



2025 Sustainable Finance Impact Report

In January 2023, Hydro One became the first utility in Canada to publish a [Sustainable Financing Framework](#) (Framework¹); the Framework was updated in August 2024 to reflect best practices in sustainable finance. The Framework allows Hydro One Inc. to issue Sustainable Financing Instruments (SFIs). By issuing SFIs, such as green and sustainability bonds, Hydro One Inc. can allocate the net proceeds to eligible investments in green and social project categories.

¹ As updated from time to time.

² “The average Ontario system grid emissions five-year average is 40 gCO₂e/kWh (2019–2023), well below the 100 gCO₂e/kWh threshold in the Clean Energy category. Source of data: Canada’s National Inventory Report, 1990–2023, Part 3, Annex 13, Table A13–7: Electricity Generation and GHG Emission Details for Ontario.

2025 performance

Hydro One Inc. issued \$2,700 million in SFIs (green bonds) in 2025. In this report, we highlight a few projects and initiatives financed, in part or in whole, by green bonds in 2025 under the following eligible green project categories of the Framework.

Clean energy

- Hydro One financed clean energy projects – two of which are highlighted below – by constructing, operating and maintaining electricity transmission and distribution infrastructure and equipment.²
- We reinforced the transmission system on the Southwest Greater Toronto Area corridor by rebuilding an existing idle transmission line with an approximately 6.5 km 230 kV double circuit transmission line with a larger conductor from Richview Transformer Station (TS) to Manby TS. This reinforcement will support the rapidly growing electricity demand from homes,

businesses and public transit initiatives in the region. Hydro One selected a larger conductor as the recommended option after performing a screening analysis on several conductor sizes that considered the impact of line losses and cost effectiveness. The recommended option minimizes line losses thereby increasing energy savings and reducing emissions. The anticipated benefits of this project are assessed based on expected energy savings versus the next best alternative. The calculated energy and emissions avoided are illustrated in table 3.

- We refurbished a span of the K4 115 kV transmission circuit (approximately 10 km) constructed in 1924 with a larger conductor between Kirkland Lake TS and Matachewan JCT. By using a larger conductor, we will help ensure a safe and reliable electricity supply to customers in the area and reduce line losses while replacing aging infrastructure. The anticipated benefits of this project are illustrated in table 4.

2025 performance



Energy efficiency

Hydro One invested in technologies that improve energy efficiency, such as advanced metering infrastructure (AMI). Hydro One deployed a new generation of AMI (AMI 2.0) – a foundational component of an optimized distribution network – to provide extensive visibility into the grid and enable further grid automation to improve energy efficiency. We allocated \$75.4 million of green bond proceeds to finance the deployment of 55,000 AMI 2.0 smart meters from January 2024 to October 2025.



Biodiversity

Hydro One supported the protection and restoration of biodiversity and terrestrial ecosystems.

Pollinator habitats: One example of our biodiversity efforts is the success of Hydro One’s Pollinator Habitat Program, which celebrated its 10th anniversary in 2025. Pollinator habitats transform electricity corridor rights-of-way and station sites into vital spaces that enhance biodiversity across Ontario.

Over a decade, we established over 275 hectares of pollinator habitats (82 hectares in 2025) across approximately 50 sites in Ontario by planting pollinator-friendly (native, non-invasive) plants to create and enhance habitats under our electricity lines and around our station



properties. In 2025, we executed the largest pollinator planting project to date – 47.5 hectares of habitat – within the transmission rights-of-way in the Bruce Power area.

The recent growth of our pollinator program was due to our partnership with World Wildlife Fund Canada, with whom we recently signed a five-year Memorandum of Understanding. Our other partners play a key role in this work as well, including our collaboration with the Toronto and Region Conservation Authority and the Canadian Wildlife Federation to restore a meadow at our Kleinburg Training Centre to help increase pollinator habitat, enhance biodiversity, and support long-term ecological resilience.

Hydro One initiated multiple long-term monitoring studies in 2025 to assess the ecological benefits of recent large projects



to understand how pollinator habitats can limit the growth of incompatible vegetation near our infrastructure and thereby reduce our long-term maintenance requirements.

Osprey nesting structures: Ospreys build their nests on high points that are adjacent to large waterbodies. To discourage nesting on active structures such as distribution poles, which could cause damage and outages, and to protect ospreys, Hydro One replaced some of the nests and installed free-standing platforms across the province. We continued funding for banding programs to help scientists understand osprey behaviour. Through these long-standing initiatives, we continue to provide ospreys with a safe place to nest, protect Ontario’s biodiversity and provide reliable and affordable power to our customers.

Sustainable finance performance

Table 1: Total sustainable finance issuance by year

Indicator	2023	2024	2025
Total bond issuance (\$ million)	2,375	2,750	2,700

Table 2: 2025 Hydro One Inc. sustainable finance issuances

Green/ Sustainable	Issued	Maturity	ISIN	Amount issued (million)	Allocation Reporting	Impact Reporting
Green	August 25, 2025	August 25, 2032	CA 44810ZCT53	\$450	Hydro One 2026 SFI Allocation Report	2025 Sustainable Finance Impact report
Green	August 25, 2025	August 24, 2035	CA 44810ZCU27	\$300		
Green	August 25, 2025	August 25, 2055	CA 44810ZCV00	\$350		
Green	November 21, 2025	November 21, 2033	CA 44810ZCW82	\$1200		
Green	November 21, 2025	November 21, 2056	CA 44810ZCX65	\$400		
Total				\$2,700		

Refer to the [Sustainable Financing section](#) of our website for issuances, allocation and impact reporting in 2024 and 2023.

Sustainable finance performance

Table 3: Richview x Manby, or “Etobicoke Greenway Project” financed emissions avoided

Allocated amount (\$million)	Share of total project financing %	Line loss reductions (MWh/year)	Project GHG enabled emissions avoided (tCO2e/year)	Financed GHG enabled emissions avoided (tCO2e/year)	Financed GHG enabled emissions avoided/\$ million (tCO2e/year/\$million)
\$36.8	50%	506 ¹	2715	13.7 [‡]	0.4

¹ The estimated line loss avoided is 506 MWh per year, based on 2026 Hourly Flow data
[Hydro One Networks Inc. Leave to Construct Application – Etobicoke Greenway Project – Application & Evidence](#), Exhibit B, Tab 5, Schedule 1.

Table 4: K4 Reconductoring Project financed emissions reduced

Allocated amount (\$million)	Share of total project financing %	Line loss reductions (MWh/year)	Project GHG enabled emissions reduced (tCO2e/year)	Financed GHG enabled emissions reduced (tCO2e/year)	Financed GHG enabled emissions reduced/\$million (tCO2e/year/\$million)
\$10.5	81%	2,257 ¹	73.3	59.4 [‡]	5.7

¹ The estimated line loss reduction is 2,257 MWh per year, based on 2018–2022 Hourly Flow data
[EB-2023-0197 Application and Evidence](#), Exhibit B, Tab 5, Schedule 1.

Our greenhouse gas (GHG) emissions data for 2025 was verified by external auditors GHD Limited (GHD) and identified by ‡. For more information, refer to the [GHD Letter of Assurance](#).

Refer to the About this report section of the [2025 Sustainability Report](#) for information on the report scope, process and frameworks. The Forward-looking statements section in the 2025 Sustainability Report applies to this document and is incorporated by reference into this document.