



Independent Limited Assurance Report to the Directors of SSE plc on allocation of bond proceeds and selected environmental impact metrics

The Board of Directors of SSE plc (“SSE”) engaged us to obtain limited assurance on the allocation of bond proceeds and selected environmental impact metrics for SSE’s Green Bonds 1, 2, 3, 4 and 5 (together the “Subject Matter Information”) as defined below and marked with the symbol (A) within the 2023 SSE Green Bond Report - SSE’s sixth annual Green Bond Report (the “Report”) available at <https://www.sse.com/greenbond>¹.

Our assurance conclusion does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Report including any images.

Our limited assurance conclusion

Based on the procedures we have performed, as described under the ‘Summary of work performed as the basis for our assurance conclusion’ and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information as defined below and marked with the symbol (A) in the Report, has not been prepared, in all material respects, in accordance with the reporting criteria set out in ‘SSE’s Green Bond Reporting Criteria 2023’ and referenced in the ‘Subject Matter Information and Reporting Criteria’ section below.

Subject Matter Information and Reporting Criteria

The scope of our work was limited to assurance over the allocation of bond proceeds and the selected environmental impact metrics within the 2023 ‘SSE’s Green Bond Report – SSE’s sixth annual Green Bond Report in respect of the bonds: (i) Green Bond 1 (ISIN number: XS1676952481), (ii) Green Bond 2 (ISIN number: XS1875284702), (iii) Green Bond 3 (ISIN number: XS2057092236), (iv) Green Bond 4 (ISIN numbers: XS2321663473/XS2322933495) (v) Green Bond 5 (ISIN number: XS2510903862) (together, the “Bonds”) as laid out in the Appendix 1 below and marked with the symbol (A) in the Report.

The reporting criteria against which the Subject Matter Information was assessed are set out in ‘SSE’s Green Bond Reporting Criteria 2023’ (the “Reporting Criteria”) on SSE’s website (available at <https://www.sse.com/greenbond>).

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

In addition, the basis for allocation of bond proceeds may differ between different reporting frameworks, including whether proceeds may be allocated to existing projects or only to new projects, and the basis on which eligibility of projects is determined. Therefore, SSE’s reported allocation of bond proceeds and our assurance thereon must be read and understood in conjunction with the Reporting Criteria.

Responsibilities of the directors

As explained in the Directors’ Statement on page 1 of the Report, the Directors of SSE are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying subject matter;
- ensuring that those criteria are relevant and appropriate to SSE and the intended users of the Report;
- the preparation of the Subject Matter Information in accordance with the Reporting Criteria including designing, implementing and maintaining systems, processes and internal controls over the evaluation or measurement of the underlying subject matter to result in Subject Matter Information that is free from material misstatement, whether due to fraud or error; and

¹ The maintenance and integrity of SSE’s website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information or Reporting Criteria when presented on SSE’s website.

- producing the Report, including underlying data and a statement of Directors' responsibility, which provides a balanced reflection of SSE's allocation of Bond proceeds and selected environmental metrics as set out in Appendix 1, and discloses with supporting rationale, matters relevant to the intended users of the Report.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of SSE.

Professional standards applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board.

Our independence and quality control

We have complied with the Institute of Chartered Accountants in England and Wales Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards).

We apply International Standard on Quality Management (UK) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed as the basis for our assurance conclusion

We performed a limited assurance engagement. Because a limited assurance engagement can cover a range of assurance, we give more detail about the procedures performed, so that the intended users can understand the nature, timing and extent of procedures we performed as context for our conclusion. These procedures performed vary in nature and timing from, and are less than in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

In performing our assurance procedures, which were based on our professional judgement, we performed the following:

- considered the suitability in the circumstances of SSE's use of the Reporting Criteria, as the basis for preparing the Subject Matter Information;
- obtained an understanding of SSE's control environment, processes and systems relevant to the preparation of the Subject Matter Information;
- evaluated the appropriateness of measurement and evaluation methods, reporting policies used and estimates made by SSE, noting that our procedures did not involve testing the data on which the estimates are based or separately developing our own estimates against which to evaluate SSE's estimates;
- performed limited substantive testing on a selective basis of the Subject Matter Information. Testing involved:
 - agreeing arithmetical accuracy and agreeing data points to or from source information to check that the underlying subject matter had been appropriately evaluated or measured, recorded, collated and reported;
 - with respect to use of proceeds, inspecting records maintained in SSE's project accounting systems to confirm the existence and classification of the eligible green projects and eligible capex, and that the allocation of bond proceeds were consistent with the applicable categories identified in SSE's Green Bond Framework;
 - considered the disclosure and presentation of the Subject Matter Information in the Report.

Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities or the completeness, accuracy and quality of the supporting third party information of the projects.

Other information

The other information comprises all of the information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other information. As explained above, our assurance conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact.

If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Use of our report

Our report, including our conclusion, has been prepared solely for the Board of Directors of SSE in accordance with the agreement between us dated 8 March 2023, as varied on 9 May 2023. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Board of Directors and SSE for our work or this report except where terms are expressly agreed between us in writing.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, slightly slanted style.

PricewaterhouseCoopers LLP
Chartered Accountants
London
05 July 2023

Appendix 1 - the Subject Matter Information

The Subject Matter Information is set out below and marked with the symbol (A) in the Report.

Allocation of Bond Proceeds

Allocation of bond proceeds and total actual CAPEX spent on eligible green projects for Green Bonds 1, 2, 3, 4 and 5 as at 31 March 2023:

Bond Information				Subject Matter Information	
Green bond	ISIN number	Settlement date	Bond due date	Total actual CAPEX spend (£m)	Allocation of Bond proceeds (£m)
Green Bond 1	XS1676952481	6 September 2017	6 September 2025	1,557.7	548.4
Green Bond 2	XS1875284702	4 September 2018	4 September 2027	1,198.4	591.4
Green Bond 3	XS2057092236	27 September 2019	27 September 2035	1,361.9	350.0
Green Bond 4	XS2321663473/ XS2322933495	24 March 2021	24 March 2028/ 24 March 2036	500.0	500.0
Green Bond 5	XS2510903862	1 August 2022	1 August 2029	680.4	543.9

Environmental Impact Metrics

Environmental impact metrics of eligible green projects for Green Bond 1, 2, 3, 4 and 5 for the year-end 31 March 2023:

Bond Information				Subject Matter Information			
Green bond	ISIN number	Settlement date	Bond due date	Capacity fully operational	Qualifying capacity	Qualifying output (GWh)	Estimated qualifying emissions avoided (tCO _{2e})
Green Bond 1	XS1676952481	6 September 2017	6 September 2025	1,742 MW	1,609 MW	937.4	181,268.7
Green Bond 2	XS1875284702	4 September 2018	4 September 2027	1,446 MW	1,332 MW	394.3	76,252.1
Green Bond 3	XS2057092236	27 September 2019	27 September 2035	N/A	2,695.3 MW/ 2,939.0 MVA	N/A	N/A
Green Bond 4	XS2321663473/ XS2322933495	24 March 2021	24 March 2028/ 24 March 2036	N/A	5,707.7 MW/ 5,073.0 MVA	N/A	N/A
Green Bond 5	XS2510903862	1 August 2022	1 August 2029	1,556 MW	1,008 MW	409.6	79,198.8