

# Second-Party Opinion

## SEV Sustainability-Linked Bonds



### Evaluation Summary

## SEV Sustainability-Linked Bonds

### Sustainability-Linked Bond Principles 2020

Sustainalytics is of the opinion that the SEV Sustainability-Linked Bonds align with the Sustainability-Linked Bond Principles 2020. Overview of KPI and SPT<sup>1</sup>:

| KPI                                   | SPT   | Strength of the KPI | Ambitiousness of SPT |
|---------------------------------------|---|---------------------|----------------------|
| Share of green electricity production | Increase the share of green electricity production to 73% of the total electricity production by 2030 | Strong              | Highly ambitious     |

### Climate Transition Finance Handbook

Sustainalytics has evaluated SEV's transition governance, strategy, decarbonization targets and intentions to report on transition progress and finds SEV to be partially aligned with the recommendations of the Climate Transition Finance Handbook 2020. SEV has set climate-related short- and medium-term targets which are environmentally material to its business operations. Additionally, the targets are aligned with the International Energy Agency's Net Zero Emissions by 2050 Scenario for the electricity generation sector, which is consistent with the 1.5°C commitment under the Paris Agreement. However, SEV has not set forth long-term targets to decarbonize its business operations beyond 2030 in alignment with the IEA's decarbonization pathway. SEV is committed to disclosing investments relevant to its transition strategy and reporting on the climate-related outcomes of its implementation.

|                        |                               |
|------------------------|-------------------------------|
| <b>Evaluation Date</b> | March 7, 2022                 |
| <b>Issuer Location</b> | Tórshavn,<br>Faroe<br>Islands |

The SPTs contributes to the following SDGs:



<sup>1</sup> SEV has established annual interim SPTs for the years 2022 until 2029 which Sustainalytics has considered as part of its assessment of the ambitiousness of the final 2030 SPT. Further, Sustainalytics notes that the financial characteristics of the bonds issued will be tied to the achievement or the failure to achieve all SPTs.

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## Scope of Work and Limitations

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent<sup>2</sup> opinion on the alignment of the SEV Sustainability-Linked Bonds with current market standards. As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The alignment of the bond documentation with the Sustainability-Linked Bond Principles 2020 (SLBP);<sup>3</sup>
- The credibility and anticipated positive impacts of the SPTs;
- The Issuer's sustainability strategy, performance and sustainability risk management; and
- The alignment with the recommendations of the Climate Transition Finance (CTF) Handbook 2020.<sup>4</sup>

As part of this engagement, Sustainalytics held conversations with various members of SEV's management team to understand the sustainability impact of their business processes and the core components of the bond documentation. SEV representatives have confirmed that:

- (1) They understand it is the sole responsibility of SEV to ensure that the information provided is complete, accurate or up to date;
- (2) They have provided Sustainalytics with all relevant information; and
- (3) Any provided material information has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information. This document contains Sustainalytics' opinion of the bond transaction and should be read in conjunction with the bond documentation. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and SEV.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the bond documentation with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. The Second-Party Opinion is valid for issuances aligned with the respective bond documentation for which the Second-Party Opinion was written up to 24 months or until one of the following occurs: (1) A material change to the external benchmarks<sup>5</sup> against which targets were set; (2) A material action (such as material M&A or change in business activity) which has a bearing on the achievement of the SPTs or the materiality of the KPI.<sup>6</sup>

For sustainability-linked instruments, the Second-Party Opinion:

- addresses the anticipated SPTs of the KPI but does not measure the KPI's performance. The measurement and reporting of the KPI is the responsibility of the Bond Issuer.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that SEV has made available to Sustainalytics for the purpose of this Second-Party Opinion.

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<sup>2</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

<sup>3</sup> The bond Principles, Guidelines and Handbooks are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>.

<sup>4</sup> The Climate Transition Finance Handbook is administered by the International Capital Market Association and is available at: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Climate-Transition-Finance-Handbook-December-2020-091220.pdf>.

<sup>5</sup> Benchmarks refers to science-based benchmarks.

<sup>6</sup> Sustainalytics has provided an opinion based on the understanding that the financial characteristics of the bonds will be tied to the achievement of SPTs corresponding to the KPI included in the sustainability-linked bond issuances.

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## Introduction

Elfelagið SEV (“SEV” or the “Issuer”) is a cooperative electric utility owned by the municipalities in the Faroe Islands. SEV is headquartered in Tórshavn and is the sole supplier of electricity on the islands.<sup>7</sup> SEV’s generation mix includes hydro, wind, solar, biomass<sup>8</sup> and thermal power with a total installed capacity of 156.2 MW as of 2020. SEV’s power plant portfolio comprises: (i) five thermal power plants, (ii) six hydropower plants, (iii) three wind farms, (iv) a solar farm, and (v) a tidal energy project.

SEV intends to issue three sustainability-linked bonds whose coupon rate will be tied to the achievement of the annual sustainability performance targets (SPTs) for one key performance indicator (KPI) related to increasing the share of green electricity generation.

SEV engaged Sustainalytics to review the SEV Sustainability-Linked Bonds’ documentation, dated March 2022, and to provide a second-party opinion on its alignment with the Sustainability-Linked Bond Principles 2020 and the recommendations of the Climate Transition Finance Handbook 2020. The SEV Sustainability-Linked Bonds’ documentation will be published on SEV’s website.<sup>9</sup>

The KPI and SPTs used by SEV are defined in Tables 1 and 2 below.

**Table 1: KPI Definition**

| KPI                                   | Definition   |
|---------------------------------------|--|
| Share of green electricity production | The KPI is defined as the share of electricity generated from renewable energy sources in GWh as a percentage of the total electricity generated by SEV in a given year. The KPI includes electricity generated from the following renewable energy forms: wind, hydroelectric, tidal and solar. |

**Table 2: SPTs and Past Performance**

| KPI                                   | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021 (Baseline) | SPT 2022 |
|---------------------------------------|----------|----------|----------|----------|----------|----------|-----------------|----------|
| Share of green electricity production | 60.1%    | 49.9%    | 51.1%    | 48.8%    | 40.4%    | 38.7%    | 38.2%           | 44%      |
| KPI                                   | SPT 2023 | SPT 2024 | SPT 2025 | SPT 2026 | SPT 2027 | SPT 2028 | SPT 2029        | SPT 2030 |
| Share of green electricity production | 54%      | 57%      | 56%      | 71%      | 70%      | 66%      | 68%             | 73%      |

<sup>7</sup> SEV has informed Sustainalytics that it is required to off-take wind and solar electricity produced by third parties on to their grid. Licenses to develop and produce wind and solar electricity is carried out in competition via public Request for Proposal by the Faroe Islands’ authorities and SEV, and third-party developers can bid on these concessions.

<sup>8</sup> SEV receives electricity on to the grid from a biogas plant owned by a third party.

<sup>9</sup> The relevant documentation for the SEV Sustainability-Linked Bonds will be available on SEV’s website at: <https://www.sev.fo/>

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Alignment of the SEV Sustainability-Linked Bonds' Documentation with Relevant Market Standards

#### Alignment with Sustainability-Linked Principles

Sustainalytics is of the opinion that the SEV Sustainability-Linked Bonds' documentation aligns with the five core components of the Sustainability-Linked Bond Principles 2020. For detailed information, please refer to Appendix 1: Sustainability-Linked Bond External Review Form. Sustainalytics highlights the following elements of the SEV Sustainability-Linked Bonds' documentation:



#### Selection of Key Performance Indicator (KPI)

##### Relevance and Materiality of the KPI

In its assessment of materiality and relevance, Sustainalytics considers: i) whether an indicator speaks to a material impact of the Issuer's business on environmental or social issues, and ii) to what portion of impact the KPI is applicable.

Sustainalytics considers the KPI, share of green electricity production, to be material and relevant given the strategic importance of expanding renewable electricity generation capacity as part of global, regional and sectoral decarbonization pathways.<sup>10</sup> Sustainalytics' ESG Risk Rating Industry Report – Utilities, identifies "Carbon – Own Operations" as a material ESG issue for the utilities sector. As an electric utility company, SEV emissions are driven primarily from its electricity generation activities. Additionally, the Sustainability Accounting Standard Board (SASB) has also identified GHG emissions as a material issue for the "Electric Utilities & Power Generators" industry.<sup>11</sup>

In terms of applicability, Sustainalytics notes that the KPI covers 100% of the electricity produced by SEV. On this basis, Sustainalytics considers the KPI to be relevant and material with a high scope of applicability.

##### KPI Characteristics

In its assessment of the KPI characteristics, Sustainalytics considers: i) whether a clear and consistent methodology is used, ii) whether the Issuer follows an externally recognized definition, iii) whether the KPI is a direct measure of the performance of the Issuer on a material environmental or social issue, and iv) if applicable, whether the methodology can be benchmarked to an external contextual benchmark.<sup>12</sup>

Sustainalytics considers SEV's definition and methodology to calculate the KPI to be clear and consistent with its historical disclosures. SEV calculates the share of green electricity produced as a percentage of the total electricity generated, which is widely used among the Issuer's peers. Sustainalytics views the calculation methodology to support benchmarking against external science-based trajectories, such as the International Energy Agency's (IEA) Net Zero Emissions by 2050 Scenario which is aligned with the 1.5°C commitment under the Paris Agreement.<sup>13</sup>

In addition, Sustainalytics considers the KPI to be an indirect measure of SEV's performance on the material ESG issue of "Carbon – Own Operations" given that it does not directly address GHG emissions reductions.

<sup>10</sup> Deloitte, "Utility decarbonization strategies: Renew, reshape, and refuel to zero", (2020), at:

[https://www2.deloitte.com/content/dam/insights/us/articles/6849\\_Utility-decarbonization-strategies/DI\\_Utility-decarbonization-strategies.pdf](https://www2.deloitte.com/content/dam/insights/us/articles/6849_Utility-decarbonization-strategies/DI_Utility-decarbonization-strategies.pdf)

<sup>11</sup> SASB, "Materiality Finder: Electric Utilities & Power Generators", (2022), at: <https://www.sasb.org/standards/materiality-finder/>

<sup>12</sup> External contextual benchmarks provide guidance on the alignment with ecological system boundaries. This criterion is not applied to social KPI or impact areas for which such contextual benchmarks are not available.

<sup>13</sup> IEA, "Selected indicators in the Net Zero Emissions by 2050 Scenario", (2021), at: <https://www.iea.org/reports/world-energy-outlook-2021/keeping-the-door-to-15-0c-open>

**Overall Assessment**

Sustainalytics considers the KPI, share of green electricity production, to be strong given that: (i) it is an indirect measure of performance on a highly relevant and material environmental issue, (ii) it follows a clear and consistent methodology, and (iii) it can be benchmarked against external renewable energy generation trajectories.

|                                       |             |          |        |             |
|---------------------------------------|-------------|----------|--------|-------------|
| Share of green electricity production | Not Aligned | Adequate | Strong | Very strong |
|---------------------------------------|-------------|----------|--------|-------------|



**Calibration of Sustainability Performance Targets (SPTs)**

**Alignment with Issuer’s Sustainability Strategy**

SEV has set the following SPT<sup>14</sup> for its KPI:

- Increase the share of green electricity production to 73% of the total electricity production by 2030.

Sustainalytics considers the SPTs to be aligned with SEV’s sustainability strategy (please refer to Section 2 for an analysis of the credibility of SEV’s sustainability strategy).

In 2014, SEV launched its Roadmap 100by2030 (the “Roadmap”) aiming to achieve 100% clean and carbon-free electricity production by 2030. The Roadmap explores multiple scenarios to analyze the impact of different technologies and restrictions on future electricity generation to gradually expand renewable electricity production, storage and transmission systems to achieve the 2030 goal. SEV is committed to increasing its share of renewable production through the expansion of hydroelectricity, pumped hydro, wind and solar energy projects along with exploring additional possibilities like tidal, biomass and biofuel-based energy in line with the objectives set under the Roadmap.

However, Sustainalytics notes that the SPT set for 2030 is below the target set forth in the Roadmap considering: (i) historically observed variability in natural factors of renewable energy sources, such as wind, sunlight and precipitation,<sup>15</sup> and (ii) the difference in the proposed Roadmap’s budgeted demand and the actual SEV investment plan resulting from more conservative sales assumptions in the budget.<sup>16</sup> Nevertheless, Sustainalytics encourages the Issuer to align the publicly available 2030 target in the Roadmap with the target SPT for 2030 for consistency and transparency.

**Strategy to Achieve the SPTs**

SEV intends to achieve the SPTs through the following strategy:

- Wind energy: Investments in wind power generation projects, such as the 6 MW wind farm that SEV established on the island of Suđuroy in 2020. SEV has committed to developing one additional wind farm project with an installed capacity of 18 MW, whose construction is expected to commence in 2022.
- Pumped hydro: SEV plans to install 70 MW and 40 MW pumping and turbine capacities respectively. The construction will commence in 2023 and the capacity is expected to be operational by 2028.
- Battery storage system: SEV intends to develop bulk energy storage systems to reduce its dependence on thermal power and bridge the demand and supply gap during the summer months. SEV also intends to develop a battery storage system of 10 MWh in 2030 intended for storage of energy.

<sup>14</sup> SEV has established annual interim SPTs for the years 2022 until 2029 which Sustainalytics has considered as part of its assessment of the ambitiousness of the final 2030 SPT. Further, Sustainalytics notes that the financial characteristics of the bonds issued will be tied to the achievement or the failure to achieve all SPTs.

<sup>15</sup> The share of renewable electricity varies according to natural variability of wind power, rainfall and solar radiation. For example, the share of green electricity decreased twice by 17% or more year over year between 2015 and 2020. Therefore, the SPTs have been set 10% below SEV’s own assumptions.

<sup>16</sup> SEV’s budget projects lower sales of electricity for domestic heat pumps and EV home-charging in the coming 1-3 years relative to the projections in the Roadmap.

- Solar power: SEV plans to increase its installed solar PV capacity by implementing photovoltaic power projects of 80 MW between 2028 and 2030, then evenly distribute this capacity over the Faroe Islands.
- Transmission and distribution infrastructure: Installation of 60 kV transmission lines between substations with plans to further expand the transmission cables’ capacity by: (i) 44 MW in 2023, (ii) 57 MW between 2026 and 2027, and (iii) 44 MW in 2030.

**Ambitiousness, Baseline and Benchmarks**

To determine the ambitiousness of the SPTs, Sustainalytics considers: i) whether the SPTs go beyond business-as-usual trajectory, ii) how the SPTs compare to targets set by peers, and iii) how the SPTs compare with science.<sup>17</sup>

SEV’s share of green electricity as a percentage of the total electricity produced decreased at an average annual rate of 7% between 2015 and 2021 as the Issuer increased its thermal electricity production to cater to additional electricity demand as per the Faroese government’s mandate.

To achieve the SPTs, SEV will need to increase its share of green electricity production to 73% by the final observation date in 2030 and achieve its annual interim SPTs as mentioned in Table 2 compared to 2021 (See Introduction). This implies an average annual increase of approximately 6.5% between 2021 and 2030. Therefore, Sustainalytics notes that the targeted rate of increase in renewable electricity generation implies a material improvement in comparison with SEV’s historical performance. The Issuer has informed Sustainalytics that the SPTs for 2027, 2028 and 2029 are lower than the SPT for 2026 on account of: (i) an expected increase in the demand for electricity between 2027 and 2028,<sup>18</sup> and (ii) SEV’s responsibility, as per the government mandate, to bridge the demand and supply gap and simultaneously ensure grid stability by increasing thermal energy production despite the increase in renewable energy production.<sup>19</sup>

Based on Sustainalytics’ assessment of SEV’s peer group, the SPTs imply an average annual percentage increase which is above similar renewable energy generation targets set by the majority of its peers. Therefore, Sustainalytics considers SEV’s SPTs to be above peer performance.

Additionally, the SPT set for 2030 exceeds the 2030 target under the IEA’s Net Zero Emissions by 2050 Scenario, which is aligned with the 1.5°C commitment under the Paris Agreement.<sup>20</sup> Moreover, the SPTs set forth for 2027, 2028 and 2029 exceed the implied targets based on an annual linear rate of increase in renewable energy generation between the IEA’s targets for 2020 and 2030.

**Overall Assessment**

Sustainalytics considers the SPTs to align with SEV’s sustainability strategy and to be highly ambitious given that they: (i) represent an improvement over SEV’s historical performance on renewable energy generation, (ii) are above peer targets and performance and (iii) exceed the targets set under the IEA’s Net Zero Emissions by 2050 Scenario which is aligned with the 1.5°C commitment under the Paris Agreement.

|  |             |                      |           |                         |
|--|-------------|----------------------|-----------|-------------------------|
| <b>Increase the share of green electricity production to 73% of the total electricity production by 2030</b> | Not Aligned | Moderately Ambitious | Ambitious | <b>Highly Ambitious</b> |
|--|-------------|----------------------|-----------|-------------------------|



**Bond Characteristics**

SEV has disclosed that it intends to issue three bonds whose coupon rate will be tied to the achievement or failure to achieve annual SPTs on the target observation dates. If SEV is unable to achieve any of the annual SPTs on

<sup>17</sup> We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.  
<sup>18</sup> The future demand for electricity in the Faroe Islands is estimated to increase considerably by 52% by 2028 relative to 2020, driven by the electrification of domestic heating and land transportation as per the Faroese government’s strategy to mitigate climate change. The estimated 12% increase between 2027 and 2028 is significantly above the estimated average annual increase in demand of 5% between 2020 and 2030.  
<sup>19</sup> SEV is required, under its mandate, to meet the increase in expected demand and simultaneously ensure grid stability by increasing thermal energy production. SEV plans to gradually replace the share of thermal power by pumped hydro and other bulk storage systems to meet the demand and supply gap (See Section 2).  
<sup>20</sup> IEA, “Selected indicators in the Net Zero Emissions by 2050 Scenario”, (2021), at: <https://www.iea.org/reports/world-energy-outlook-2021/keeping-the-door-to-15-0c-open>



their specified observation date until its final observation date which will be four years before maturity, this will trigger a step-up in the coupon rate of the corresponding bond.<sup>21</sup> SEV intends to set the final SPT observation date four years prior to the maturity date of the corresponding bond. In addition, failure to report on the progress against each SPT will also result in an adjustment in the coupon rate of the bonds. SEV has confirmed that the exact increase in the coupon rate will be provided in the bond documentation or the progress report. This is aligned with the SLBP.



### Reporting

SEV commits to report on an annual basis on its performance on the KPI and expects to include the relevant figures either in its consolidated and externally audited annual report or in a separate report which will be publicly available on SEV's website. SEV further commits to disclose relevant information in a Progress Report that enables investors to monitor the level of ambition of the SPTs and assess any required changes to the bonds' characteristics, including but not limited to: (i) the calculation methodology and baselines, and (ii) information on any updates to SEV's sustainability strategy or governance with an impact on the KPI and SPTs. This is aligned with the SLBP.



### Verification

SEV commits to have an independent and external verifier provide limited or reasonable assurance on the published KPI performance figures at least once a year which is aligned with the SLBP on verification.

<sup>21</sup> The bond with: (i) maturity in 2030 will correspond to the annual SPTs until 2026, (ii) maturity in 2032 will correspond to the annual SPTs until 2028, and (iii) maturity in 2034 will correspond to the SPTs until 2030, with respective observation dates.

### Alignment against the Climate Transition Finance Handbook 2020

Sustainalytics has assessed the SEV Sustainability-Linked Bonds’ documentation alignment with the recommendations of the Climate Transition Finance Handbook and considers SEV’s transition strategy to be partially aligned. Sustainalytics highlights the following key elements of the assessment:

| Key Elements  | ICMA Recommendation  | Sustainalytics’ Assessment  |                   |
|---|--|---|-------------------|
| <b>SEV’s climate transition strategy and governance</b>                                 | <ul style="list-style-type: none"> <li>- Transition strategy to address climate-related risks and contribute to alignment with the goals of the Paris Agreement</li> <li>- Relevant interim targets on the trajectory towards long-term goal</li> <li>- Governance of transition strategy</li> </ul> | <ul style="list-style-type: none"> <li>- SEV’s business strategy is based on its Roadmap 100by2030 which outlines a pathway to increase its share of renewable electricity to 100% by 2030. SEV has established short- and medium-term targets, namely a 71% share of renewable electricity by 2026, 66% by 2028 and 73% by 2030, which are aligned with the targets set under the IEA’s Net Zero Emissions by 2050 Scenario which is aligned with the 1.5°C commitment under the Paris Agreement. However, SEV has not set any long-term targets to support the decarbonization of its operations beyond 2030.</li> <li>- SEV’s transition strategy is overseen by its board of directors and management, and is reviewed quarterly in collaboration with the Faroe Islands’ Environment Agency. SEV has also established oversight committees to closely monitor the development of each project in addition to project leaders for major projects. The R&amp;D team oversees the daily and operational implementation of projects.</li> <li>- See detailed assessment in Section 2.</li> </ul> | Partially Aligned |
| <b>Business model environmental materiality</b>   | <ul style="list-style-type: none"> <li>- Transition trajectory should be relevant to the environmentally material parts of the issuer’s business model</li> </ul>  | <ul style="list-style-type: none"> <li>- SEV’s transition trajectory addresses the environmental impact of its electricity generation business. The pathway aids to address the transition from carbon-intensive activities by expanding the green electricity share in SEV’s total electricity generation mix. The pathway is directly relevant to environmentally material aspects of SEV’s operations.</li> </ul>  | Aligned           |
| <b>Climate transition strategy to be ‘science-based’ including targets and pathways</b> | <ul style="list-style-type: none"> <li>- Transition strategy should reference science-based targets and transition pathways</li> </ul>   | <ul style="list-style-type: none"> <li>- SEV has not set absolute GHG emissions or emissions intensity reduction targets. Instead, SEV aims at reducing its carbon footprint by increasing its renewable electricity generation capacity.</li> <li>- As the trajectory of achieving 100% share of green electricity in the total electricity generation mix by 2030 aligns with the 2050 Scenario for the electricity generation sector, the targets set under SEV’s pathway are benchmarkable. Nevertheless, an increase in the percentage share of renewables does not directly imply a reduction in GHG emissions nor in emissions intensity. Furthermore, SEV has not set long-term targets beyond 2030.</li> <li>- See detailed assessment in Section 2.</li> </ul>  | Partially Aligned |
| <b>Implementation transparency</b>  | <ul style="list-style-type: none"> <li>- Disclosure of capex and opex plans</li> <li>- Climate-related outcomes and intended impacts</li> </ul>  | <ul style="list-style-type: none"> <li>- SEV is committed to publicly reporting on capex and opex investments made under its transition pathway on its website as required by its mandate as a public company owned by the Faroese municipalities.</li> <li>- SEV intends to report annually on its share of green electricity in its consolidated Annual Account and Annual Report together with its budget, which will be publicly available on its website.</li> </ul>   | Aligned           |

## Section 2: Assessment of SEV's Sustainability Strategy

### Credibility of SEV's Climate Transition Strategy

Sustainalytics recognizes that proceeds from the bonds issued will be used for general corporate purposes to support SEV's transition towards reducing the carbon footprint of its operations through an increase in renewable energy generation. In this context, Sustainalytics has assessed SEV's climate transition strategy below:

#### Climate Transition Governance

SEV's Board of Directors and management oversee and review the transition strategy quarterly in collaboration with the Faroe Islands' Environment Agency. SEV has established oversight committees to closely monitor the development of each project in addition to project leaders for major projects.

#### Emission-Reduction Targets

The ICMA Climate Transition Finance Handbook recommends issuers to develop a climate transition strategy that includes short, medium and long-term emission reduction targets aligned with the Paris Agreement.<sup>22</sup> SEV has set short and medium-term targets to increase the share of electricity produced from renewable sources until 2030. While the short- and medium-term targets are aligned with the targets set under the IEA's Net Zero Emissions by 2050 Scenario for the electricity generation sector,<sup>23</sup> they are not a direct measure of a reduction in GHG emissions.

#### Decarbonization Pathway and Implementation Plan

SEV's share of electricity produced from renewable sources was 38.2% of its total electricity generation in 2021 relative to 38.7% in 2020. SEV's decarbonization pathway is focused on five key components to achieve the 2030 objective:

- Expansion of the wind energy portfolio: SEV installed a 6 MW wind farm in 2020 and has committed to the development of one more wind farm of 18 MW, with construction scheduled to commence in 2022. Furthermore, SEV plans to increase the installed generation capacity from wind power by: (i) 24 MW between 2023 and 2024, (ii) 66 MW between 2026 and 2028, and (iii) 18 MW in 2030.<sup>24</sup>
- Pumped hydro storage and hydropower systems: SEV plans to install 70 MW and 40 MW pumping and turbine capacities respectively. Construction will commence in 2023 and the capacity is expected to be operational by 2028. SEV has confirmed to Sustainalytics that it will obtain all the required environmental permits and carry out assessments prior to construction<sup>25</sup>
- Solar PV and battery storage: SEV plans to install photovoltaic projects of 80 MW between 2028 and 2030, then distribute the additional capacity evenly throughout the Faroe Islands. SEV also intends to develop a battery storage system of 10 MWh capacity in 2030.
- Expansion of transmission infrastructure: SEV plans to reinforce or lay new 60 kV transmission lines between substations to ensure an adequate flow of load when installing distributed renewable power generation capacities. SEV aims to expand transmission capacity by 44 MW in 2023, 57 MW between 2026 and 2027, and by 44 MW in 2030.
- Research and development, energy stabilization and efficiency measures: SEV plans to advance electricity generation and storage technologies, e-fuels and research projects. It is also focused on flattening energy consumption to avoid investments in peak load generation through digitalization and business model innovation on: (i) controlling EV charging; (ii) incentivizing flexible consumption, demand side management and load shifting technologies; and (iii) exploring new tariff systems, such as time of use.<sup>26</sup> Considering the transition to renewable energy infrastructure which requires more distributed power generation systems, SEV also plans to invest in: (i) storage batteries, (ii) synchronous condensers, and (iii) modern transmission and distribution systems in order to ensure grid stability and efficiency.

<sup>22</sup> ICMA, "Climate Transition Finance Handbook", (2020), at: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/ClimateTransition-Finance-Handbook-December-2020-091220.pdf>

<sup>23</sup> IEA, "World Energy Outlook 2021", (2021), at: <https://iea.blob.core.windows.net/assets/4ed140c1-c3f3-4fd9-acae-789a4e14a23c/WorldEnergyOutlook2021.pdf>

<sup>24</sup> These medium-term planned capacity expansions from wind power excludes the committed postponed plan of installing two wind power projects of total 36 MW.

<sup>25</sup> Environmental permits for hydro power projects will be obtained as per the Faroese Environmental Protection Act (Løgtingslóg um umhvørvisvernd, No. 134)

<sup>26</sup> Time-of-use tariff systems are designed to incentivize users to use more energy during off-peak time periods to balance demand.

Sustainalytics considers SEV's climate transition strategy as credible and supportive of SEV's short- and mid-term decarbonization targets. Sustainalytics encourages SEV to consider setting long-term targets for reduction in carbon emissions or emissions intensity to support the decarbonization of its operations beyond 2030.

### SEV's Environmental and Social Risk Management

Sustainalytics recognizes that while SEV's defined targets are impactful, but notes that achieving the SPTs bears environmental and social risks. Sustainalytics' ESG Risk Rating methodology identifies "Occupational Health and Safety", "Emissions, Effluents and Waste" and "Human Capital" as key material ESG issues for the utilities industry.

Sustainalytics comments below on SEV's ability to mitigate such potential risks:

- SEV's Health, Safety and Environmental Policy is reflective of the importance laid by SEV on the safety of its employees. SEV has in place a reporting system<sup>27</sup> and has set up a dedicated health safety board with safety groups across various domains which are in charge of inspecting facilities for compliance and identifying areas of improvement to avoid injuries and accidents.<sup>28</sup> Additionally, SEV provides annual in-house training and certification to its employees to handle and operate high-voltage electrical equipment. SEV reported one injury in 2020 and has set a goal to achieve a zero-injury workplace.<sup>29</sup> SEV's thermal power plant at Sund is certified under ISO 45001:2018 and the Company is committed to certify all its operations to ensure a safe and healthy workplace.<sup>30,31</sup>
- SEV abides by the Faroese Environmental Protection Act that mandates SEV to obtain the necessary environmental permits, approvals and authorizations from the regulatory authorities for all projects. This overarching act addresses environmental risks and mitigation approach relevant to SEV's operations, including energy consumption, material use, waste generation, hazardous substances, and water consumption and discharge.<sup>32</sup> In addition, SEV has implemented an ISO 14001 certified environment management system to limit the environmental impact of its operations by monitoring compliance with applicable environmental legislation.<sup>33</sup>
- Sustainalytics notes that SEV carries out its operations in the Faroe Islands, which form a self-governing island territory of Denmark, which is a Designated Country under the Equator Principles. This indicates the presence of robust environmental and social governance systems, legislation and institutional capacity for protecting the environmental and communities.<sup>34</sup> Additionally, SEV operates in accordance with the UN Global Compact and conforms to its 10 principles on upholding human rights, eliminating unfair labour practices, preventing environmental degradation and anti-corruption.

In addition to the above, Sustainalytics notes that it has found no evidence of any major environmental or social controversies related to SEV. Overall, Sustainalytics considers that SEV has strong management programmes and policies to mitigate risks that could arise in achieving the SPTs.

## Section 3: Impact of the SPTs Selected

The IEA estimates that annual global energy demand is set to offset the 4% contraction in 2020 and even surpass pre-pandemic levels, driven by less stringent restrictions and strong economic recovery.<sup>35</sup> As the world's population continues to increase to an estimated 8.5 billion by 2030, energy use is expected to rise in tandem.<sup>36</sup> In 2020, the share of renewable energy in the global energy production grew by 3%, largely thanks to an increase in electricity generation from solar PV and wind.<sup>37</sup> Despite this

<sup>27</sup> SEV uses a Health&Safety app developed by Mellora, a Norwegian HSEQ reporting company, for reporting and preventing accidents.

<sup>28</sup> SEV, "Health, social security and environment", at: <https://www.sev.fo/um-okkum/sev-folksins-ogn/heilsa-trygd-og-umhvervi/>

<sup>29</sup> SEV, "Annual Report 2020", (2020), at: [https://sev.cdn.fo/media/4hphfat/a75268-sev-roknskapur2020-uk-spread.pdf?s=2pTs0CLusc6G3UXz6V1V\\_Eqv4o8](https://sev.cdn.fo/media/4hphfat/a75268-sev-roknskapur2020-uk-spread.pdf?s=2pTs0CLusc6G3UXz6V1V_Eqv4o8)

<sup>30</sup> ISO, "ISO 45001:2018", at: <https://www.iso.org/standard/63787.html>

<sup>31</sup> SEV, "Sund power plant certifications". This document was shared with Sustainalytics and assessed confidentially.

<sup>32</sup> Lógasavnid, "Faroese Environmental Protection Act (Løgtingslóg um umhvørvisvernd, No. 134)" at: <https://logir.fo/Logtingslog/134-fra-29-10-1988-um-umhvørvisvernd-sum-seinast-broytt-vid-logtingslog-nr-128-fra-22#chapter-6fe006d2-d859-4f39-ac2c-4bee4b9822c2>

<sup>33</sup> SEV, "Sund power plant certifications". This document was shared with Sustainalytics and assessed confidentially.

<sup>34</sup> The Equator Principles, "Designated Countries", at: <https://equator-principles.com/designated-countries/>

<sup>35</sup> IEA, "Global Energy Review", (2021), at: <https://iea.blob.core.windows.net/assets/d0031107-401d-4a2f-a48b-9eed19457335/GlobalEnergyReview2021.pdf>

<sup>36</sup> United Nations, "Population 2030", (2015) at: <https://www.un.org/en/development/desa/population/publications/pdf/trends/Population2030.pdf>

<sup>37</sup> IEA, "Global Energy Review", (2021), at: <https://iea.blob.core.windows.net/assets/d0031107-401d-4a2f-a48b-9eed19457335/GlobalEnergyReview2021.pdf>

increase, renewable energy represented only 11% of global primary energy produced in 2019.<sup>38</sup> Therefore, additional investment in renewable energy is required to meet the Paris Agreement goal of 65% of the total energy consumption being fulfilled by renewables by 2050 and by limiting global temperature increase to well below 2°C, and ideally to 1.5°C.<sup>39</sup>

With regards to the Faroe Islands, its geological characteristics favour the utilization of renewable energy from various sources, such as hydro, wind, tidal and solar energy. Despite that, 38.7% of the total energy produced on the islands was derived from these renewable sources in 2020, with hydropower and wind energy accounting for 26.7% and 11.6% respectively.<sup>40</sup> This is largely because of the intermittent nature of electricity generation from renewable sources. The Faroe Islands continue to rely on fossil fuels, which is the primary contributor of SEV’s emissions profile and other negative environmental impact. In 2020, electricity generated from fossil fuels made up 99.7% of the islands’ emissions.<sup>41</sup> The Faroe Islands have witnessed an average annual electricity growth of 3.6% in the last decade owing to the steep increase in population and economic development. As a result, the total CO<sub>2</sub> emissions in the region have doubled between 2015 and 2020.<sup>42</sup> Additionally, demand for electricity in the Faroe Islands is expected to continue increasing until 2030 because: (i) 50% of the building stock is expected to be heated with renewables by 2025, and (ii) land transport is expected to be fully electrified by 2030.<sup>43</sup> These factors are expected to increase the demand for renewable electricity in the Faroe Islands from 407 GWh in 2020 to 700 GWh in 2030.

Sustainalytics views SEV’s investments in the installation and operation of infrastructure to generate renewable energy are expected to contribute to the decarbonization of SEV’s electricity generation operations and to the Faroe Island’s objective of having a 100% renewable electric system, thereby supporting its transition to a low-carbon economy.

**Alignment with/contribution to SDGs**

The Sustainable Development Goals (SDGs) were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The SEV Sustainability-Linked Bonds are expected to help advance the following SDGs and targets:

| KPI                                   | SDG                            | SDG Target   |
|---------------------------------------|--------------------------------|--|
| Share of green electricity production | 7. Affordable and Clean Energy | 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix |
|                                       | 13. Climate Action             | 13.2 Integrate climate change measures into national policies, strategies and planning     |

<sup>38</sup> Our World in Data, “Renewable Energy”, (2020), at: <https://ourworldindata.org/renewable-energy#how-much-of-our-primary-energy-comes-from-renewables>

<sup>39</sup> International Renewable Energy “A Renewable energy: a key climate solution”, (2017) at: [https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Nov/IRENA\\_A\\_key\\_climate\\_solution\\_2017.pdf?la=en&hash=A9561C1518629886361D12EFA11A051E004C5C98](https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Nov/IRENA_A_key_climate_solution_2017.pdf?la=en&hash=A9561C1518629886361D12EFA11A051E004C5C98)

<sup>40</sup> SEV, “Annual Report 2020”, (2020), at: [https://sev.cdn.fo/media/4hphefat/a75268-sev-roknskapur2020-uk-spread.pdf?s=2pTs0CLusc6G3UXz6V1V\\_Eqv4o8](https://sev.cdn.fo/media/4hphefat/a75268-sev-roknskapur2020-uk-spread.pdf?s=2pTs0CLusc6G3UXz6V1V_Eqv4o8)

<sup>41</sup> Ibid.

<sup>42</sup> Ibid.

<sup>43</sup> SEV, “SEV the Nordic Council Nature and Environment Prizewinner 2015”, (2015), at: <https://www.sev.fo/english/news/sev-the-nordic-council-nature-and-environment-prizewinner-2015/>

## Conclusion

SEV intends to issue three sustainability-linked bonds and intends to tie the coupon rate of each bond to the achievement of the corresponding annual targets of the following SPT:

- Increase the share of green electricity production to 73% of the total electricity production by 2030.

Sustainalytics considers the KPI chosen to be strong given that it is an indirect measure of SEV's performance on a highly relevant and material issue for SEV's industry; it covers 100% of electricity generated by SEV; it follows a clear and consistent methodology which is externally verifiable; and it enables benchmarking against an external benchmark. Additionally, Sustainalytics considers the SPTs to be highly ambitious given that they represent an improvement over SEV's past performance, exceed targets set by peers and are aligned with the 1.5°C pathway under the IEA's Net Zero Emissions by 2050 Scenario for the electricity generation sector. In addition, Sustainalytics considers reporting and verification commitments to be aligned with market expectations.

Sustainalytics is of the opinion that SEV Sustainability-Linked Bonds' documentation is aligned with the Sustainability-Linked Bond Principles 2020. Sustainalytics has also assessed SEV's alignment with the recommendations of the Climate Transition Finance Handbook 2020 and considers SEV's transition strategy to be partially aligned overall. Based on the above, Sustainalytics is confident that SEV is well positioned to issue the SEV Sustainability-Linked Bonds.

## Appendix 1: Sustainability-Linked Bonds - External Review Form

### Section 1. Basic Information

**Issuer name:** Eifelagið SEV

**Sustainability-Linked Bond ISIN:**

**Independent External Review provider's name for second party opinion pre-issuance (sections 2 & 3):** Sustainalytics

**Completion date of second party opinion pre-issuance:** March 7, 2022

**Independent External Review provider's name for post-issuance verification (section 4):**

**Completion date of post issuance verification:**

At the launch of the bond, the structure is:

- a step-up structure  a variable redemption structure

### Section 2. Pre-Issuance Review

#### 2-1 SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize the scope of the review.

The review:

- assessed all the following elements (complete review)  only some of them (partial review):
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Selection of Key Performance Indicators (KPIs)           | <input checked="" type="checkbox"/> Bond characteristics (acknowledgment of) |
| <input checked="" type="checkbox"/> Calibration of Sustainability Performance Targets (SPTs) | <input checked="" type="checkbox"/> Reporting                                |
| <input checked="" type="checkbox"/> Verification   |  |
- and confirmed their alignment with the SLBP.

#### 2-2 ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification  |
| <input type="checkbox"/> Verification                    | <input type="checkbox"/> Scoring/Rating |

*Note: In case of multiple reviews / different providers, please provide separate forms for each review.*

#### 2-3 EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

SEV intends to issue three sustainability-linked bonds and intends to tie the coupon rate of each bond to the achievement of the corresponding annual targets of the following SPT:

- Increase the share of green electricity production to 73% of the total electricity production by 2030.

Sustainalytics considers the KPI chosen to be strong given that it is an indirect measure of SEV’s performance on a highly relevant and material issue for SEV’s industry; it covers 100% of electricity generated by SEV; it follows a clear and consistent methodology which is externally verifiable; and it enables benchmarking against an external benchmark. Additionally, Sustainalytics considers the SPTs to be highly ambitious given that they represent an improvement over SEV’s past performance, exceed targets set by peers and are aligned with the 1.5°C pathway under the IEA’s Net Zero Emissions by 2050 Scenario for the electricity generation sector. In addition, Sustainalytics considers reporting and verification commitments to be aligned with market expectations.

Sustainalytics is of the opinion that SEV Sustainability-Linked Bonds’ documentation is aligned with the Sustainability-Linked Bond Principles 2020. Sustainalytics has also assessed SEV’s alignment with the recommendations of the Climate Transition Finance Handbook 2020 and considers SEV’s transition strategy to be partially aligned overall. Based on the above, Sustainalytics is confident that SEV is well positioned to issue the SEV Sustainability-Linked Bonds.

Please note that the SPO is not published as of the moment the form was filled in.

**Section 3. Detailed pre-issuance review**

*Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.*

**3-1 SELECTION OF KEY PERFORMANCE INDICATORS (KPI)**

**Overall comment on the section (if applicable):** Sustainalytics considers the KPI, share of green electricity production, to be strong given that: (i) it is an indirect measure of performance on a highly relevant and material environmental issue, (ii) it follows a clear and consistent methodology, and (iii) it can be benchmarked against external renewable energy generation trajectories.

**List of selected KPIs:**

- Share of green electricity production

**Definition, Scope, and parameters**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Clear definition of each selected KPIs | <input checked="" type="checkbox"/> Clear calculation methodology |
| <input type="checkbox"/> Other (please specify):                           |   |

**Relevance, robustness, and reliability of the selected KPI**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Credentials that the selected KPIs are relevant, core and material to the issuer’s sustainability and business strategy. | <input checked="" type="checkbox"/> Evidence that the KPIs are externally verifiable  |
| <input checked="" type="checkbox"/> Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis                            | <input checked="" type="checkbox"/> Evidence that the KPIs can be benchmarked   |
|  | <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): The KPI is an indirect measure of the Issuer’s environmental performance |

**3-2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)**

**Overall comment on the section (if applicable):** Sustainalytics considers the SPTs to align with SEV’s sustainability strategy and to be highly ambitious given that they: (i) represent an improvement over SEV’s historical performance on renewable energy



generation, (ii) are above peer targets and performance and (iii) exceed the targets set under the IEA’s Net Zero Emissions by 2050 Scenario which is aligned with the 1.5°C commitment under the Paris Agreement.

**Rationale and level of ambition**

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Evidence that the SPTs represent a material improvement</li> <li><input checked="" type="checkbox"/> Evidence that SPTs are consistent with the issuer’s sustainability and business strategy</li> </ul> | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Credentials on the relevance and reliability of selected benchmarks and baselines</li> <li><input checked="" type="checkbox"/> Credentials that the SPTs are determined on a predefined timeline</li> <li><input type="checkbox"/> Other (please specify):</li> </ul> |
|---|--|

**Benchmarking approach**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Issuer own performance</li> <li><input checked="" type="checkbox"/> reference to the science</li> </ul> | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Issuer’s peers</li> <li><input type="checkbox"/> Other (please specify):</li> </ul> |
|--|--|

**Additional disclosure**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> potential recalculations or adjustments description</li> <li><input checked="" type="checkbox"/> identification of key factors that may affect the achievement of the SPTs</li> </ul> | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> issuer’s strategy to achieve description</li> <li><input type="checkbox"/> Other (please specify):</li> </ul> |
|--|--|

**3-3 BOND CHARACTERISTICS**

**Overall comment on the section (if applicable):**  
 SEV has disclosed that it intends to issue three bonds whose coupon rate will be tied to the achievement or failure to achieve annual SPTs on the target observation dates. If SEV is unable to achieve any of the annual SPTs on their specified observation date until its final observation date which will be four years before maturity, this will trigger a step-up in the coupon rate of the corresponding bond. SEV intends to set the final SPT observation date four years prior to the maturity date of the corresponding bond. In addition, failure to report on the progress against each SPT will also result in an adjustment in the coupon rate of the bonds. SEV has confirmed that the exact increase in the coupon rate will be provided in the bond documentation or the progress report. This is aligned with the SLBP.

**Financial impact:**

- variation of the coupon
- ...
- Other (please specify):

**Structural characteristic:**

- ...
- ...
- Other (please specify):

**3-4 REPORTING**

**Overall comment on the section (if applicable):** SEV commits to report on an annual basis on its performance on the KPI and expects to include the relevant figures either in its consolidated and externally audited annual report or in a separate report which will be publicly available on SEV’s website. SEV further commits to disclose relevant information in a Progress Report that enables investors to monitor the level of ambition of the SPTs and assess any required changes to the bonds’ characteristics, including but not limited to: (i) the calculation methodology and baselines, and (ii) information on any updates to SEV’s sustainability strategy or governance with an impact on the KPI and SPTs. This is aligned with the SLBP.

**Information reported:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> performance of the selected KPIs | <input checked="" type="checkbox"/> verification assurance report |
| <input checked="" type="checkbox"/> level of ambition of the SPTs    | <input type="checkbox"/> Other ( <i>please specify</i> ):         |

**Frequency:**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual                | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                      |

**Means of Disclosure**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Information published in financial report  | <input type="checkbox"/> Information published in sustainability report |
| <input checked="" type="checkbox"/> Information published in ad hoc documents  | <input type="checkbox"/> Other ( <i>please specify</i> ):               |
| <input type="checkbox"/> Reporting reviewed ( <i>if yes, please specify which parts of the reporting are subject to external review</i> ): |   |

Where appropriate, please specify name and date of publication in the “useful links” section.

**Level of Assurance on Reporting**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> limited assurance | <input checked="" type="checkbox"/> reasonable assurance  |
|   | <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): SEV commits to having an independent and external verifier provide limited or reasonable assurance on the published KPI performance figures at least once a year which is aligned with the SLBP on verification. |

**USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer’s documentation, etc.)**

<https://www.sev.fo/>

**Section 4. Post-issuance verification**

**Overall comment on the section (if applicable):**

**Information reported:**

- |  |  |
|--|--|
| <input type="checkbox"/> limited assurance | <input type="checkbox"/> reasonable assurance    |
|  | <input type="checkbox"/> Other (please specify): |

**Frequency:**

- |  |                                      |
|--|--------------------------------------|
| <input type="checkbox"/> Annual                  | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): |                                      |

**Material change:**

- |   |  |
|---|--|
| <input type="checkbox"/> Perimeter        | <input type="checkbox"/> KPI methodology |
| <input type="checkbox"/> SPTs calibration |  |

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Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 25 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 800 staff members, including more than 300 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com)

Or contact us [contact@sustainalytics.com](mailto:contact@sustainalytics.com)

