5 028.90	710.84	9.4%	—	710.84
	Réno-Infrastructures	1 448.40	1 037.90	484.30	33.4%	57.63	541.93
	Réno-Systèmes	2 429.60	1 632.60	459.42	18.9%	—	459.42
	Accessibility program	656.40	461.10	262.90	40.1%	—	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	2 056.10	1 211.20	174.09	8.5%	—	174.09
	Bus garage electrification	1 221.80	625.30	—	0.0%	—	—
	Blue line train control system ⁽⁴⁾	551.60	275.70	—	0.0%	—	—
	Subtotal - Clean Transportation						5 437.48
Green Buildings	Bellechasse bus garage	584.40	442.60	238.43	40.8%	—	238.43
	Subtotal - Green Buildings						238.43
Total		29 876.90	15 933.70	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 December 16, 2024, the Québec government, the Ville de Québec and the Caisse de dépôt et placement du Québec (through its subsidiary CDPQ Infra) announced the signing of agreements formalizing their partnership for the planning of the tramway component of Phase 1 of the Circuit intégré de transport express (CITÉ) plan. Work to relocate public utilities has intensified since spring 2026. At the government's initiative, excavation work for the tunnel entrance on René-Lévesque Boulevard was brought forward to summer 2026, which will help keep the project on schedule.
- (3) Since June 2022, the Green Bond program no longer finances hybrid buses, only electric buses.
- (4) The project will replace the fixed-block train control system across the entire Blue Line with a Communications-Based Train Control (CBTC) system. Its objectives are to reduce the asset maintenance backlog, significantly improve the user experience, ensure reliable service by delivering the promised level of service, maintain a 99.9% metro service delivery rate by reducing the risk of parts shortages and associated breakdowns, and address the risk of obsolescence of the Blue Line's train control system.



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 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

GHG emissions trends

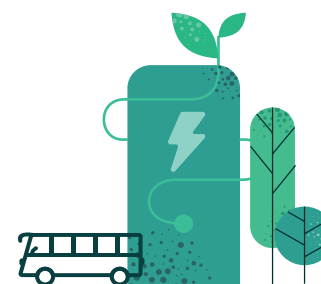
In 2025, total GHG emissions remained stable, decreasing by 0.3% compared with 2024, to 136 126 t CO₂ eq. These results are mainly attributable to:

- an 11.5% increase in natural gas consumption for heating above-ground buildings, mainly due to a colder winter. The energy consumption of these buildings continues to improve, with natural gas consumption per m²/heating degree-day decreasing by 18.5% in 2025 compared with the 2015–2024 historical average;
- a 2.9% decrease in GHG emissions from buses related to fuel consumption, mainly due to a 3% reduction in bus kilometres travelled. This decrease in kilometres travelled is attributable to the end of several mitigation measures that had been implemented to minimize disruptions caused by construction projects undertaken by the Ministère des Transports et de la Mobilité durable and by the construction of the REM;
- a 4.1% increase in GHG emissions from paratransit taxis due to a 12.2% increase in kilometres travelled, although this increase was partly offset by the growing electrification of the taxi fleet.

Total GHG emissions by type of emissions

(t CO₂ eq., unless otherwise indicated)

	Reference year 2015	2023	2024	2025	Difference 2024-2025
Level 1: Direct emissions	160 631	132 668	131 413	130 894	-0.4%
Level 2: Emissions – Electricity	402	232	970	967	-0.3%
Level 3: Indirect emissions – Paratransit cabs	3 804	3 783	4 096	4 265	4.1%
Total emissions	164 837	136 683	136 478	136 126	-0.3%

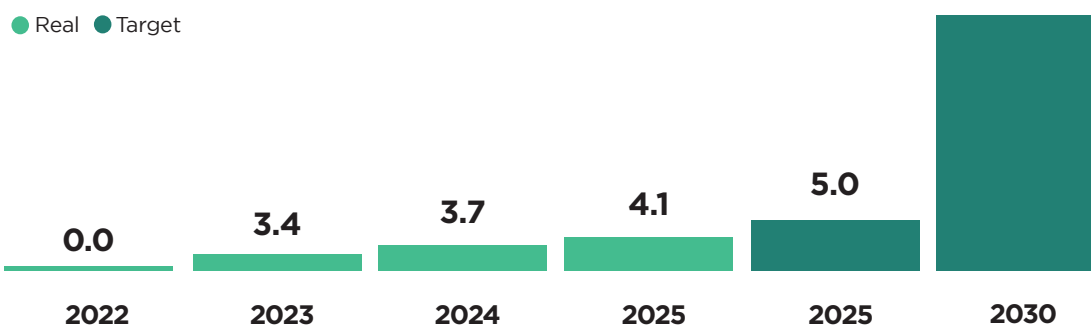


Progress toward carbon neutrality in operations

The pace of electrification of buses and service vehicles has been slower than expected, mainly due to the funding issues, which partly explains why two targets were not met.

- The rate of progress toward carbon neutrality in operations by 2040, which is calculated compared to their 2022 emissions, increased from 3.7% reduction in 2024 to 4.1% in 2025. However, the 5% target for 2025 has not been met. Despite the slight overall delay, some results taken in isolation – such as those pertaining to buildings – are proving to be more positive than anticipated;

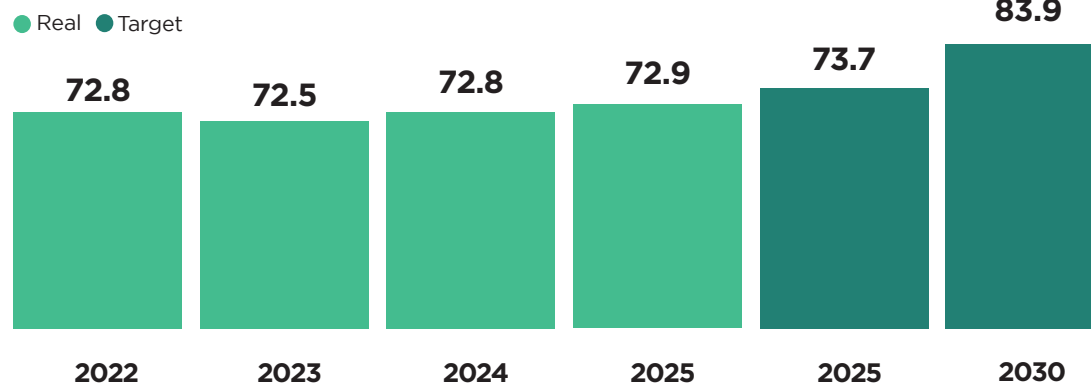
Rate of progress toward carbon neutrality in operations (per cent)



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

- The proportion of overall service provided by electric vehicles reached 72.9%, a slight increase of 0.1 percentage point compared to 2024, while the target set for 2025 was 73.7%.

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



Reducing GHG emissions from buses

In 2025, the STM coordinated a major fuel call for tenders on behalf of all members of the Association du transport urbain du Québec (ATUQ) and the City of Montréal. Following extensive discussions with industry stakeholders and partners, a contract was awarded, thus allowing for the use of a fuel blend containing up to 20% renewable fuel. Compared with the previous contract, this advancement has the potential to significantly reduce GHG emissions among participating transit agencies, including an estimated reduction of approximately 15 000 tonnes per year for the STM.

As part of its continuous improvement efforts, the STM continues to hold discussions with suppliers to assess the maturity of technologies that could eventually enable the use of lower-impact refrigerants in its buses.



Electrification of service vehicles and locotractors

The electrification rate of the service vehicle fleet increased from 37.8% in 2024 to 41.8% in 2025, mainly due to petrol vehicles being scrapped and not replaced.

The commissioning of electric locotractors to replace diesel-powered models continued, increasing the proportion of electric vehicles used for tunnel work from 32.6% in 2024 to 41.8% in 2025.

	2022	2023	2024	2025
Total GHG from buses (t CO₂ eq.)	105 743	103 797	105 475	102 532
Electrification rate of the service vehicle fleet	n/a	n/a	37.8%	41.8%

Note: The emission factors used for the GHG emissions inventory were updated following the publication of the *National Inventory Report 1990-2023: Greenhouse gas sources and sinks in Canada* and Hydro-Québec's *GHG Emission Rate Associated with Residual Electricity Supplies, 1990-2024*.

Find out more:

- [SOCIÉTÉ DE TRANSPORT DE MONTRÉAL, *Sustainable Development Reports for 2025 \(French only\)*\(PP. 48-71 of the Annual Reports for 2025\)](#)
- [SOCIÉTÉ DE TRANSPORT DE MONTRÉAL, *Sustainable Development Reports for 2025 - Table of Sustainable Development Indicators for 2015-2025 \(French only\)*](#)

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Green Bond Newsletter

Province of Québec
September 2026

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