

SSE'S GREEN BOND REPORTING

SSE issued its first ever Green Bond in September 2017. A commitment was given to update investors each year and the information below represents SSE's first annual Green Bond update to investors. It covers the allocation of proceeds and environmental impact from SSE's Green Bond, in accordance with the Green Bond Framework published on SSE's website at sse.com/investors.

SSE's Tax and Treasury Committee, led by SSE's Finance Director, evaluated and selected eligible green projects for inclusion in its Green Bond Framework. These eligible projects were completed in the 24 months up to 31 August 2017 or were due to be completed in the near future. The main criteria for a project to be eligible within the Green Bond Framework was that it must make a positive environmental impact, support SSE's commitment to the ongoing reduction of the carbon intensity of its electricity generation and finally, support the United Nations Sustainable Development Goal 13 (to take urgent action to combat climate change and its impacts).

ALLOCATION OF PROCEEDS

The proceeds of the Green Bond have been allocated to refinancing part of SSE's £1.1bn portfolio of eligible projects of onshore wind farms in the UK and Ireland, as listed in SSE's Green Bond Framework. It is SSE's intention, where possible, to maintain a ratio of 1.2 to 1 of eligible green projects to total Green Bonds outstanding.

Table 1 includes the details of SSE's inaugural Green Bond, including the total value allocated to eligible green projects in Sterling. The proceeds from SSE's inaugural Green Bond were directly allocated to the refinancing of eligible green projects listed in the Green Bond Framework, and therefore fully employed at settlement. The allocation to specific eligible green projects is listed in Table 2, and has been independently verified by PwC LLP. The assurance statement and the criteria used for reporting can be found at sse.com/beingresponsible.

TABLE 1: SSE PLC'S INAUGURAL GREEN BOND DETAILS

ISSUER	SSE PLC
ISIN	XS1676952481
SIZE	€600,000,000
GBP:EUR 6 SEPTEMBER 2017	1.09404
LISTING	LONDON STOCK EXCHANGE
PRICING DATE	30 AUGUST 2017
SETTLEMENT DATE	6 SEPTEMBER 2017
MATURITY DATE	6 SEPTEMBER 2025
ALLOCATION TO ELIGIBLE PROJECTS	€600,000,000 (£548,426,017.30)

TABLE 2: ALLOCATION OF GREEN BOND PROCEEDS TO REFINANCING ELIGIBLE GREEN PROJECTS

ELIGIBLE GREEN PROJECT (ONSHORE WINDFARMS)	LIFE CAPEX SPEND UP TO 31 AUG 2017 (Million)	TOTAL FORECAST CAPEX SPEND (Million)	CAPACITY FULLY OPERATIONAL 31 AUG 2017 (MW)	CAPACITY IN CONSTRUCTION 31 AUG 2017 (MW)	DATE FULLY OPERATIONAL	ALLOCATION OF GREEN BOND PROCEEDS (Million)	PERCENTAGE ALLOCATION TO GREEN BOND**	QUALIFYING CAPACITY (MW)	OVERALL OUTPUT (GWh)***	QUALIFYING OUTPUT (GWh)	OVERALL CARBON SAVED (tCO ₂ e)***	QUALIFYING CARBON SAVED (tCO ₂ e)
Strathy North	£102.9	£102.9	67	-	Nov-15	£102.9	100%	67	114	114	40,113	40,113
Tievenameenta	£41.5	£41.2	34	-	Feb-17	£41.5	100%	34	61	61	21,340	21,340
Slieve Divena 2	£26.5	£27.4	19	-	Jun-17	£26.5	100%	19	34	34	11,953	11,953
Comhlach Gaoithe Teoranta (Galway Wind Park)	£81.9	£86.5	66	-	Jun-17	£81.9	100%	66	131	131	45,984	45,984
Dunmaglass	£174.4	£187.1	94	-	Aug-17	£174.4	100%	94	190	190	66,832	66,832
Clyde Extension	£130.2	£201.0	-	112*	Sep-17	£100.1	77%	86	208	160	73,147	56,237
Bhlaraidh	£103.5	£124.9	-	110	Oct-17	£21.1	20%	22	122	25	42,890	8,744
Leanamore	£14.6	£30.8	-	18	Feb-18	-	-	-	11	-	3,691	-
Stronelairg	£101.6	£296.6	-	228	Expected 2019	-	-	-	-	-	-	-
TOTAL	£777.1	£1,098.4	280	468		£548.4		389	870	715	305,950	251,202

* Reported MW and Capex to August 2017 reflects SSE's 65% equity ownership in Clyde Windfarm (Scotland) Limited as at 31 March 2018.

** Percentage allocation to green bond is calculated using the allocation of the green bond proceeds (million) against the life capex spend to 31 August 2017 (million).

*** Output for reporting period 31 August 2017 to 1 April 2018.