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## Independent Limited Assurance Report to the Directors of SSE plc

The Board of Directors of SSE plc (“SSE”) engaged us to provide limited assurance on the Selected Information described below and set out in SSE’s Green Bond Report and Sustainability Report 2021 for the year ended 31 March 2021 and online at: <https://www.sse.com/greenbond>.

### Our conclusion

**Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 March 2021 has not been prepared, in all material respects, in accordance with the Reporting Criteria.**

This conclusion is to be read in the context of what we say in the remainder of our report.

### Selected Information

The scope of our work was limited to assurance over the information marked with the symbol (A) in SSE’s Green Bond Report 2021 (the “Selected Information”). The Selected Information is summarised in the Appendix 1. The Reporting Criteria against which the Selected Information is assessed is disclosed online at:

<https://www.sse.com/greenbond>. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Green Bond Report 2021, Sustainability Report 2021 or disclosed online at: <https://www.sse.com/greenbond>.

### Professional standards applied and level of assurance

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. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less 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.

### Our Independence and quality Control

We complied with the Institute of Chartered Accountants in England and Wales (ICAEW) 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 IESBA Code of Ethics. We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. Our work was carried out by an independent team with experience in sustainability reporting and assurance.

### Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Reporting Criteria (SSE’s Green Bond Criteria that can be found online at <https://www.sse.com/greenbond>), which SSE is solely responsible for selecting and applying. 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, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are as at 31 March 2021.

### Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of SSE’s management, including the Corporate sustainability management team and those with responsibility for Green Bond management and reporting;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information;

- vouched the exchange rates used to independent, external sources and confirmed the accuracy of foreign exchange translation calculations;
- inspected minutes of the Tax and Treasury Committee to confirm that the allocated projects had been considered and approved;
- obtained an internal listing of assets allocated to be refinanced by the Green Bond and confirmed that this was consistent with the proposed disclosure of the Reporting Criteria;
- considered the disclosure and presentation of the Selected Information; and
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported including:
  - Inspecting records maintained in SSE’s project accounting systems to confirm the existence of the asset, and that the amount spent at the date of the bond issue is equal or more than the value of the Green Bond to qualify for its refinancing;
  - Inspecting publicly available information to confirm that the capacities reported are consistent with the ones reported;
  - Inspecting a sample of operational records to confirm the accuracy of the output of the assets refinanced;
  - Ensure green bond assets have only been financed by green bond proceeds; and
  - Ensure each green bond asset falls into one of the eligible sectors per the SSE Green Bond Framework.

### SSE’s responsibilities

The Directors of SSE are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the Sustainability Report 2021 and online at: <https://www.sse.com/greenbond>.

### Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected 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.

This report, including our conclusions, has been prepared solely for the Board of Directors of SSE in accordance with the agreement between us dated 2 February 2021, in order to assist the Directors in reporting SSE’s sustainability responsibility performance and activities. We permit this report to be disclosed online at <https://www.sse.com/greenbond> for the year ended 31 March 2021, to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and SSE plc for our work or this report except where terms are expressly agreed between us in writing.

**PricewaterhouseCoopers LLP**

**Chartered Accountants**

**London**

**21 June 2021**

<sup>i</sup>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 Selected Information or Reporting Criteria when presented on SSE’s website.

## Appendix 1: Selected Information subject to limited assurance procedures

The Selected Information subject to limited assurance procedures are set out below. The Reporting Criteria “Green Bond reporting criteria” available at <https://www.sse.com/greenbond><sup>i</sup> has been used to prepare and report the Selected Information. The Reporting Criteria also explains the definitions and terminology used to describe the Selected Information.

### Statement of proceeds

**Table 1:** Allocation of Green Bond proceeds and total actual CAPEX spent on eligible green projects for Green Bonds 1, 2, 3 and 4 as at 31 March 2021 (details of qualifying criteria are outlined in the Green Bond Framework available at <https://www.sse.com/greenbond><sup>i</sup>)

	ISIN number	Date issued	Total Actual Capex Spend (£m)	Allocation of Green Bond Proceeds (£m)
Green Bond 1	XS1676952481	6 September 2017	1,557.7	548.4
Green Bond 2	XS1875284702	4 September 2018	1,198.4	591.4
Green Bond 3	XS2057092236	27 September 2019	1,361.9	350.0
Green Bond 4	XS2321663473/ XS2322933495 <sup>ii</sup>	24 March 2021	500.0	500.0

### Impact reporting

The table below includes information relating to the capacity of eligible green projects where the proceeds from the Green Bonds have been invested. The table also includes qualifying electricity output data and qualifying potential carbon saved for 2017 and 2018 Green Bonds for the reporting period from 01 April 2020 to 31 March 2021. Further details can be found at: <https://www.sse.com/greenbond><sup>i</sup>.

**Table 2:** Green project impact to refinancing eligible green projects for Green Bond 1, 2, 3 and 4 for the financial year end (31 March 2021) (details of qualifying criteria are outlined in the Green Bond Framework)

	ISIN number	Date issued	Capacity fully operational (MW/MVA)/ Qualifying capacity (MW/MVA)	Qualifying output (GWh)	Qualifying carbon saved (tCO <sub>2</sub> e)
Green Bond 1	XS1676952481	6 September 2017	1,744/1,611	877.9	204,675.2
Green Bond 2	XS1875284702	4 September 2018	1,446/1,332	286.3	66,752.1
Green Bond 3	XS2057092236	27 September 2019	2,732.2/3,519.0	-	-
Green Bond 4	XS2321663473/ XS2322933495 <sup>ii</sup>	24 March 2021	5,973.5/5,288.0	-	-

<sup>ii</sup> Green Bond 4 is a dual tranche bond.