

Ontario Power Generation Green Bond Framework

April 2021

Overview

Ontario Power Generation (OPG or “the Company”) is Ontario’s largest clean electricity provider. OPG strives to be a leading energy innovation company, advancing technologies and solutions to help the markets where it operates achieve net-zero carbon economies by 2050. We believe reliable, clean power is fundamental to a healthy environment and a strong, low-carbon economy. The Company released its [Climate Change Plan](#) in November 2020 as part of the Company’s commitment to being a North American clean energy leader.

Green bonds issued by OPG and its subsidiaries are used to finance and/or refinance projects in renewable energy generation and to support the development of clean technologies.

Further details regarding OPG’s commitment to sustainable development, including information regarding the Company’s environmental initiatives and performance, are provided in OPG’s Sustainability Report available on the Company’s website at www.opg.com.

1. Eligible Projects

Proceeds obtained from green bond issuance shall be used to finance and/or refinance “Eligible Projects”, projects that offer tangible environmental benefits. The look-back period for Eligible Projects is 36 months prior to the date of issuance.

Without limitation, Eligible Projects generally fall into the categories specified in the table below.

Area	Description	Categories
Renewable Energy Generation	Investments that help supply energy from renewable sources	<ul style="list-style-type: none">• Solar Energy<ul style="list-style-type: none">○ Construction of new solar energy facilities○ Maintenance and/or refurbishment of existing solar energy facilities• Wind Energy<ul style="list-style-type: none">○ Construction of new wind energy facilities○ Maintenance and/or refurbishment of existing wind energy facilities

Area	Description	Categories
		<ul style="list-style-type: none"> • Hydroelectricity <ul style="list-style-type: none"> ○ Construction of new run-of-river hydroelectricity projects with low storage capacity ○ Refurbishment, repowering, modernization, and/or maintenance of existing hydroelectricity facilities with the purpose of increasing generation efficiency, operational life span and/or renewable energy output while maintaining or improving the level of operational safety
Energy Efficiency and Management	Investments that help reduce energy consumption or help manage and store energy	<ul style="list-style-type: none"> • Transportation Electrification¹ • Climate change and eco-efficient products, production technologies and process²
Climate Adaptation and Resilience	Investments that help reduce potential damages from extreme weather events	<ul style="list-style-type: none"> • Flood protection and stormwater management • Extreme weather resistant infrastructure and other forms of flooding mitigation

¹ Includes projects such as development of electric vehicles related infrastructure

² Includes projects such as energy storage facilities

The green bond proceeds can also be used to finance the acquisition, including minority equity participation, of Eligible Projects.

Exclusionary Criteria

OPG commits to not knowingly use the proceeds for financing of assets/projects for that involve the generation from fossil fuels.

2. Process of Project Evaluation and Selection

OPG's Treasury group will be responsible for review and selection of the green projects that will qualify as Eligible Projects. The Treasury group will verify the suitability and eligibility of such

investments in collaboration with internal experts and stakeholders, including OPG's Operations and Environment groups.

Projects are evaluated using financial and risk-based analyses as well as strategic considerations. OPG has formal risk management policies, procedures and systems in place to identify, assess and mitigate risks to the Company. OPG's [Code of Business Conduct Policy](#) and [Environmental Policy](#) establish the Company's parameters for ethical behaviour and environmental management, respectively.

3. Management of Proceeds

The green bond proceeds will be deposited to OPG or its subsidiaries' general account and an amount equal to the net proceeds will be earmarked for allocation to Eligible Projects. The proceeds could be held in cash and/or short-term money market instruments prior to allocation. OPG and its subsidiaries intend to fully allocate the green bond proceeds to eligible projects within 36 months from the issuance date. The Treasury group will be responsible for tracking the allocation of the net proceeds to Eligible Projects.

4. Transparency & Reporting

Allocation Reporting

OPG will update investors annually in regards to the use of proceeds by OPG and its subsidiaries. The reports will include a list of major Eligible Projects to which green bond proceeds have been allocated, a brief description of the major Eligible Projects, amounts allocated and the remaining balance of funds that have not yet been allocated.

Impact Reporting

Where feasible, the report will include qualitative and quantitative environmental performance indicators (e.g. greenhouse gas emissions reduced/avoided, renewable energy generation, capacity of renewable energy plant constructed or rehabilitated).