Sustainability Report

2025

Hydro Québec

Joining Forces to Build
a Sustainable Energy Future

Table of contents

Cover: Forestry and Arboriculture Technician Marie-Ève Rousson and Environmental Expertise Advisor Isabelle St-Jean note the success of debris management in a distribution line right-of-way, where branch and tree residue is left in place to foster wildlife habitats and biodiversity.

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Message from the President and Chief Executive Officer

Claudine Bouchard
President and Chief Executive Officer

The energy transition is no longer a distant goal, but a burgeoning reality. Amid market volatility, rapidly evolving energy needs and the growing impacts of climate change, our role as a public utility has never been more vital.

Each day, Hydro-Québec is instrumental to the activities and daily lives of some 4.6 million customers. We have a responsibility to provide them with reliable, affordable and sustainable electricity.

I am immensely proud of the outstanding results highlighted in the *Sustainability Report 2025*, which stand as concrete proof of how our vision for sustainability plays out everyday.

In Québec, the vast majority of the electricity we generate comes from renewable sources. This collective asset allows us to play an active role in decarbonizing the economy—a privileged position that supports the creation of sustainable wealth while promoting innovation and community resilience.

Our environmental leadership, however, is not limited to our energy production. It is also reflected in how we plan our infrastructure, protect our ecosystems, collaborate with Indigenous communities, ensure the health and safety of our employees, and nurture the talented persons that will advance our mission in the decades to come.

Among the standout achievements of the past year, agreements were signed with four local and Indigenous communities to develop wind power in as many high-potential zones. This new development model is distinguished by its partnership-based approach, rooted in host communities and designed to foster a more harmonious, sustainable rollout that generates local benefits.

We've also launched a new program to support greening initiatives in tandem with local and First Nations communities. Three biodiversity-enhancement projects have already been completed in collaboration with various municipalities.

I would like to thank our customers. They have further contributed to our sustainability efforts by helping us surpass our overall consumption reduction target. Backed by our support programs, they put energy efficiency into practice, achieving cumulative savings of 3.9 TWh this past year.

In parallel, we have continued investing in upgrading our grid and improving service quality. By focusing on innovative technologies, we achieved a 6% reduction in outages in 2025.

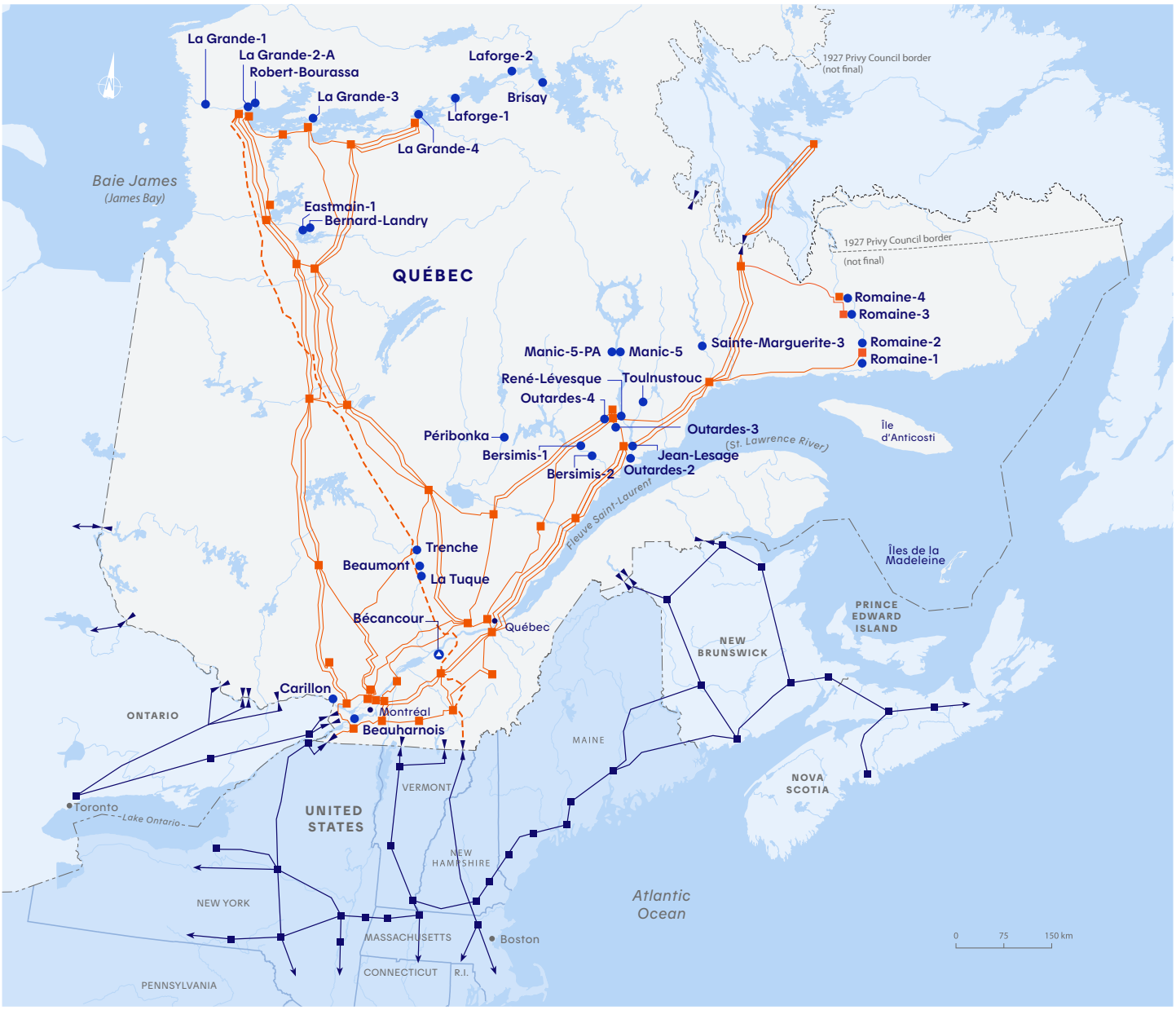
Lastly, I'd like to underscore that all of these investments were made with the goal of maximizing local benefits here in Québec. Close to 90% of the $7 billion invested by Hydro-Québec in 2025 was allocated to companies operating in Québec.

The challenges we face are many: extreme weather events, supply chain pressures and rapidly growing electricity demand. Nevertheless, we look to the future with confidence, knowing we have the solid foundations on which to build a more sustainable shared energy future.

I sincerely thank all those who are contributing to this mission. Together, we are showing that it is possible to balance growth, energy reliability and responsibility toward future generations.

Hydro-Québec in 2025

Our major facilities



Installed capacity in Québec	**37,369 MW**
Number of hydroelectric generating stations	**62**
Number of thermal generating stations	**24**
Number of photovoltaic generating stations	**2**
Length of transmission lines	**34,885 km**
Number of substations	**535**
Length of medium-voltage lines	**121,750 km**

Generating stations rated 245 MW or more	
Hydro	Thermal
Other facilities	
735-kV substation	735-kV line
Interconnection	450-kV direct-current line
Neighbouring system (simplified)	

Find out all about our generating, transmission and distribution facilities

Our human resources

Number of employees
23,915

Retirements
617

Average age
44.3 years

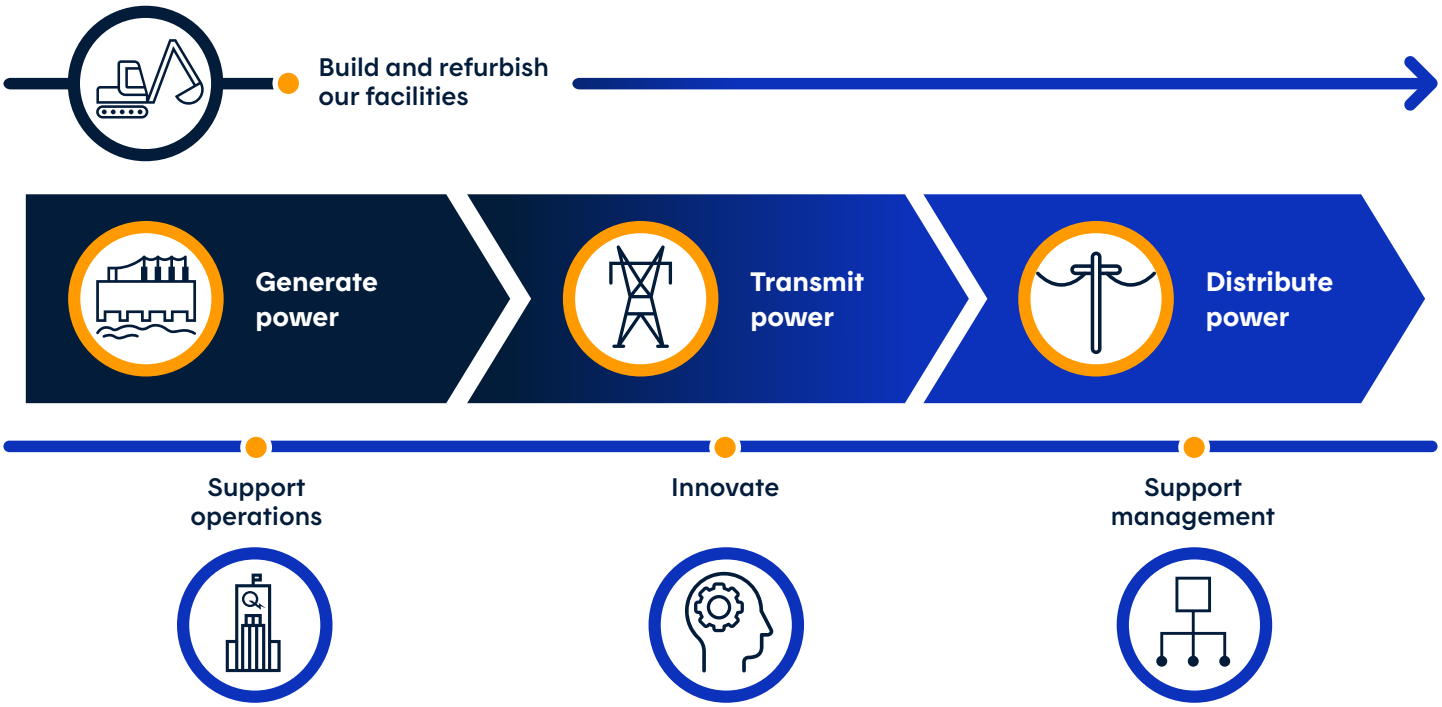
New hires
1,950

Women employees
6,621

Interns
412

See the comparative figures (2022 to 2025)

Our value chain

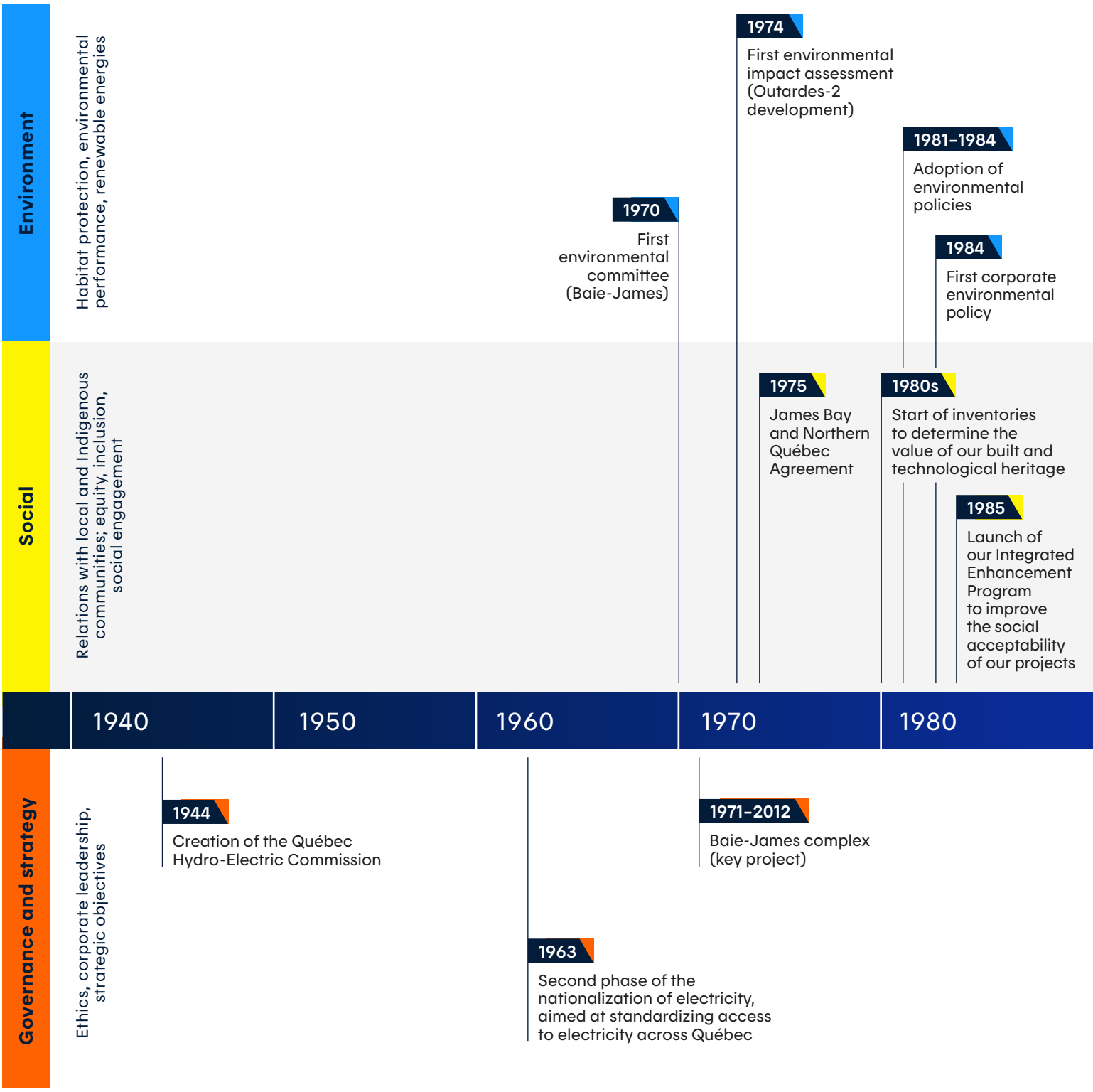


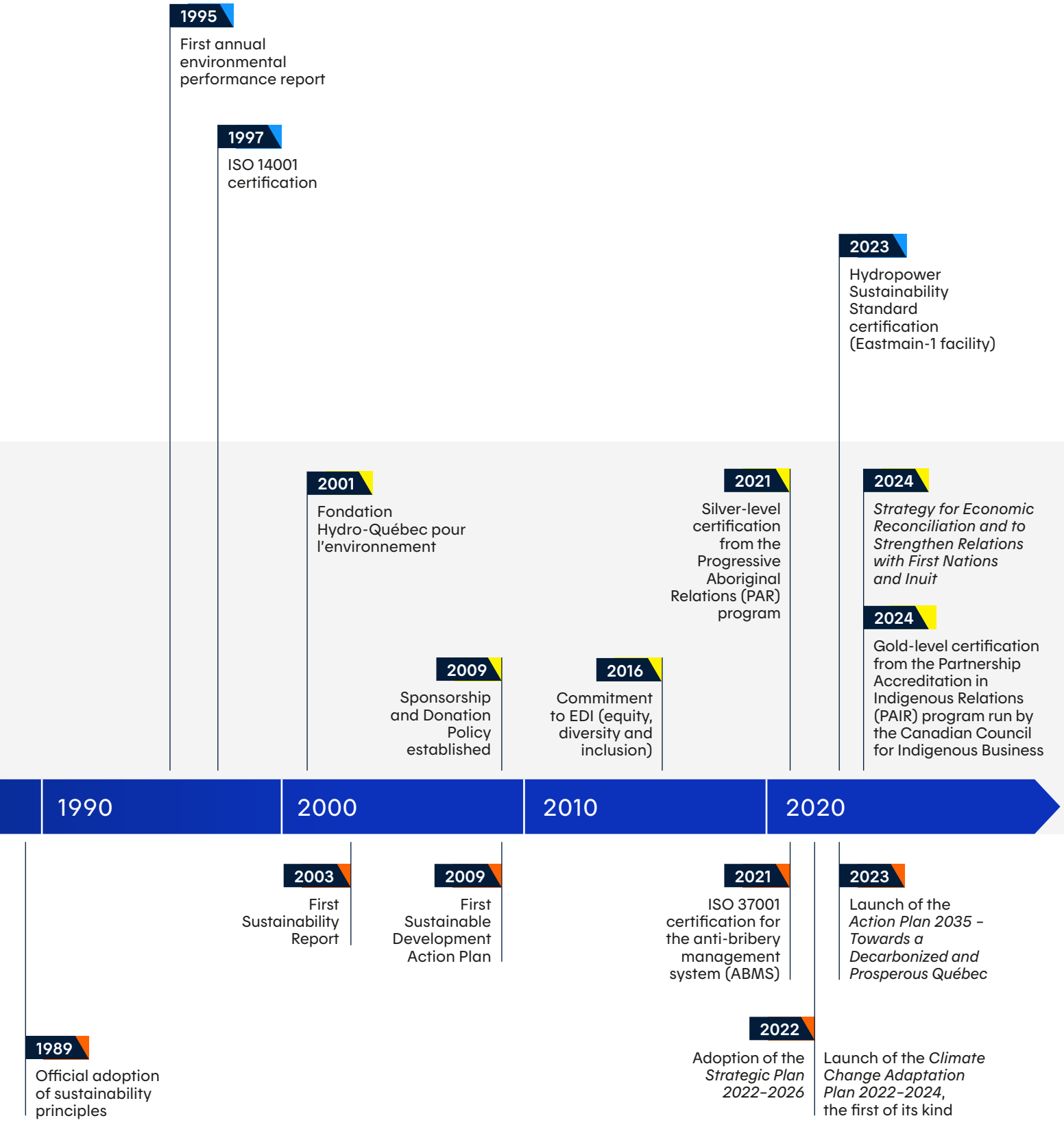
Our value chain includes all activities that create value, from product design to service provision. At Hydro-Québec, environmental protection, social progress and economic development criteria are incorporated into every link of this chain.

A long history—and a shared belief in acting sustainably

Milestones marking our commitment

The timeline below highlights the key moments that have shaped our journey and continue to guide our actions.




1995
First annual environmental performance report
1997
ISO 14001 certification
2001
Fondation Hydro-Québec pour l'environnement
2009
Sponsorship and Donation Policy established
2016
Commitment to EDI (equity, diversity and inclusion)
2021
Silver-level certification from the Progressive Aboriginal Relations (PAR) program
2023
Hydropower Sustainability Standard certification (Eastmain-1 facility)
2024
Strategy for Economic Reconciliation and to Strengthen Relations with First Nations and Inuit
2024
Gold-level certification from the Partnership Accreditation in Indigenous Relations (PAIR) program run by the Canadian Council for Indigenous Business
1990
2000
2010
2020
1989
Official adoption of sustainability principles
2003
First Sustainability Report
2009
First Sustainable Development Action Plan
2021
ISO 37001 certification for the anti-bribery management system (ABMS)
2022
Adoption of the *Strategic Plan 2022–2026*
2023
Launch of the *Action Plan 2035 – Towards a Decarbonized and Prosperous Québec*
Launch of the *Climate Change Adaptation Plan 2022–2024*, the first of its kind

Our Mission

Our mission is to deliver reliable electric power and high-quality service. We leverage hydroelectricity, our main low-carbon energy source, and integrate other renewable energies, including wind and solar, into our energy mix. By placing energy efficiency at the heart of our actions, we promote the responsible use of electricity while contributing to Québec's collective wealth.

Harnessing our expertise, our capacity for innovation and the performance of our power system has made us an energy transition leader. We build environmental, social and governance (ESG) factors into our operations based on recognized best practices and guided by the principles of sustainable development. Working with our partners and stakeholders, we strive to build a sustainable energy future for today's generations and those to come.

Beauharnois generating station.

Our Approach to Sustainability

Sustainable development is integral to Hydro-Québec's corporate strategy and operations. It guides our long-term decisions, allowing us to ensure the reliable generation and distribution of renewable electricity at competitive rates, benefiting Quebec's population today and for generations to come.

Our approach is grounded in energy sector best practices and recognized environmental, social and governance frameworks. In 2025, we took a decisive step by conducting a double materiality assessment. This approach identifies how our activities impact society and the environment while also assessing how sustainability issues impact the company's financial performance and resilience. It also allows us to meet stakeholder expectations.

The assessment now forms the cornerstone of our sustainability approach. By proactively integrating the identified issues into our decision-making, risk management and strategic planning processes, we protect and grow our physical, financial, natural and human capital. At the same time, we strengthen the resilience of our infrastructure, better protect biodiversity, more effectively oversee the safety of our workforce, and nurture sustainable relationships with local and Indigenous communities. Our contribution to Québec's energy transition encompasses these many aspects.

Environmental Expertise Advisor Maude Larochelle partners with Antoine Harel, a Forest Sciences PhD candidate with the Department of Wood and Forest Sciences at Université Laval, to study soil respiration and carbon inputs from organic matter.

Sustainable Development Plan 2024–2028: Progress Summary

Our ***Sustainable Development Plan 2024–2028*** reflects the five main priorities set in our ***Action Plan 2035 – Towards a Decarbonized and Prosperous Québec***. It also aligns with the provincial ***Government Sustainable Development Strategy 2023–2028*** and with government expectations for Hydro-Québec.

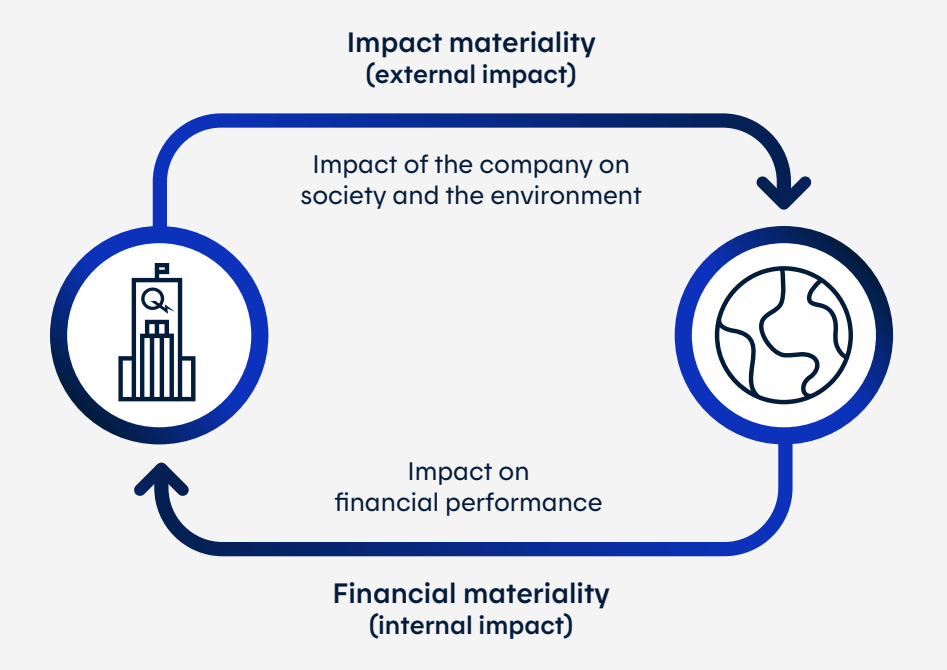
Results from the Sustainable Development Plan allow us to continually track and quantify our sustainability progress. These outcomes are reported annually to the government and the public.

See our results for 2025

Double materiality at Hydro-Québec: a structuring process

Amid rising social and regulatory expectations regarding sustainable development, we have taken a decisive step forward by conducting our first **double materiality assessment (DMA)**. To ensure the robustness and comparability of this approach, we chose to align with the E.U.'s **Corporate Sustainability Reporting Directive (CSRD)**.

This assessment identifies both the issues that significantly impact our financial performance **(financial materiality)** and those that influence stakeholders and the environment **(impact materiality)**. As such, the DMA plays a key role in shaping our business strategy and strengthening organizational resilience.



A rigorous, inclusive consultation process

The process began with a **comprehensive document review** to identify key ESG issues for Hydro-Québec, laying the groundwork for a robust and contextualized analysis. This was followed by an **extensive consultation process** involving a wide range of internal and external stakeholders—employees, suppliers, investors, experts, customers, the public and others. Gathered through surveys, participatory workshops and targeted interviews, their feedback provided a complete overview of Hydro-Québec's current situation and a strong sense of stakeholder expectations and concerns.

By combining stakeholder perceptions with internal risk analyses, we mapped and prioritized our ESG issues. The exercise also highlighted the **impacts, risks and opportunities** associated with each issue, ensuring they were effectively addressed. Ultimately, this integrated approach yielded a **clear, structured materiality matrix**, ranking the issues according to their strategic importance and societal impact.

Matrix of material issues

Hydro-Québec's double materiality matrix highlights 20 key issues.

Double materiality matrix

Environmental issues

- **E1** Climate change adaptation
- **E2** GHG emissions reduction
- **E3** Biodiversity protection
- **E4** Resource management
- **E5** Various forms of pollution
- **E6** Decarbonization of Québec

Social issues

- **S1** Talent acquisition and recruitment
- **S2** Diversity, equity and inclusion
- **S3** Occupational health and safety
- **S4** Social acceptability
- **S5** Service reliability and customer satisfaction
- **S6** Land use planning
- **S7** Public safety
- **S8** Relations with First Nations and Inuit communities

Governance issues

- **G1** Responsible procurement
- **G2** Business ethics and integrity
- **G3** Government relations
- **G4** Communication and transparency
- **G5** ESG integration
- **G6** Cybersecurity and data protection

Proactive management of ESG issues

We have been working towards sustainable development for many years now. Numerous ESG concerns are already integrated into our strategic management practices, as demonstrated in our ***Action Plan 2035 – Towards a Decarbonized and Prosperous Québec***.

The double materiality assessment **affirmed the relevance of efforts already undertaken** and their alignment with stakeholder expectations and the identified risks. It also highlighted **opportunities, areas of vulnerability, and avenues for strengthening** our company's resilience.

This process demonstrated that a double materiality assessment is not merely a theoretical exercise, but rather a **strategic transformation tool** that supports decision-making and continuous improvement. In the next section—Our Sustainability Actions in 2025—we group the 20 issues into **10 key themes** to simplify the presentation.

Mutually beneficial relations with our stakeholders

Understanding our stakeholders is at the heart of the double materiality assessment, which identifies and prioritizes the issues most likely to affect our performance, decisions and sustainable value creation.

Present across the province, our operations impact each of Québec's 17 administrative regions. This leaves us with a great many stakeholders whose trust we seek to maintain by listening to their expectations and concerns regarding our projects and operations.

Our stakeholders share many of the same concerns regarding major social issues, such as transparency, ethics, environmental protection and climate change adaptation. We communicate with them through various channels, including annual reports, sustainability reports, other corporate publications and websites. When necessary, we tailor our communication methods to meet specific stakeholder needs.

Our stakeholders

Academia and research institutions

Universities, research centres and educational establishments with whom we partner to advance knowledge, support innovation and develop solutions related to the energy transition.

Children

Current and future generations whose living conditions, health and well-being are influenced by energy, environmental and land-related decisions made today. Through sustainable and inclusive energy development, we help safeguard children's rights and build a viable future, especially for those in vulnerable situations.

Customers

Individuals, companies and organizations who use Hydro-Québec's services. Their needs and expectations guide the company's service offerings, particularly as regards the reliability, quality, availability and responsible use of electricity.

Employees

People who, through their expertise, engagement and diverse skills, contribute to our mission, our performance and the implementation of a responsible energy transition.

Government agencies and regulatory bodies

Governments, ministries and public bodies that define the strategic directions, public policies and regulatory frameworks applicable to our activities.

Indigenous communities

Indigenous Nations and communities whose lands, rights and interests can be affected by our activities. We prioritize an approach grounded in dialogue, partnerships and the creation of sustainable benefits.

Investors and finance

Financial institutions and rating agencies that assess our financial strength, governance and risk management, including climate change and energy transition risks.

Local communities

Municipalities, organizations and residents in the areas where we are present, who are concerned with the economic, social and environmental impacts and the social acceptability of our operations and projects.

Natural capital

The ecosystems, water, soil and biodiversity that provide the critical ecosystem services needed to generate hydropower, develop renewable energy and ensure infrastructure resilience. Responsible management of natural capital is inextricably linked to long-term value creation, community well-being and the achievement of climate and sustainability goals.

Non-governmental organizations

Civil society organizations working primarily in the environmental, social and sustainable development sectors and that contribute to dialogue, transparency and the continuous improvement of practices.

The population of Québec

All Québec citizens who benefit from our services, our economic and social benefits, and our contribution to sustainable energy development.

Students

Current and future talent in fields related to energy, the environment, engineering, digital technology and management. Training, internships and student employment opportunities drive innovation and future skills development.

Suppliers

Companies and organizations that provide the goods, services and work required for our projects and operations. They are key partners in project delivery and the integration of responsible procurement practices.

Unions

Organizations that engage in social dialogue and collective bargaining on behalf of unionized employees to ensure healthy, safe, inclusive and equitable work environments.

Our Sustainable Development Actions in 2025

This year, we redesigned our sustainability report to better reflect how our priorities have evolved and the progress we have made.

Drawing on the insights from our **double materiality assessment** and with a view to making our sustainability priorities easier to understand, we have organized all our public commitments into 10 key themes in the document entitled ***A Look at Our Commitments to Sustainable Development***.

This report follows the same 10 themes and provides a detailed account of the results achieved through our actions. It presents the indicators in our ***Sustainable Development Plan*** and **remains aligned with recognized ESG standards** including the **Global Reporting Initiative (GRI) Standards**.

The relevant GRI disclosures are indicated in the upper corner of each page.

Environment

Biodiversity

Our facilities occupy a vast area and are present in most of Québec's natural ecosystems. To reduce the environmental footprint of our operations, we take steps to protect and enhance biodiversity.

2025 highlights

Publication of *Our Commitment to Nature: Biodiversity Action Plan*

This plan formalizes our commitment to nature and positions biodiversity as central to the fight against climate change. It is integrated into the company's operations and aligned with the priorities set out in our *Action Plan 2035*.

Our *Biodiversity Action Plan* is built on closer collaboration with municipalities, Indigenous communities and external stakeholders to protect areas of high ecological value and vulnerable and threatened species while ensuring grid reliability.

Structured around three pillars, the plan focuses on:

- Managing and conserving terrestrial and aquatic habitats that support biodiversity around our facilities
- Improving ecosystem connectivity to reduce fragmentation
- Developing multi-use sites that support biodiversity, in partnership with local and Indigenous communities

Improving habitats

We now apply additional biodiversity measures to improve the overall environmental performance of projects that support the energy transition. They complement our standard mitigation and site restoration practices and include habitat restoration measures in all projects that are subject to an environmental impact assessment.

Projects supported through the Hydro-Québec Greening Fund aim to reduce urban heat islands and diversify tree species adapted to local conditions.

Key initiatives undertaken in 2025 include:

- Restoring a right-of-way as part of the project to build Jean-Jacques-Archambault substation in Sainte-Julienne, in the Lanaudière region.
- Replacing damaged culverts to restore connectivity between small watercourses and Rivière Montmorency as part of the project to connect the southern sector of Des Neiges Wind Farm.
- Creating an open rainwater retention pond on the site of the new Hochelaga substation, incorporating native plant species and helping reduce urban heat island effects in the area.

Supporting biodiversity through site improvements

Selected jointly by Hydro-Québec and the city of Varennes, Parc Saint-Charles now features new infrastructure that fosters environmental conservation, ecological balance and regional biodiversity.

Three basins were created to support the spawning of several fish species including pike. While their primary purpose is to serve as spawning grounds, they also provide an aquatic habitat during the summer and year-round wildlife habitats for birds, turtles, amphibians and reptiles. We also planted 265 trees and 3,605 shrubs to stabilize slopes and reduce natural erosion along the banks of Rivière Saint-Charles. An old ford was replaced with a weir to establish a spawning habitat in fast-flowing water.

These projects were carried out as compensation measures for fish habitat losses, in accordance with Québec's *Environment Quality Act* and Canada's *Fisheries Act*.

Launching the Greening Fund

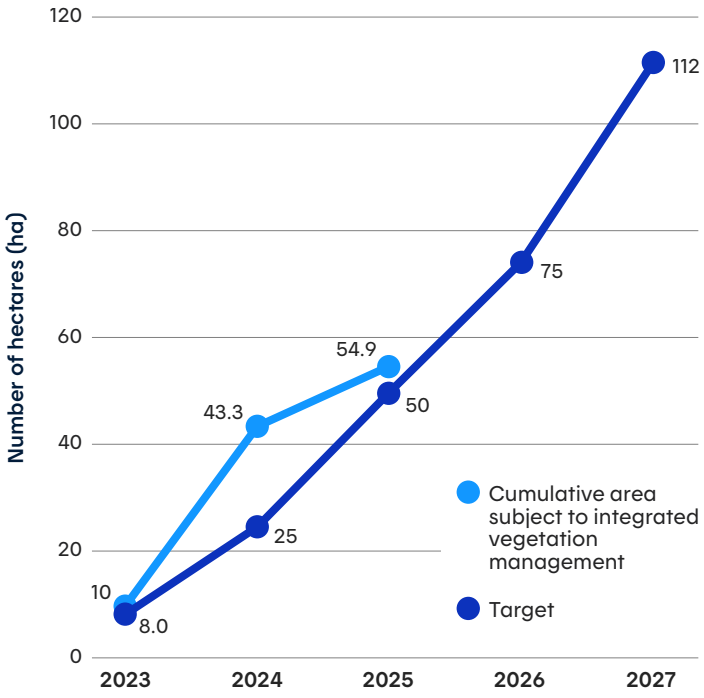
In September 2025, Hydro-Québec launched a Greening Fund. Administered by Tree Canada, the fund provides $1 million to municipalities, regional county municipalities (RCMs), Indigenous communities and organizations to undertake greening projects outside Hydro-Québec facilities in urban, natural and agricultural environments.

The program also includes a partner component to support municipalities in carrying out greening projects on Hydro-Québec properties, including rights-of-way. Funding of up to $50,000 per project is available.

Vegetation control

Vegetation control work within our line rights-of-way and around our generating facilities is essential to maintaining our operations and ensuring the integrity of our infrastructure. It preserves the visibility of our structures, facilitates inspections and reduces the risk of damage caused by roots and woody vegetation. Our line rights of way cover 181,506.869 hectares (ha) for which vegetation must be kept in check. In 2025 and early 2026, vegetation control was done on 23,042 ha of line rights-of-way. Of this area, 22,049 ha (95.69%) were treated mechanically, while 993 hectares (4.31%) were treated selectively using herbicides. Around our generating facilities (dikes and dams), 816.857 ha were treated mechanically, representing 63% of work at these sites, while 486.599 ha (37%) were treated selectively using herbicides.

Hectares managed through integrated vegetation management in transmission rights-of-way



Integrated vegetation management in one of our rights-of-way.

Integrated vegetation management

Integrated vegetation management (IVM) involves adjusting mowing and clearing frequencies based on land use and site characteristics, allowing for more natural green spaces. As a result, vegetation can get taller, flower and attract pollinators and small wildlife, supporting biodiversity as a whole.

This approach not only enhances plant and animal diversity but also helps habitats better withstand drought conditions while creating more varied landscapes. IVM is a simple, cost-effective measure that fosters biodiversity.

In 2023, as part of a pilot project, the approach was tested in transmission line rights-of-way at three sites: two in the city of Québec and one in Lévis. The program was officially rolled out in 2024. Since then, this biodiversity measure has resulted in the creation of 55 hectares of grassy meadows on our properties, benefiting pollinators, field birds and small urban wildlife. Our objective is to reach 112 hectares by January 1, 2028.

Advancing research on reservoir biodiversity

The overall objective of this research project is to better understand and describe the effects of reservoir management on biodiversity and ecosystem functions.

Supported by Mitacs, a Canadian organization that promotes applied research, and carried out in collaboration with Université du Québec en Outaouais (UQO), the initiative also aims to develop robust indicators to characterize the environmental footprint of reservoirs. It provides financial support to three PhD students and two master's students and is structured around two main research themes. The first focuses on dams, reservoir creation and the long-term ecological changes that result from them. The second examines changes in aquatic biodiversity at the global, regional and local levels.

Reforesting the former Lac Mirabelli workcamp in cooperation with the Cree community

This project aims to support Indigenous-led biodiversity restoration and conservation initiatives. It was carried out on the site of our former Lac Mirabelli workcamp in the Eeyou Istchee Baie-James region.

Reforestation work was carried out following the environmental rehabilitation of the former workcamp site. Consultation with the Cree tallyman helped identify the areas to be reforested in a way that would not interfere with goose hunting activities in the adjacent ponds. Jack pine, a species well adapted to local conditions and capable of quickly colonizing disturbed land, was identified by the tallyman as the preferred tree species for the site. Follow-up of planting and seeding success rates is planned for 2026.

Follow-up of planting activities at Lac Mirabelli. The top photo shows the site in 2024, while the bottom photo illustrates progress made in 2025.

Results of priority actions in the *Sustainable Development Plan* related to environment

Action	Indicator	Starting measurement	Target 2025	Result 2025
Determine the conservation potential of our properties so as to help attain government biodiversity conservation objectives. **(Action 5 of the *Biodiversity Action Plan*)**	Cumulative number of hectares targeted for conservation	New indicator	75	79[a] Additional measures were incorporated into two of the three planned projects in 2025. The measures for the third project, which is underway, will be incorporated in 2026.
Improve habitats by incorporating additional measures aimed at promoting biodiversity for projects that are subject to an environmental impact study. **(Action 1 of the *Biodiversity Action Plan*)**	Cumulative number of additional measures incorporated into projects	0 (2023)	6	5[a] Two projects subject to Section 31 of the Québec *Environment Quality Act* have incorporated additional measures to foster biodiversity in their planning processes. As part of the Jean-Jacques-Archambault substation construction project, new wildlife habitats targeting several species will be developed in a section of the right-of-way to be dismantled, while the quality and recreational use of the right-of-way will be enhanced. During the restoration of the work areas and borrow pits following construction of the 315-kV line between René-Lévesque generating station and Outardes substation, native shrubs and grasses valued by Indigenous communities will be planted and seeded.

a) Data verified by the Bureau de normalisation du Québec BNQ.

Annual results for the *Biodiversity Action Plan*

Action	Description	Indicator	Target 2025	Results 2025
1	**Biodiversity measures in projects** Improve habitats by integrating additional measures to foster biodiversity in projects subject to an impact study.	Number of projects subject to section 31 of the *Environment Quality Act* (EQA) incorporating additional measures	6	5
2	**Vegetation management** Adapt our vegetation management practices in relation to our infrastructures and properties to reduce impacts and protect or foster biodiversity.	Number of hectares maintained using integrated vegetation management	50	54
3	**Transmission line rights-of-way** Support municipalities in the completion of projects that foster biodiversity in our transmission line rights-of-way.	Cumulative number of hectares developed	50	28
4	**Indigenous initiatives that received our support** Promote the implementation of Indigenous initiatives to restore or protect biodiversity in areas affected by our activities.	Number of indigenous initiatives to enhance, restore or protect biodiversity integrated	1	2
5	**Conservation potential of our infrastructures** Determine the conservation potential of our properties with a view to contributing to the achievement of government objectives regarding biodiversity.	Cumulative number of hectares targeted for conservation	75	79
6	**Compatibility parameters** Develop an approach to ensure compatibility between the infrastructure required for the energy transition and protected area statuses or other recognized conservation measures.	Rate of progress in establishing compatibility parameters between Hydro-Québec's facilities and operations and the various protected area statuses and other recognize conservation measures	35	35
7	**Acquisition of knowledge** Continue acquiring knowledge of aquatic wildlife and habitats in connection with our hydroelectric facilities to foster connectivity and biodiversity.	Progress of the research program on biodiversity in reservoirs	40	40
8	**Knowledge** Pull together our data on biodiversity to facilitate its use in our activities and projects, and contribute to science, data sharing and the dissemination of knowledge.	Percentage of inventories submitted to Hydro-Québec's internal biodiversity data repository	50	83

Climate

Climate change is already affecting our infrastructure, our operations and the communities we serve. Our response is built around three complementary priorities: accelerating the decarbonization of the economy, decarbonizing our own activities and adapting our operations and infrastructure to climate-related hazards.

With that in mind, Hydro-Québec is focusing on energy efficiency, electrification and demand reduction. Future growth will depend on expanding renewable energy generation, exploring new technologies and integrating environmental and social criteria into decision-making to meet demand and helping Québec achieve carbon neutrality.

2025 highlights

Reducing GHG emissions

We continue to advance initiatives to reduce our greenhouse gas (GHG) emissions. The target was revised under our *Sustainable Development Plan 2024–2028* after the decision was made not to proceed with the project to connect the Îles-de-la-Madeleine to the main grid. Our efforts focused on the following areas:

- **Reducing GHG emissions from Cap-aux-Meules thermal generating station in the Îles-de-la-Madeleine.** As this facility remains our largest source of GHG emissions, we are currently evaluating the best project to reduce them.
- **Converting off-grid fossil fuel systems to renewable energy sources.** These conversions must align with the four principles approved by the Régie de l'énergie: maintain a reliable power supply, reduce supply costs, lower GHG emissions and ensure social and environmental acceptability.
- **Transforming our vehicle fleet.** We aim to replace gasoline-powered vehicles with hybrid or electric models wherever possible. In 2025, we continued to electrify our fleet through the acquisition of all-electric, hybrid, plug-in and dual-energy vehicles and the installation of charging infrastructure. At the end of 2025, our fleet included 957 plug-in electric vehicles, 377 hybrid vehicles and 261 dual-energy vehicles, for a total of 1,595. These vehicles were deployed across 37 sites equipped with 1,138 charging stations and 529 charging points. As the procurement of charging infrastructure and vehicles becomes increasingly challenging, we are working to optimize investments by prioritizing sites that have a significant impact on our operations. Our objective is to reach 63 electrified sites and deploy 1,838 electrified vehicles by the end of 2026.
- Reducing GHG emissions associated with certain components of the power system. In 2025, we continued our efforts to adopt best practices for detecting and reducing SF_6 and CF_4 emissions and design and implement mitigation measures to further reduce them. At the same time, we continued to monitor technological developments to identify alternatives to SF_6 and accelerate their adoption for our equipment whenever possible.

Note: Hydro-Québec's GHG emissions are calculated in accordance with scientific frameworks and international standards, among other recognized references.

Adapting to climate change

Our efforts to adapt to climate change began 25 years ago with the co-founding of the Ouranos consortium. We continued this collaboration in 2025, targeting the main challenges related to the interactions between climate hazards and the company's assets and operations.

Intelli-feu program

Inspired by SOPFEU's Intelli-feu program, Hydro-Québec's initiative is designed to protect critical infrastructure from wildfires in suburban and northern regions.

The program focuses on reducing combustible vegetation around 182 critical facilities to limit the intensity and spread of wildfires. We use three approaches depending on the type of vegetation:

- Elimination (complete clearing)
- Reduction (selective cutting)
- Replacement (regeneration of deciduous species)

These site-specific vegetation management measures must be carried out on an ongoing basis.

Broadening knowledge through the Climate Atlas

A total of 16 new indicators were added to the Climate Atlas to support a broader range of uses. This internal tool now includes 40 indicators, which help integrate climate change considerations into the design and operation of electrical infrastructure. The atlas makes it possible to view climate projections based on indicators of interest.

Developing the ICARE project

As the climate changes, our transmission system may be increasingly affected by periods of extreme heat. Thermal expansion can cause conductors to lengthen, sagging closer to the ground, potentially affecting transmission capacity limits. To better understand this phenomenon, assess its impact on our power system and manage the associated risks, we developed the ICARE project.

Working meeting, part of the DASE project on decarbonization, climate conditions and energy security at Hydro-Québec's research centre.

The ICARE tools measure, in real time, the relationship between the distance separating transmission lines from the ground and conductor temperature. Sensors temporarily installed on the lines provide data that allow for more precise estimates of the grid's transmission capacity.

Other technologies currently under study could measure the amount of solar radiation absorbed by conductors or optimize their surface properties using a photonic coating.

Analysis of the data collected is used to determine the most appropriate course of action, whether lowering the ground beneath the line or adding or replacing transmission towers to increase the distance between conductors and the ground. In 2025, the deployment of the tools was still in its early stages. To optimize costs, measures will be implemented over the coming years as part of several planned line-raising projects.

Creating a guide to define climate and hydrological design criteria in a changing climate

When engineers recommend design criteria, they consider a range of factors including the facility's service life, climate conditions, the consequences of a limit violation and the project's performance objectives. This already complex task is made even more challenging by the uncertainties stemming from climate change.

The guide was developed to address these challenges. It sets out a rigorous, structured approach in some 10 steps. It is intended to support informed decision-making on design criteria while remaining flexible enough to adapt to a wide range of projects. This new tool strengthens our ability to adapt and will enhance the resilience of our infrastructure in the face of future climate challenges.

Results of priority actions in the *Sustainable Development Plan* related to climate

Action	Indicator	Starting measurement	Target 2025	Result 2025
Increase electricity supply to help reduce the energy intensity of transporting people and goods.	Number of fast-charge stations in Québec for light- and heavy-duty vehicles	897 (2023)	1,345	1,347[a] The target was attained thanks to the installation of 257 fast-charge stations, 237 of which were commissioned. Every effort was made to make up for the 2024 shortfall.
Reduce the direct GHG emissions resulting from our buildings and infrastructures.	Percentage (%) reduction of tonnes of CO_2 equivalent	362,820 tonnes of CO_2 equivalent (2015–2020 average)	-5	-11.3 Decarbonization initiatives implemented in Hydro-Québec's off-grid systems helped in meeting the emissions reduction target. Efforts to convert thermal generating stations to renewable energy sources resulted in an estimated reduction of 16,200 tonnes of CO_2 equivalent (tCO_2e). The reduction in our 2024 and 2025 GHG emissions also reflects the implementation of a new methodology that more accurately quantifies fugitive emissions of SF_6 and of CF_4 associated with transmission system equipment. A rigorous reassessment of the emissions calculation method revealed that emissions had been overestimated in annual disclosures prior to 2024, including during the 2015–2020 reference period.
Gradually convert our fleet of gas-powered vehicles to low- or zero-emission models.	Proportion (%) of light vehicle fleet electrified	39 (2023)	50	53[a] The vehicle fleet electrification target was attained thanks to the deployment, during the year, of numerous hybrid, electric, rechargeable or dual-energy vehicles for use in our operations.

a) Data verified by the BNQ.

Circular economy

We are committed to using resources responsibly throughout the life cycle of goods and services. In addition to providing energy from renewable sources, we optimize generating capacity to maximize existing infrastructure while accelerating maintenance activities. We also seek to implement initiatives that reduce the use of raw materials, promote the efficient and sustainable use of energy and materials, and keep resources in circulation at the end of their useful life.

2025 highlights

Building a culture of circularity in real estate and infrastructure projects

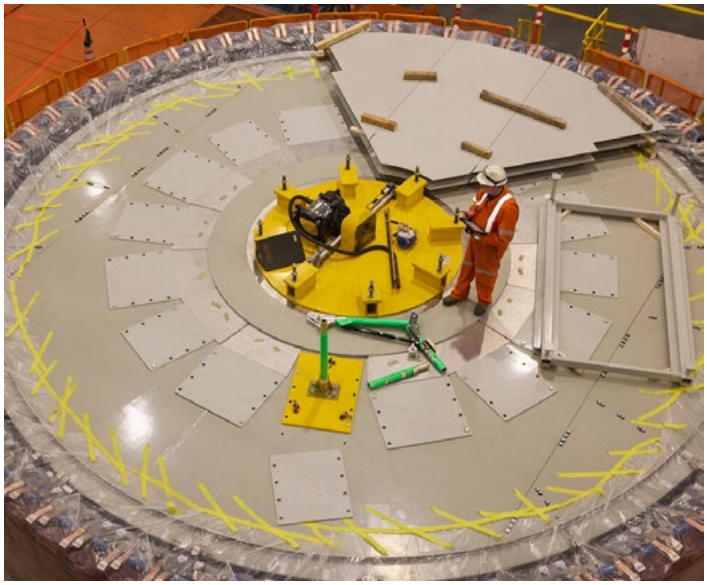
- Through knowledge sharing and transfer with our teams and partners, we have committed to integrating circularity into our renovation projects including those undertaken at the Saint-Jérôme and Blainville administrative buildings and at Édifice Jean-Lesage in Montréal.
- Our efforts also involve raising awareness and providing training for employees and external partners on circular practices in construction and renovation projects such as ecodesign, deconstruction, reuse and responsible procurement.
- We are increasing the number of circular initiatives focused on construction, renovation and demolition (CRD) waste, which can all be replicated across our jobsites.

Optimizing and integrating materials management

- We established a cross-functional governance structure to ensure the optimal management of hazardous materials throughout their life cycle.
- We completed a qualitative study mapping our material resources and residual materials through out their use until the end of their service life. The study identifies existing recovery programs and management processes, as well as at source reduction, reuse and recovery initiatives already in place across the company, and it also proposes opportunities for improvement.
- This work lays the foundation for Hydro-Québec's first residual materials management action plan.

Contributing to government guidelines for the circular economy

- We are contributing to the ***Feuille de route gouvernementale en économie circulaire 2024-2028***, [governmental circular economy roadmap 2024–2028, in French only] which mobilizes all government levers and aims to position Québec as a hub of innovation and excellence in circular economy.
- In 2025, when developing the second implementation plan (2026–2028), we proposed actions aligned with the measures involving Hydro-Québec, which focus on material and infrastructure ecodesign, gaining knowledge related to critical and strategic minerals, the promotion of energy efficiency and circularity in the wind and solar sectors.



Replacing the generating units at Carillon generating station will increase generation capacity for decades to come.

Optimizing and extending infrastructure service life

- We are committed to optimizing the output of our generating units to maximize the use of existing infrastructure.
- At the same time, we stepped up maintenance activities to extend the service life of our equipment and assets.

Innovating in reuse and refurbishment

- In cooperation with external partners, we launched an innovative reconditioning pilot project. The approach extends the service life of assets and restores them to like-new condition. It is backed by a warranty equivalent to that of a new product and helps avoid unnecessary resource consumption.
- This initiative, which exemplifies circular economy principles, significantly reduces the GHG emissions that would otherwise be associated with purchasing new furniture, while also generating cost savings. For example, refurbishing 600 chairs resulted in savings of approximately 20% compared with purchasing new ones and avoided 75 tonnes of CO_2 equivalent. A new phase of the pilot project is now underway, this time focused on workstations.
- In addition to building on our long-standing partnerships, we established new collaborations with social economy organizations and other community partners to foster the reuse and reconditioning of goods, as well as the donation and resale of equipment, materials and furniture related to our operations.

Results of priority actions in the *Sustainable Development Plan* related to circular economy

Action	Indicator	Starting measurement	Target 2025	Result 2025
Optimize the total output of generating units in order to maximize the use of existing infrastructure while accelerating maintenance.	Cumulative added capacity in MW	New indicator	10	Data not available at the time of the report's publication
Increase the number of circular initiatives involving construction, renovation and demolition (CRD) waste at our various worksites.	Cumulative number of new initiatives	0 (2023)	3	3 Two new initiatives were carried out during the year; the lessons learned will be transferable to other renovation projects in our buildings. As part of a refurbishment project in Saint-Jérôme, 90% of the interior doors and glazed screens were reused. Furthermore, some of the ceiling tiles removed (i.e., 12 pallets of 85 tiles) were reused in the renovation of 2000 rue Crémazie in Montréal.

Pollution management

Our operations extend across most of Québec's ecosystems and, despite the precautions we take to protect them, some of our activities carry residual contamination risks. We remain at the forefront of environmental best practices and manage the environmental risks associated with our operations and assets responsibly.

2025 highlights

Maintaining a rigorous environmental framework

- In 2025, Hydro-Québec maintained its ISO 14001 certification, which it has held since the late 1990s, confirming that its environmental management system continues to meet the requirements of the standard.
- This system provides a structured management framework—supported by senior leadership—to identify and assess environmental aspects, manage applicable compliance obligations and integrate environmental considerations into project and operational planning. It also governs operational controls, includes mechanisms for monitoring and evaluating environmental performance and addressing non-compliances. Employee training is essential to ongoing improvement.

Managing the environmental impacts of our projects and activities

- In 2025, we continued to conduct environmental assessments of any projects and operations that have the potential to generate environmental impacts. These assessments identify sensitive environments, avoid or mitigate impacts on natural and human environments, incorporate mitigation and compensation measures where required, support social acceptability and contribute to managing environmental risks from the earliest stages of project development.
- We also launched a major asset modernization project with the start of a two-year preparatory work phase at La Trenche generating station. This work includes monitoring effluent from the station's new oil-water separator system.

Preventing and managing accidental oil spills

- For several years, we have been developing mitigation measures to reduce the likelihood of accidental oil spills by our equipment.
- These measures include reviewing equipment manufacturing criteria, strengthening monitoring and response measures in the event of accidental spills at substations and improving our understanding of oil droplet separation in gravity separators.
- Since 2022, new decision-making processes have been implemented upstream to guide the installation of oily water recovery systems and better manage the risk of contaminant releases during transportation. Based on these processes, we installed an oil recovery system at Farnham substation in 2025.

Reducing contamination risks

- We strengthened our preventive measures to protect the aquatic environments surrounding our facilities.
- We continued to install insulating oil recovery systems under new equipment that contains large volumes of oil, where feasible. Most of these facilities include containment basins connected to oil-water gravity separators, helping to reduce the risk of contamination.

Joanie Perreault, Technician – Chemistry, Laboratory and Radiation Protection, is getting ready to analyse oil samples from a transmission substation.

Noise management

- In 2025, we continued to reduce noise pollution in sensitive areas, especially residential neighbourhoods. We opt for less noisy equipment when building new substations or replacing equipment at the end of its service life. If at-source noise reduction isn't sufficient, we implement mitigation measures, such as sound barriers, in order to limit disruptions to neighbours.
- In particular, we have optimized noise management in three substations:
  - Saint-Michel substation: less noisy equipment installed
  - Hertel and Appalaches substations: addition of sound barriers around the transformers associated with the converter units

Social

Human resources

Our teams play a decisive role in the success of the energy transition. We make every effort to be an employer of choice to attract and retain talent. We are committed to providing a safe, diverse and inclusive work environment.

2025 highlights

Strengthening talent acquisition

- We stepped up our efforts to ensure the availability of critical talent, particularly in the skilled and technical trades needed to carry out our strategic priorities.
- We organized more than 120 promotional events and released 9 new videos on our social media channels to raise awareness of the career opportunities we offer and to support recruitment.
- We also strengthened our partnerships with educational institutions and employers.

For several years now, we have been celebrating our interns' enthusiastic contributions at a gala held in their honour.

Developing the next generation and engaging the workforce

- Welcoming and training the next generation remains a priority, notably through the rollout of the Centre d'excellence des stagiaires. The company welcomed 289 university interns, along with 11 interns from the Institute of Electrical Power Engineering and 112 college interns. These internships ensure effective knowledge transfer and give interns hands-on exposure to the challenges of the sector.
- This initiative contributed to a 17% improvement in the intern-to-employee conversion rate.
- A new agreement signed with the Ministère de l'Éducation provides for a company investment of up to $100 million over 3 years to support and improve workforce training (line workers and electricians) needed to implement *Action Plan 2035*.
- The École de technologie supérieure (ETS) has also committed to creating a new concentration in electrical engineering, reinforcing expertise in civil engineering oriented toward electrical and energy systems.

Continuous learning and skills development

- The company dedicated 3% of its payroll to skills development, reflecting our ongoing commitment to supporting continuous learning and updating our mission-critical expertise.
- A total of 15,630 employees took part in an eligible training activity under the *Act to promote workforce skills development and recognition* (widely known as the 1% Law).

Inclusion and evolution of integration programs

- Since 2017, the Programme d'intégration de nouveaux arrivants et arrivantes au Québec (PINA) has been a powerful lever for building a more inclusive company. It has helped provide qualified candidates in their field with a first work experience in Québec, while allowing our teams to benefit from their expertise. Over 30 weeks, participants received support ranging from onboarding and language improvement (where needed) to professional networking. In 2025, the program met its targets, paving the way for a new phase in workforce integration and diversification. Over its 8 years of operation, the program resulted in 255 hires.

Strengthening occupational health and safety

- In 2025, the collaborative leadership committee on occupational health and safety (OHS) met three times: in April, May and November.
- The company ran an awareness campaign on psychosocial risks, such as harassment, violence and traumatic events. We informed employees, promoted available resources and encouraged dialogue in the workplace.
- We also provided mental health training to our managers and frontline advisors. Penalties related to OHS non-compliance totalled $21,198 in 2025.

Safe management of hazardous materials

- Mindful of the working environment of our staff, we reached an important milestone in our standardized hazardous materials storage project by completing upgrades at 138 sites and 3,300 company rooms.
- More than 14,300 hazardous materials were inventoried and categorized by risk level. We implemented a new procurement process to identify and manage risks before purchasing products.
- Our leadership in health, safety and the environment was recognized in May 2026: our Hazardous Materials Management Program won the **CNESST grand prize in the Proaction category** [in French only].

Maintaining a healthy workplace

- In 2025, 177 reports related to maintaining a healthy workplace were filed. Analysis of these reports highlights the main sources of tension experienced by our staff:
  - 37% involved a disagreement with a manager.
  - 22% related to situations of incivility.
  - 16% were linked to team climate.
  - 15% involved interpersonal conflicts.
  - 5% related to situations of discrimination.
- These figures show that the reporting mechanisms and awareness activities put in place are contributing to greater transparency, prevention and continuous improvement of the organizational climate.
- We maintain a transparent OHS complaints management process. In 2025:
  - 42 complaints were received.
  - 7 were investigated.
  - 3 were upheld.
- In 2025, 90.7% of all employees completed training on discrimination and harassment. This significant increase stems in part from the introduction this year of mandatory workplace harassment training, which has become an essential component of prevention practices.

Continued efforts in equity, diversity and inclusion (EDI)

- We continue our efforts to build a workplace that is representative of society.
- Women account for 27.7% of all employees, and men for 72.3%.
- In terms of diversity, the workforce breakdown is as follows:
  - 1.7% are from First Nations and the Inuit Nation.
  - 2.3% are from ethnic minorities.
  - 9.2% are from visible minorities.
  - 1.1% are persons with disabilities.
- Hiring efforts are making a significant contribution to this diversity. Of all external hires in 2025:
  - 482 are women.
  - 32 are Indigenous persons.
  - 22 are from ethnic minorities.
  - 114 are from visible minorities.
  - 4 are persons with disabilities.
- As a result, 36.7% of new external hires—1,617 individuals (excluding interns)—are persons from underrepresented groups as defined by the *Act respecting equal access to employment in public bodies*, illustrating our concrete progress in inclusion and representativeness.
- Ongoing training remains a central pillar of our EDI strategy.

Results of priority actions in the *Sustainable Development Plan* related to human resources

Action	Indicator	Starting measurement	Target 2025	Result 2025
Improve workplace safety by adopting measures to reduce accident risks.	Frequency of work-related accidents involving lost time and/or death, per 200,000 hours worked at Hydro-Québec	1.17 (2023)	1.08	1.3[a] No deaths recorded in 2025; decrease in the number of serious incidents. Lost time linked to musculoskeletal disorders, ground-level slips and psychological injury increased from the previous year.
Increase the share of active, collective or alternative transportation used as compared to single-occupancy vehicle use.	Percentage (%) of modes of transportation other than single-occupancy vehicle travel	50 (2024)	50	50.72 The result corresponds to data from the annual survey of staff members working in Hydro-Québec buildings occupied by over 150 persons: 6,250 respondents completed the survey, representing a participation rate of over 35%.

a) Data verified by the BNQ.

Sustainable communities

Collaboration with communities is central to our energy transition commitments. By acting as a responsible neighbour, we contribute to improving the quality of life and well-being of Quebecers.

2025 highlights

Building social acceptability

- In 2025, our community relations teams met with representatives of 472 municipalities across Québec's 17 administrative regions, strengthening our ties with communities and deepening our understanding of their needs.
- As part of our projects, we took part in more than 700 external meetings, including some 30 open-house events and 10 hearings with the Bureau d'audiences publiques sur l'environnement (BAPE).
- We also signed a letter of intent with the Union des producteurs agricoles (UPA) toward renewing the framework agreement on the routing of transmission lines through agricultural and forest land.
- In total, in 2025, our teams carried out more than 17,000 communications with our stakeholders, reflecting the scope and diversity of our interactions across the territory.

Donations and sponsorships

- In 2025, we awarded $20.6 million in donations and sponsorships across Québec's 17 regions; 20% of this amount covered several administrative regions at once. Over half of the contributions were allocated to the Vitalité des régions program, with 76% supporting cultural activities.
- We also updated our Social Responsibility Directive [in French only]. The new version replaces the notion of "reducing GHG emissions" with "the fight against climate change". This change enables us to support initiatives that promote awareness of biodiversity. In addition, the new version renames "business development" to "boosting the reputation of Québec, the company and the company's goals" in order to better reflect its scope.

Implementation of the Integrated Enhancement Program (IEP)

- Since 1985, our IEP has been improving the quality of life in communities where new power transmission lines or substations are built.
- In 2025, $4.2 million was allocated to support 35 IEP initiatives, including two major ones:
  - The New England Clean Energy Connect (NECEC) project, which involves the export of energy to New England, received $2,490,165.
  - The Des Irlandais substation, which is part of the upgrade to the Montréal power system received $820,560.

Land and landscape conservation

- In 2025, we signed two framework agreements with the Fédération québécoise des municipalités (FQM) and the Union des municipalités du Québec (UMQ) targeting municipal projects that promote biodiversity in rights-of-way.
- We also conducted outreach with cottage owners and backed local greening initiatives, while keeping a close eye on agreements relating to water level management and land under our control.
- We used new visual impact analysis tools to assess the visibility and integration of equipment in the landscape more effectively. Along with an informational video [in French only] posted on our YouTube channel, this initiative shows that landscape analysis is vital for environmental protection and ensuring that projects are socially acceptable.
- We signed an agreement with the Chaire en paysage et environnement at the Université de Montréal and the Québec government. Through these partnerships, we are helping train the next generation while advancing and sharing knowledge about the Québec landscape to integrate our projects more harmoniously.

Protection and promotion of cultural heritage

- In 2025, our specialists actively pursued our mission of identifying, protecting and promoting built, technological, archaeological, documentary and intangible heritage. Supported by legal and internal frameworks, these actions helped to enrich the inventory of items of interest, improve their protection and raise their public profile.
- Our protection efforts primarily consisted of providing 75 heritage opinions or recommendations, establishing a network of specialists assigned to the Berri-2 substation project in Montréal (on the site of the former Institut des Sœurs de Miséricorde) and digitizing nearly 6,000 historical photographs.
- Over 400 archaeological activities, including opinions, potential studies, inventories and studies, were carried out at project sites. Archaeological work at the Vieux-Terrebonne heritage site resulted in the identification of four new sites of interest and the expansion of a fifth.
- Highlights of heritage promotion included the centenary of the Chute-Hemmings generating station in Drummondville, the renewal of exhibitions at Beauharnois generating station and at Rapides-Farmer generating station in Gatineau, and increased visibility of heritage content on social media, totalling 1.46 million views.
- Meanwhile, Hydro-Québec's historical collection expanded to include 4,778 items through acquisitions, donations and other transactions in 2025. The Centre d'archives responded to 435 research requests and issued 41 user licences.

Strengthening public safety

- We continued to collaborate with local responders and governments to align emergency plans and measures. In 2025, we sent 14 emergency action plan summaries and 50 impounded water management plan summaries to several municipalities, and held an information tour to present response protocols.
- Outages and emergencies—two of which involved a major service restoration emergency plan—generated almost 850 communications with various stakeholders. Of these, 536 were from municipalities or members of the National Assembly and 214 were from the media.
- In June 2025, we renewed our awareness campaign for the public and for skilled workers from external organizations who work on or near our facilities. The campaign focused on two key themes: electrical hazards and drowning risks near dams. The risks involved in this kind of work made renewing the campaign a priority.
- In 2025, among these workers, we recorded:
  - six electrical contact accidents and three electrocution fatalities on our transmission system
  - two electrical contact accidents and one electrocution fatality on our distribution system

Results of priority actions in the *Sustainable Development Plan* related to sustainable communities

Action	Indicator	Starting measurement	Target 2025	Result 2025
Work with municipalities to implement projects that foster biodiversity in our transmission rights-of-way.	Cumulative number of hectares (ha) developed	10.2 (2023)	60	28.4[a] In 2025, projects to foster biodiversity were carried out with three municipalities. An analysis of high-potential sites is underway so that we may be proactive in 2026. A new greening program aiming to promote local initiatives in partnership with municipalities and Indigenous communities was launched this year.

a) Data verified by the BNQ.

Relations with First Nations and Inuit

The energy transition is a collective challenge. We are determined to rise to this challenge in partnership with First Nations and Inuit, in a spirit of reconciliation based on trust, active listening and mutual respect.

2025 highlights

2025 saw a clear shift toward action. We implemented 28 initiatives from the ***Strategy for Economic Reconciliation and to Strengthen Relations with First Nations and Inuit***, including the following priority areas:

- Establishing partnerships with First Nations and Inuit for large-scale construction projects
- Diversifying niche markets and committing to spending $1.5 billion on goods and services from Indigenous businesses from 2025 to 2029
- Increasing First Nations and Inuit participation in our projects and operations as well as in our environmental studies and follow-ups
- Supporting the creation of training centres and study programs for Indigenous people

These actions also support our continued efforts to maintain our gold-level accreditation under the Partnership Accreditation in Indigenous Relations (PAIR) program of the Canadian Council for Indigenous Business (CCIB).

Continuing our wind power partnership strategy

We've continued to roll out our Wind Power Development Strategy, which centres on the development of large-scale projects in specific areas, working closely with First Nations and municipalities.

To help wind power project proponents prepare their proposals for projects targeting commissioning between 2031 and 2035, we produced a map showing the potential for integrating wind power into our transmission system.

In 2025, we reached two new agreements that represent a combined wind power potential of 7,500 MW, bringing Québec's wind potential to 12,500 MW:

- In the Gespe'gewa'gi area, which covers the Gaspésie and eastern Bas-Saint-Laurent regions, we entered into a partnership for a potential 6,000 MW with the Mi'gmawei Mawiomi Business Corporation and the Alliance de l'énergie de l'Est, which encompasses the Wolastoqiyik Wahsipekuk First Nation and 209 communities.
- In the Bas-Saint-Laurent region, covering the territories of the Montmagny, L'Islet, Kamouraska, Témiscouata and Rivière-du-Loup regional county municipalities (MRCs), we signed an agreement targeting 1,500 MW of wind power development in the Wetsok zone, in Wolastoqey. "Wetsok" means "in the direction of the wind".

These agreements join the wind energy deals signed in 2024 in three other promising areas: Chamouchouane and Nutinamu-Chauvin in Saguenay–Lac-Saint-Jean, and Wocawson in Bas-Saint-Laurent. Together, these zones represent a total wind power potential of approximately 5,000 MW. In 2025, we reached an important milestone by completing pre-feasibility studies, enabling us to launch planning activities, including field surveys, public consultations and regulatory procedures.

The Kitcisakikt community was connected to the grid in December 2025.

Results of priority actions in the *Sustainable Development Plan* related to relations with First Nations and Inuit

Action	Indicator	Starting measurement	Target 2025	Result 2025
Obtain Gold-level certification under the Canadian Council for Indigenous Business's (CCIB) Partnership Accreditation in Indigenous Relations (PAIR) program.	Certification level	Silver level (2023)	Gold level	Gold level The Gold certification obtained again in 2025 recognizes Hydro-Québec's efforts in terms of: • Relations with Indigenous communities • Economic benefits • Training and employment for Indigenous community members The progress made to date shows that the company is a good business partner and is committed to promoting the prosperity of Indigenous communities. Hydro-Québec is also committed to offering a workplace that is open and inclusive toward its Indigenous employees.
Support Indigenous women entrepreneurs.	Annual number Indigenous women entrepreneurs receiving personalized support	424 (2023)	1,040	660[a] In 2025, despite a higher number of active projects, the number of support activities was lower than expected due to procedural efficiency, the nature of the projects and participants' varying needs. The calculation method will be reviewed in 2026.

a) Data verified by the BNQ.

Responsible energy use

In this era of energy transition, electricity generated from renewable sources is becoming a precious resource that we must learn to use less of and more wisely. We are determined to provide our customers with tools to reduce their electricity use and contribute to Québec's energy independence.

2025 highlights

Investing in energy efficiency programs

- Recognized as the fastest and most cost-effective solution for meeting future needs, energy efficiency reached a milestone in 2025 with the launch of our most ambitious strategy to date: ***Working Together to Use Energy Wisely – Energy Efficiency Pathway***. By 2035, we plan to invest $10 billion to save 21 terawatthours (TWh). In 2025, we invested over $1 billion in energy efficiency programs.
- Residential customers' participation in our energy efficiency programs in 2025 drove energy savings up by more than 63% compared to 2024. Measures deployed include installing 320,000 smart thermostats and 144,000 heat pumps in homes.
- Some 470,000 households contributed to responsible energy use during winter peak demand events through rate options and automated management tools. On average, residential customers reduced their consumption by approximately 700 MW per peak event in winter 2025-2026, which is equivalent to the amount of power required to heat 100,000 homes.
- Commercial, business and industrial customers also actively participated in energy efficiency programs, particularly during peak demand events. In 2025, they reduced their consumption by around 1,900 MW per peak event, which is equivalent to the average consumption of 250,000 homes.
- Hydro-Québec also contributed to the collective effort by taking advantage of the Demand Response (DR) Option. Over the past five years, the number of its buildings implementing DR measures has increased from 31 to 172.

Residential customers

Number of households benefiting from our rate options and smart thermostats	470,000
Load shifted during peak events	700 MW
Average number of homes this demand represents	100,000

Julie Marchand-Lamer, Advisor – Marketing Communications, and her colleagues engage with the public to promote our energy efficiency programs.

New and ongoing initiatives

Alliance of Exemplary Buildings

In 2025, we created the Alliance of Exemplary Buildings, bringing together the managers of 25 large commercial and institutional buildings around a shared commitment to adopting best energy practices. To achieve this, each member must:

- Develop a three-year energy savings plan.
- Install high-performance equipment.
- Optimize and maintain electromechanical systems.
- Participate in the DR Option.

The measures implemented—such as reducing lighting, heating and air-conditioning in spaces that are not in use—can generate savings of up to 20% on electricity bills. And this is only the beginning: we're aiming for over 500 members by 2028.

LogisVert Program for residential customers

Launched in 2024, our LogisVert Efficient Homes Program for residential customers supports the purchase of high-performance appliances. These include heat pumps, which are up to three times more efficient than electric baseboard heaters for winter heating and also help keep homes cool in summer. In winter, savings can reach 40% of heating costs. In 2025, the program provided financial assistance for the purchase of 148,687 heat pumps—an increase of 97% compared to 2024.

Efficient Solutions Program for business and industrial customers

The Efficient Solutions Program experienced strong growth in 2025: 10,228 projects were completed, up from 6,842 in 2024. To better meet market needs, we enhanced our financial support, particularly for the purchase of heat pumps and heat recovery systems.

Smart thermostats at $0 for residential customers

A program making smart thermostats available at no charge gave our residential customers the opportunity to obtain devices that could help them save up to 20% on their winter electricity bills. That's because smart thermostats can automatically adjust indoor temperatures during peak demand events. By late 2025, 101,378 households were using connected smart thermostats—double the number at the start of the year.

Supporting industrial businesses with energy efficiency

To help our large industrial customers (180 paper mills, aluminum smelters, mines and more) reduce their energy consumption, we now provide tailored energy efficiency support. In 2025, over 20 of these customers adopted a structured approach centred on two key elements: an in-depth energy analysis and the implementation of an energy management system based on the ISO 50001 standard.

To support these efforts, we increased our grants to cover up to 100% of the costs of the analysis and implementation of the energy management system in some cases, helping our customers to reduce their electricity bills while maintaining their competitiveness.

Pilot project to help low-income customers

We installed smart thermostats free of charge in over 700 homes to support low-income customers.

Demand Response (DR) Option

By encouraging businesses to consume energy more efficiently and in a way that is better suited to grid capacity, the DR Option plays a key role in promoting responsible energy use. Reducing consumption during peak demand events eases pressure on infrastructure and maximizes the value of electricity from renewable sources.

Nearly 5,700 businesses and organizations are enrolled in various rate options, including the DR Option. This participation demonstrates that business customers are adopting more responsible energy behaviours without compromising their comfort or operations.

Commercial, business and industrial customers

Number of businesses and organizations enrolled in rate options: **5,700**

Load shifted during peak events: **1,900 MW**

Average number of homes this demand represents: **250,000**

Results of priority actions in the *Sustainable Development Plan* related to responsible energy use

Action	Indicator	Starting measurement	Target 2025	Result 2025
Achieve the 21 TWh energy savings target by 2035 through our energy efficiency programs.	Cumulative number of gross terawatthours (TWh) saved	0.84 (2023)	2.81	3.93[a] The target was surpassed due to: • The sustained adoption of heat pump technology by residential customers • A considerable increase in the contribution from business customers (close to 900 GWh) Major projects with industrial customers are also currently being finalized.
Free up 3,500 megawatts (MW) of electricity that can be shaved or shifted by 2035 through our demand response offerings.	Number of megawatts of electricity that can be shaved or shifted through our demand response offerings	2,041 (2023-2024)	2,424	2,665 Results for winter 2025–2026 surpassed the target due to the rollout of the residential customer offer of $0 smart thermostats/electric water heater controllers, to increased business customer buy-in, and to a successful transition toward the new DR Commitment Option for industrial customers.
Obtain BOMA BEST 4.0 certification, which includes the performance of residual materials management in our administrative buildings.	Cumulative number of BOMA BEST-certified buildings (version 4.0)	0 (2023)	2	3 The Beauport, Lebourgneuf and Hull administrative buildings hold BOMA BEST 4.0 certification, thereby showing a robust commitment to sustainability, energy efficiency and environmental performance in our administrative buildings.

a) Data verified by the BNQ.

Governance

Responsible procurement

The availability of essential goods and services is key to achieving our objectives, including the implementation of the energy transition. We must therefore take strategic and responsible measures to secure our supply chain.

2025 highlights

Strengthening procurement from Québec businesses and social economy enterprises

- In 2025, 89.46% of the value of our goods and services acquisitions (including leasing) came from businesses established in Québec, thereby supporting the local business ecosystem.
- We continued to collaborate with Québec's social economy hubs to make it easier for social economy enterprises (SEEs) to access our contracts. We also consulted with these organizations to develop training aimed at helping SEEs navigate Hydro-Québec's tendering process.
- In 2025, 94 social economy suppliers—including non-profit organizations with an environmental, social or sustainable development mission—had an active order with us.

Advancing economic reconciliation with First Nations and Inuit

We are committed to driving economic development in Indigenous communities across Québec.

- 2025 saw the launch of our ***Strategy for Economic Reconciliation and to Strengthen Relations with First Nations and Inuit***.
- This strategy accelerates the implementation of our ***Indigenous Procurement Strategy*** through our presence in several communities and our direct support of Indigenous suppliers.
- In 2025, Hydro-Québec spent $221.8 million with First Nations and Inuit businesses. This represents 3.49% of its total procurement spending in Québec and was distributed among 119 Indigenous businesses.
- We also took part in several meetings with other project owners to share best practices in procurement from Indigenous enterprises.

Strengthening supply chain due diligence

- Hydro-Québec has created and implemented a new corporate due diligence (CDD) process to mitigate the risks of forced and child labour, and to ensure that human rights are respected throughout our supply chain. Our annual report [in French only] on forced and child labour provides further details on our approach.

- In 2025:
  - 100% of targeted suppliers signed our *Supplier Code of Conduct*, confirming that they had read and understood its scope and agreed to take the necessary steps to comply with it and ensure that their subcontractors did the same.
  - All contracts concluded with targeted suppliers in markets presenting environmental or human rights risks now include specific clauses covering the environment, labour and human rights.
  - We have incorporated sustainability criteria into an increasing proportion of our requests for proposals. By the end of 2027, at least 50% of our contracts will either include formal, measurable or verifiable requirements that enable improved sustainability performance or they will be awarded to suppliers that are considered to be responsible following rigorous validation, to social economy suppliers or to suppliers representing diversity. This measure excludes general environmental clauses that are already incorporated into many contracts, incentive clauses that lack measurable requirements, and simple supplier self-declarations.
  - Six suppliers that were evaluated or audited committed to corrective action plans to strengthen their practices. The human rights CDD process requires evidence of this improvement, such as more stringent subcontracting mechanisms and enhanced verification procedures.

Ongoing evaluations, audits and continuous improvement

- In 2025, we incorporated our sustainability questionnaire into 80% of requests for proposals, making it an optional criterion with which to evaluate suppliers' environmental, social and governance practices.
- That same year, 56% of targeted bidders underwent a corporate social and environmental responsibility (SER) evaluation as part of a cumulative process that began in 2023.
- On-site audits incorporating an SER dimension began in the fourth quarter of 2025 as part of a pilot phase (two audits have been completed, but no percentage has yet been calculated).

Strengthening occupational health and safety criteria

- The third phase of the rollout of the occupational health and safety (OHS) questionnaire, which was launched in 2022, has begun.
- This questionnaire is incorporated into the tendering process for high- or moderate-risk markets. It has been mandatory since 2024 in most of these markets and awards additional points to bidders that implement the best OHS prevention practices. In 2025, during the final phase of the questionnaire's rollout, bidders were required to achieve a minimum score of 70% for certain procurement categories.
- We launched a communications campaign for relevant suppliers to help them meet our more stringent requirements.

Improving training and awareness

- For several years, we have systematically provided new staff with training and due diligence tools on the consistent application of environmental and social criteria. As of December 31, 2025:
  - 97.9% of buyers (across all sites) had completed at least one of the two responsible procurement training courses offered.
  - 85.6% had completed both courses.
- We increased our efforts to raise awareness of responsible procurement among all internal stakeholders involved in purchasing decisions, offering them two information sessions on sustainable development. The aim was to explain our responsible procurement strategies and encourage them to play a more active role.
- At the same time, we intensified our efforts to raise awareness among internal stakeholders of the importance of increasing procurement from social economy enterprises. We also supported advisors by pre-selecting enterprises likely to meet the specific needs of the various markets.

Decarbonation support

- We helped supply chain management advisors integrate sustainability and occupational health and safety (OHS) assessments into their reviews of business relationships with our strategic suppliers.
- We launched the Innovation Challenge in 2024, focusing on reducing food waste in remote-area cafeterias, and we continue to provide ongoing support for related activities.
- Hydro-Québec signed a collaboration agreement with Décarbone+ to establish a decarbonization program for the energy sector and assist our suppliers with their decarbonization strategies. Proposed activities include:
  - developing an action and investment plan to reduce greenhouse gas emissions
  - supporting businesses in applying for grants under programs enabling them to implement their decarbonization plans
  - semi-annual follow-up on the progress of action plan implementation and issues identified over a three-year period
- The activities of the Levier ESG program, led by the Association de l'Industrie Électrique du Québec and a steering committee of which Hydro-Québec was a member, concluded in February 2025. Its achievements included:
  - ESG assessments, summary GHG inventories, residual materials analyses and procurement risk assessments conducted over a five-month period
  - group workshops and individualized support
- On the closing day, Hydro-Québec gave a presentation on the strategic role of ESG in supply chains.

Totalling about $7 billion per year, the goods and services we acquire generate economic benefits in Québec.

Results of priority actions in the *Sustainable Development Plan* related to responsible procurement

Action	Indicator	Starting measurement	Target 2025	Result 2025
Increase the share of our sustainable procurement.	Proportion (%) of contracts incorporating new sustainability components	New indicator	20	30.6[a]
Increase the business opportunities made available to social economy enterprises.	Number of social economy enterprises with a contract or active order for the current year	75 (2023)	90	94[a]

a) Data verified by the BNQ.

Responsible governance

As a government-owned corporation, we must lead by example. Responsible governance is key to earning the trust of our partners. From the board of directors to teams working out on the field, everyone at Hydro-Québec follows a code of ethics, backed by international certifications and rigorous accountability mechanisms.

Business ethics and integrity

The activities of Hydro-Québec and certain of its subsidiaries are governed by an anti-bribery management system that is ISO 37001 certified. This system ensures the consistent application of rules of conduct, internal controls and preventive measures. The certification guarantees that key processes, such as contract management, interactions with third parties and financial authorizations, comply with international best practices in corruption prevention.

As part of the risk assessment process (G6.1), the company analyses its suppliers and business relationships that present an elevated risk of corruption, adjusting its vigilance and the frequency of follow-ups accordingly.

2025 highlights

Strengthening the culture of ethics and compliance

- In 2025, 40 of Hydro-Québec's departments and two subsidiaries were evaluated or audited with respect to business ethics issues. This promotes comprehensive oversight of internal practices, better risk detection, and a high level of organizational compliance.
- Hydro-Québec deploys mandatory training and awareness tools to improve responsible decision-making and strengthen the internal culture of ethics and compliance throughout the organization. In 2025, 94.60% of employees completed training on the *Code of Ethics* for Hydro-Québec employees (covering corruption prevention, conflict of interest management, and the responsible management of organizational information, assets and resources). This training, accompanied by an annual attestation of commitment to the *Code of Ethics*, helps to reinforce collective vigilance and organizational integrity.
- Hydro-Québec supports its staff and managers in their ethical considerations, including by responding to their queries. In 2025, 635 requests for ethics opinions were received and processed (compared to 573 in 2024), primarily concerning the integrity of business relationships. This increase reflects a heightened awareness of ethical issues.
- Hydro-Québec regularly updates its codes of ethics and conduct for its Board of Directors, management and staff. In 2025, the *Code of Ethics* for employees was updated to reflect the current context, including remote work, artificial intelligence and legislative changes.
- Several training and awareness-raising activities were carried out in 2025 to strengthen the company's ethical culture, delivered in part through internal communications, and a second iteration of the ethical leadership program for managers took place.

Implementing anti-bribery measures

Since June 2021, Hydro-Québec has held ISO 37001 certification, reflecting its commitment to adopting the best anti-bribery practices. The standard is based on continuous improvement and a stringent anti-bribery management system.

In keeping with the standard's main requirements, Hydro-Québec must implement key measures that include:

- ensuring sound governance specific to the fight against corruption
- assessing and mitigating the risks associated with certain processes (procurement, managing sensitive information, etc.)
- holding employee awareness and training activities
- updating its anti-fraud and anti-corruption policy, which sets out the organization's responsibilities and expectations

- an annual internal assessment to verify the anti-bribery management system's compliance with the ISO 37001 standard and support its continuous improvement
- a confidential and anonymous reporting mechanism accessible to all staff, stakeholders and the public, with protections against retaliation

In addition, Hydro-Québec and its subsidiaries undergo an external compliance assessment each year to maintain certification. In 2025, as part of the 2024–2026 triennial certification cycle, French firm EuroCompliance conducted this assessment and confirmed the robustness of the anti-bribery management system in place.

Access to information and protection of personal information

Hydro-Québec has implemented a governance framework to ensure compliance with the requirements of the *Act respecting Access to documents held by public bodies and the Protection of personal information* ("the Act"). Within this framework, the organization has adopted a Privacy Protection Commitment to reinforce public confidence in its practices.

The organization fulfils its responsibilities with respect to access to information and privacy protection. It oversees the handling of personal information and supports its staff in upholding privacy.

Processing requests for access to information

All requests for access to information received by Hydro-Québec are handled in accordance with the Act.

Requests

In 2025:

- 615 requests were received.
- 605 were processed.
- 121 were granted in full.
- 324 were granted in part.
- 82 were denied, primarily on grounds related to public safety, the economy, internal administrative decisions or confidentiality concerns.
- 78 were deemed inadmissible, inapplicable, redirected to other public bodies or unprocessed due to the unavailability of the requested documents.

Processing times

Of the 605 requests processed:

- 362 were processed within 20 days.
- 146 were processed within 21 to 30 days.
- 97 were processed in 31 days or more.

The average processing time was 20 days.

Review notices and accommodation measures

Hydro-Québec received 13 review notices from the Commission d'accès à l'information. No access requests were the subject of reasonable accommodation measures under the government policy on equal access for persons with disabilities to publicly available documents and services.

Decisions on access requests and the report on requests processed in 2025 are available [in French only] on the company website.

Implementation of the privacy protection program

Hydro-Québec continued to implement its privacy protection program, including awareness and training activities for employees. Some of these activities are mandatory for staff whose duties involve handling personal information. The program is continuously reviewed and improved using a performance-driven approach, and it is subject to periodic accountability reporting to the relevant bodies.

A privacy protection monitoring program has been implemented to ensure compliance with personal information protection frameworks and legal requirements.

Hydro-Québec also continued to roll out an integrated privacy impact assessment process to promote a privacy-by-design approach.

Integrating ESG into our business practices

We have been working for several years to embed sustainable development into our processes and business practices. This structured approach is implemented at multiple levels, leading to sustainable changes to evolve our working methods and stronger coherence in our actions. This is reflected in our intention to incorporate sustainability criteria into the evaluation and awarding of our donations and sponsorships, and into our financial support programs. We also conduct sustainability assessments to better identify areas for improvement and optimize the contribution of our operations, projects and programs to our sustainable development ambitions.

Where relevant, we also ensure that our sustainable development concerns are integrated into our frameworks and decision-making processes. In this way, we are building an organizational culture in which ESG considerations support more consistent and responsible decision-making that is better aligned with our strategic priorities.

2025 highlights

- In 2025, one of our subsidiaries, Cedars Rapids Transmission Company, drew up its first sustainable development plan. We hope to extend this initiative to other subsidiaries in 2026.
- Of the organizations that we supported through donations and sponsorships, 47% incorporated sustainability criteria into their processes.
- Three of our financial assistance programs were evaluated using the sustainability assessment tool offered by the Government of Québec, which could eventually lead to improvements in sustainability.

Digital technology, cybersecurity and artificial intelligence

We use the COBIT and NIST CSF frameworks for IT audits and information systems governance to organize the management of our digital technologies and improve our cybersecurity. Additionally, our enterprise-wide practices are based on recognized artificial intelligence frameworks, including the NIST AI Risk Management Framework (NIST AI-RMF) and the European Union's AI Act.

This governance framework applies to both information and communications technologies and operational technologies. It guides data management, risk management and technology innovation, among other things. It also covers digital solutions and uses, such as the Internet of Things and emerging technologies, as well as the integration of AI into company operations. It also defines the roles and responsibilities of various teams.

Awareness of, and management of, risks related to digital technologies, particularly in the areas of cybersecurity and artificial intelligence, lie at the heart of this approach. The aim is to ensure the continuity of essential technology services for the organization's core mission, support informed investment and innovation decisions, and guarantee compliance with applicable regulatory requirements.

2025 highlights

- Overhaul of accountability reporting related to the technology policy, including cybersecurity, risk, compliance, portfolio management, asset and data management and service continuity.
- Updating of risk reporting on digital technologies.
- Enhanced monitoring of emerging risks, particularly those related to the geopolitical context and new technologies (artificial and quantum intelligence).
- Changes to digital technology processes to integrate personal information protection requirements.

Results of priority actions in the *Sustainable Development Plan* related to governance

Action	Indicator	Starting measurement	Target 2025	Result 2025
Provide our subsidiaries with a plan to support the implementation of the *Government Sustainable Development Strategy*.	Proportion (%) of active subsidiaries with a plan	0 (2024)	20	17 Hydro-Québec identified the subsidiaries it will help develop sustainable development plans in 2026.
Assess the sustainability of our new strategic planning activities, our new financial assistance programs or our existing programs when updated, as well as our projects involving an environmental impact statement.	Percentage (%) of structuring initiatives that have undergone a sustainability assessment	New indicator	75	75 Three financial assistance programs were evaluated using the Québec government's sustainability assessment tool. One project that had been subject to an environmental impact assessment was not evaluated using this tool, as it was decided that doing so would fail to provide added value compared with the EIA.
Integrate sustainability criteria into our donation and sponsorship evaluation and selection processes.	Percentage (%) of donation/ sponsorship recipients that meet sustainability criteria	New indicator	25	47[a] The donation and sponsorship application form includes questions aimed at identifying organizations that meet certain sustainability criteria. The target includes organizations with declared environmental missions or initiatives.
Integrate sustainability criteria in new financial assistance programs and when updating existing programs.	Percentage (%) of financial assistance programs with at least one additional sustainability criterion	New indicator	60	0 The complexity and duration of the programs have delayed our achievement of this year's target.
Integrate climate risks into our targeted processes.	Cumulative number of processes	1 (2024)	8	4 Efforts in 2025 focused on updating the *Climate Change Adaptation Plan* and establishing a structure for managing climate risks.

a) Data verified by the BNQ.

Validated Performance Metrics Table

Data from previous years may differ from the figures originally published due to subsequent revisions. The overall total may differ from the sum of subtotals due to rounding.

Indicator	2021	2022	2023	2024	2025
General data					
Generating stations in Québec (total number)	87	88	87	88	88
Installed capacity of Québec generating stations (thermal, hydroelectric and solar) (MW)	37,247	37,439	37,436	37,407	37,371
Power generated – Hydropower (GWh)	178,476	179,730	160,567	149,884	152,672
Power generated – Solar (GWh)	8	14	12	13	12
Power generated – Non-renewable thermal (GWh)	289	313	308	284	292
Power purchased – Total (GWh)	178,773	180,057	160,887	150,182	152,976
Power purchased – Hydropower (GWh)	N.A.	35,987	36,708	33,029	28,137
Power purchased – Wind (GWh)	N.A.	11,911	10,154	10,840	11,942
Power purchased – Biogas (GWh)	N.A.	175	169	209	223
Power purchased – Forest biomass (GWh)	N.A.	2,063	2,032	2,048	1,833
Power purchased – Solar (GWh)	0	0	0	0	0
Power purchased – Non-renewable thermal and other sources (GWh)[a]	N.A.	2,273	3,955	8,986	14,748
Power purchased inside and outside Québec – Total (GWh)	N.A.	52,409	53,018	55,112	56,884
Power purchased outside Québec – Total (GWh)	31,648	32,240	34,832	36,502	37,506
Percentage of power purchased outside Québec – New England (%)	0.006	0.049	0.130	0.913	3.825
Percentage of power purchased outside Québec – New York (%)	0.014	2.151	3.503	9.708	15.126
Percentage of power purchased outside Québec – Ontario (%)	2.095	5.297	7.958	15.053	20.357
Percentage of power purchased outside Québec – New Brunswick (%)	0.011	0.013	0.034	0.032	0.103
Percentage of power purchased outside Québec – Newfoundland and Labrador (%)	97.869	92.490	88.375	74.293	60.587
Renewable energy certificates sold to third parties – Hydropower (GWh)[b]	4,450	8,769	16,631	7,233	4,580
Renewable energy certificates sold to third parties – Wind (GWh)[b]	6,852	6,341	9,904	10,212	10,967
Renewable energy certificates sold to third parties – Biogas (GWh)[b]	66	64	65	53	17
Renewable energy certificates sold to third parties – Forest biomass (GWh)[b]	126	361	393	326	186
Renewable energy certificates sold to third parties – Solar (GWh)[b]	0	0	0	0	0
Renewable energy certificates sold to third parties – Total (GWh)[b]	11,494	15,535	26,992	17,824	15,750
Residual renewable power supply to Hydro-Québec's main grid (%)	N.A.	99.6	99.9	98.8	96.7
NO_x emissions from thermal electricity generation (t)	3,443	3,595	3,527	3,311	3,435
SO_2 emissions from thermal electricity generation (t)	1,026	1,129	1,095	1,060	1,038
Total energy consumption of Hydro-Québec generating stations (MWh)	N.A.	N.A.	N.A.	N.A.	376,396
Total renewable energy consumption of Hydro-Québec generating stations (MWh)	N.A.	N.A.	N.A.	N.A.	354,851
Percentage of HQ generating stations' total energy consumption derived from renewable sources	N.A.	N.A.	N.A.	N.A.	94
System average interruption duration index (SAIDI) (min/customer)	346	848	1,072	522	545
Patents held (number)	871	947	981	800	742
Patents pending (number)	535	482	465	451	385

a) "Other sources" refers to imports from neighbouring regions and may include renewable energy.
b) Assessment of renewable energy certificate purchases is partly provisional.

Indicator	2021	2022	2023	2024	2025
Responsible procurement					
Total procurement of goods and services, including rentals ($M)	3,652	4,184	5,007	6,054	7,081
Procurement of goods and services, including rentals – Québec only (%)	91	90	90	91	89
Number of social economy enterprises with a contract or active order for the current year	N.A.	N.A.	N.A.	82	94
Proportion (%) of contracts incorporating new sustainability components	N.A.	N.A.	N.A.	24.6	31
Biodiversity					
Cumulative number of hectares developed to enrich biodiversity in transmission line rights-of-way (ha)	N.A.	N.A.	10.2	22.1	28.4
Cumulative number of additional measures incorporated into projects (number)	N.A.	N.A.	N.A.	3	5
Cumulative number of hectares targeted for conservation (ha)	N.A.	N.A.	N.A.	N.A.	79
Area of transmission line rights-of-way treated (ha)	18,856	20,518	21,804	23,723	23,042
Area of transmission line rights-of-way treated mechanically (%)	90	92	94	92	96
Area of dikes and dams treated (ha)	850	882	708	1,445	1,303
Area of dikes and dams treated mechanically (%)	57	71	75	59	63
Sustainable Indigenous communities and other communities					
Donations and sponsorships ($M)[c]	17.4	19.6	20.6	19.7	20.6
Donation/sponsorship recipient organizations that meet sustainability criteria (%)	N.A.	N.A.	N.A.	44	47
Donations and sponsorships supporting the fight against poverty (%)[c]	25.2	37.3	23.6	25.3	26.9
Donations and sponsorships supporting the energy transition (%)[c]	28.6	9.4	16.4	8.0	7.3
Donations and sponsorships supporting regional vitality (%)[c]	35.8	40.2	48.4	52.2	53.6
Donations and sponsorships supporting business development (%)[c]	6.4	7.5	5.7	8.9	7.2
Donations and sponsorships supporting GHG emission reductions (%)[c]	3.9	5.7	6.0	5.6	5.0
Annual number of women entrepreneurs receiving personalized support	N.A.	N.A.	N.A.	888	660
Responsible energy use					
Energy saved as a result of our energy efficiency programs (cumulative number of gross TWh)	N.A.	N.A.	0.84	2.01	3.93
Power that can potentially be shaved or shifted through our demand response offers (MW)	N.A.	N.A.	N.A.	2,371	2,665
Circular economy					
Insulating mineral oil recovered from our equipment (thousands of litres)	5,014	4,557	3,832	5,238	6,026
Insulating mineral oil treated for reuse (thousands of litres)	3,775	4,047	3,590	5,044	4,658
Insulating mineral oil treated for reuse (%)	75.3	88.8	93.7	96.3	77.3
Insulating mineral oil recycled (thousands of litres)	N.A.	504	235	193	582
Insulating mineral oil designated for energy recovery (thousands of litres)	N.A.	5.7	6.6	1.2	785.3
Insulating mineral oil resold to suppliers (thousands of litres)	0	117	0	0	0
New insulating mineral oil purchased (thousands of litres)[d]	N.A.	N.A.	635	20	335
Water withdrawn (millions of m^3)[e]	2.69	2.70	2.69	2.70	2.68

c) Donations and sponsorships, including the donation to Centraide ($4,877,537), are governed by Hydro-Québec's Social Responsibility Directive.
d) Excluding oils delivered with sealed appliances.
e) In accordance with the *Regulation respecting the declaration of water withdrawals*, which also applies to thermal generating stations and some workcamps (including camps owned by our subsidiary SEBJ) using more than 50 m^3 of water per day (excludes withdrawals for Westlake Chemical Canada Inc.).

Indicator		2021	2022	2023	2024	2025
Responsible governance						
Customer experience index		N.A.	N.A.	N.A.	8.4	8.4
Accidental spills reported to the authorities (number)		1,379	1,299	1,283	1,687	1,678
Number of significant cases of environment-related legal non-compliances[f] brought against Hydro-Québec during the year		N.A.	N.A.	4	2	2
Fines paid by Hydro-Québec for environment-related legal non-compliances[f] ($)		N.A.	N.A.	N.A.	5,000	20,000
Customer claims (number)		2,396	2,701	3,873	2,852	3,168
Customer complaints (number)		1,562	1,979	1,640	1,576	2,014
Complaints appealed to the Régie de l'énergie (number)		61	44	50	41	40
Special payment arrangements for low-income customers (number)		38,884	55,422	69,536	66,526	70,114
Special payment arrangements for low-income customers ($M)		N.A.	218.2	254.6	236.7	259.1
Special payment arrangements for all residential customers (number)		305,048	343,050	290,788	293,353	304,810
Special payment arrangements for all residential customers ($M)		N.A.	836.4	665.3	678.7	754.8
Integrated climate action						
Carbon footprint (t CO_2 eq.)						
Direct sources (Scope 1)						
Generating stations	Thermal	215,561	233,454	228,303	211,124	214,778
Mobile sources	Vehicle fleet	47,989	48,037	46,977	49,323	49,129
	Aircraft fleet	14,718	12,783	12,056	13,228	14,065
	Utility vehicles (e.g., snowmobiles, tractors, snowblowers)	886	926	957	948	956
	Propane-fueled lift trucks	756	116	133	122	157
Fuel use	System maintenance generators	3,952	10,459	2,070	7,371	3,801
	Emergency and jobsite generators	675	705	711	346	1,109
	Building heating	1,084	1,068	903	2,740	1,456
Other sources	Equipment containing CF_4 and SF_6	80,672	37,220	47,556	26,916[g]	34,360
	Aerosols[h]	262	517	363	586	586[h]
	Equipment containing CFCs, HCFCs and halons	786	479	1,965	1,121	1,191
	Synchronous compensators[h]	47	42	25	54	54
Indirect sources (Scope 2)						
Energy losses	Power transmission and distribution system losses	8,290	12,245	21,169	72,901	144,183
Indirect sources (Scope 3)[i]						
Fuel and power	Electricity purchases	105,430	170,028	310,121	968,548	1,915,568
	Life cycle of fuel	54,232	59,332	56,460	53,439	52,703
Business travel	Business travel – Employee personal vehicles	3,190	3,585	3,569	4,419	4,714
	Vehicles leased long-term	2,612	2,627	2,513	2,871	3,079
	Business travel – Trains	1	3	7	7	5
	Business travel – Commercial airlines	365	955	1,470	1,642	1,463
	Business travel – Helicopters[j]	5,777	4,070	3,851	5,568	7,535
	Business travel – Chartered airplanes[j]	4,709	6,947	5,309	5,875	5,659

f) Includes administrative financial penalties, orders and penal offences.
g) The 2024 figure was updated after the 2025 fiscal year.
h) The data required for the final calculations could not be verified for 2025. We have therefore provided the maximum historical value of the last three years.
i) The following indirect emission categories were not included in the annual reporting: purchased goods and services, capital goods, transportation and distribution of goods and services, waste generated in operations, business travel, leased assets, processing/use of sold products, end-of-life treatment of sold products, franchises and investments.
j) Calculations for 2025 are based on flights taken between October 1, 2024, and September 30, 2025. Helicopter positioning flights are excluded from this calculation.

Indicator		2021	2022	2023	2024	2025
Total emissions (t CO_2 eq.)						
	Direct sources (Scope 1)	367,388	345,805	342,020	313,879[k]	321,643
	Indirect sources (Scope 2)	8,290	12,245	21,169	72,901	144,183
	Indirect sources (Scope 3)	176,315	247,546	383,300	1,042,369[k]	1,990,724
	Direct and indirect sources	551,993	605,596	746,489	1,429,150	2,456,549
Intensity of direct GHG emissions (kg CO_2 eq./MWh generated)[l]		N.A.	N.A.	2.13	2.09	2.10
Reduction in direct GHG emissions compared to the 2015–2020 average (%)		N.A.	N.A.	N.A.	13.5	11.3
GHG emission rate of the residual electricity mix distributed to Québec customers supplied by Hydro-Québec's main power grid (kg CO_2 eq./MWh)[m]		N.A.	1.30	0.62	2.48	7.79
Number of road vehicles in service on December 31 (number)		5,702	5,618	5,803	6,026	6,173
Number of electric, hybrid, plug-in hybrid and dual-energy road vehicles in service on December 31 (number)		683	769	1,125	1,384	1,632
Fast-charge stations in Québec for light- and heavy-duty vehicles (cumulative number)		N.A.	N.A.	897	1,110	1,347
Percentage of light vehicle fleet electrified[n]		N.A.	N.A.	N.A.	46	53
Human resources						
Percentage of payroll invested in training		3.0	3.4	2.8	2.9	3.0
Percentage of new hires belonging to an under-represented or target group		N.A.	45.5	43.6	41.4	44.3
Employee turnover (%)		N.A.	N.A.	N.A.	N.A.	8.7
Frequency of work-related accidents involving death and/or lost time for Hydro-Québec, per 200,000 hours worked		1.10	0.95	1.17	0.9	1.30
Total number of work-related HQ employee deaths		0	0	0	1	0

k) The 2024 figure was updated following the 2025 fiscal year.
l) This value is a measure of the intensity of GHG emissions per unit of Hydro-Québec generation. It takes into account all direct GHG emissions, including emissions from off-grid systems and Hydro-Québec's other activities.
m) This value is a measure of GHG emissions directly linked to electricity generation. This is the value used by Hydro-Québec customers to calculate their Scope 2 indirect emissions.
n) This value is based on the light vehicle fleet (hybrid, electric, plug-in and dual-energy) as at December 31, excluding light vehicles weighing more than a half-ton, full-size SUVs and vehicles whose load capacity or range do not meet operational requirements or whose price is excessive (due to a monopoly or lack of competition).

GRI Content Index – GRI 1: Foundation 2021

Hydro-Québec has disclosed the information specified in this GRI content index for the period between January 1, 2025, and December 31, 2025.

GRI standard or other source	Disclosure		Page	Explanation
Informations générales				
GRI 2: General Disclosures 2021	2-1	Organizational details	Web	
	2-2	Included entities	5	
	2-3	Reporting period	1	
	2-4	Restatements of information	47, 48	
	2-5	External assurance	51	
	2-6	Activities and value chain	5	
	2-7	Employees	5, 13, 28, 29, 30, 41, 42, 47, 48	
	2-8	Workers who are not employees		Information unavailable or incomplete. Workforce numbers by contract type and total numbers of outside workers by employment type and employment contract type as well as by region are not available.
	2-9	Governance structure	Web	
	2-10	Nomination and selection of the highest governance body	Web	
	2-11	Chair of the highest governance body	3	
	2-12	Role of board of directors in sustainability	8, 41	
	2-13	Delegation of responsibility for managing impacts	13, 39, 41	
	2-14	Role of the highest governance body in sustainability reporting	Annual Report 2025, page 3	
	2-15	Conflicts of interest	41, 46	
	2-16	Communication of critical concerns	12, 13, 29, 32, 39, 41	
	2-17	Collective knowledge of the highest governance body	Annual Report 2025, page 78	
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2025, page 75, 80	
	2-19	Remuneration policies	Annual Report 2025, page 75	
	2-20	Process to determine remuneration	Annual Report 2025, page 75	
	2-21	Annual total compensation ratio	Annual Report 2025, page 75	
	2-22	Statement on sustainable development strategy	8, 9, 15	
	2-23	Policy commitments	9, 15, 41	
	2-24	Embedding policy commitments	13, 14, 15	
	2-25	Processes to remediate negative impacts	11, 16, 17, 18, 19, 20 , 21, 24, 25, 26, 27, 29, 31, 32	
	2-26	Mechanisms for seeking advice and raising concerns	41, 42	
	2-27	Compliance with laws and regulations	17, 19, 20, 41, 42, 47	
	2-28	Membership associations	38	
	2-29	Approach to stakeholder engagement	11, 13, 14	
	2-30	Collective bargaining agreements	14	

GRI standard or other source	Disclosure		Page	Explanation
Spinoffs of projects and operations, and financial strength				
GRI 201	201-1	Economic value generated	Annual Report 2025, page 39	
	201-2	Financial implications and other risks and opportunities due to climate change	3, 21, 22, 23, 44	
GRI 203	203-1	Infrastructure investments	Annual Report 2025, page 2, 4, 12, 21, 39	
	203-2	Significant indirect economic impacts	Annual Report 2025, page 39	
Governance – Responsible procurement – Responsible governance				
GRI 204	204-1	Proportion of spending on local suppliers	38	
GRI 205	205-1	Corruption risks	41, 43	
GRI 3	3-2	Material topics	12	
	3-3	Management of material topics	12	
Environment – Biodiversity – Climate – Circular economy – Pollution management				
GRI 302	302-1	Energy consumption	35, 36, 37, 45	
	302-3	Energy intensity	48	
GRI 303	303-1	Water management	16, 17, 18, 19, 20, 26	
GRI 304	304-1	Sensitive sites of high biodiversity value	16, 17, 18, 19, 20	
GRI 304	304-3	Restored habitats	16, 17, 18, 19, 20	
GRI 305	305-1	Scope 1 GHG emissions	21, 23, 47, 48	
	305-2	Scope 2 GHG emissions	47, 48	
	305-3	Scope 3 GHG emissions	40, 47, 48	
	305-5	Reduction of GHG emissions	21, 22, 23, 40, 47, 48	
GRI 306	306-2	Management of significant waste-related impacts	24, 25	
	306-4	Waste diverted from disposal	24, 25	
	306-5	Waste directed to disposal	26	At this time, methodological and data availability limitations make it impossible to defer this indicator in accordance with GRI standards.
GRI 308	308-1	Suppliers assessed (approx.)	36, 38, 39, 40, 41, 46	
Society – Human resources – Sustainable communities – Relations with First Nations and Inuit				
GRI 401	401-1	New hires and turnover	28, 48	
GRI 403	403-1	OHS system	29, 32, 39	
	403-2	Hazard identification	29, 39	
	403-9	Work-related injuries	29, 32, 39, 48	
	403-10	Occupational illnesses		At this time, methodological and data availability limitations make it impossible to defer this indicator in accordance with GRI standards.
GRI 404	404-1	Employee training	29, 39	
GRI 405	405-1	Diversity of governance bodies and employees	7, 30	
GRI 406	406-1	Incidents of discrimination	30	
GRI 411	411-1	Rights of indigenous peoples	17, 19, 32, 33, 34, 46	
GRI 413	413-1	Local community engagement	31, 32, 35, 36, 37, 46	
GRI 413	413-2	Impacts on local communities	31, 32, 35, 36, 37, 46	
GRI 414	414-2	Social impacts in the supply chain	38, 39, 40, 46	
GRI 416	416-2	Customer health and safety non-compliance	47	

Evaluation of Sustainability Performance Data

In the interest of transparency, accuracy and credibility, Hydro-Québec has the performance data presented in its sustainability report evaluated independently. This process aims to ensure the accuracy, reliability and consistency of the published information.

The evaluation also helps build stakeholder trust by confirming that the environmental, social and governance performance indicators are based on robust data and recognized methods. It adheres to best practices in accountability and aligns with international disclosure standards.

Further, this process contributes to the continuous improvement of internal mechanisms for data collection, processing and validation, while supporting informed decision-making.

The report includes an **external assurance statement** detailing the conclusions of this evaluation.

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CANADA

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Hydro-Quebec wishes to thank all the employees and suppliers whose photos appear in this Report.

The original text written in French shall prevail.
Ce document est également publié en français.

Share your comments with us

We'd like to know what you think of our report.
Please **send us your questions and comments**.

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