



## Independent Assurance Report

**Mr. Susumu Saito**  
**Representative Director, President and Director**  
**Hokkaido Electric Power Co., Inc.**

We, SOCOTEC Certification Japan (hereafter "SOCOTEC"), have performed a limited assurance engagement, in response to the entrustment from Hokkaido Electric Power Co., Inc. (hereafter the "Company"), in order to provide an opinion as to whether the subject matter information ("FY2023 CO2 Emissions Calculation Report" (period: April 1, 2023 to March 31, 2024)) of the Company meets the criteria in all material respects.

### 1 Subject Matter Information and Criteria

The subject matter information for our assurance is "a report on CO2 emissions from power generations divisions throughout HEPCO Group" covering the power generation division of the Company and its group company in Japan (1 domestic subsidiary) described in the "FY2023 CO2 Emissions Calculation Report" (period: April 1, 2023 to March 31, 2024).

The criteria for preparing subject matter information is the "CO2 Emissions Calculation Rules (Ver2.0)".

In addition, the "Hokkaido Electric Power Green / Transition Finance Framework" (hereafter the "Hokkaido Electric Power Framework"), which was formulated by the Company in accordance with the "Green Bond Principles 2021", the "Green Loan Principles 2023", the "Sustainability-Linked Bond Principles 2023", the "Sustainability-Linked Loan Principles 2023", the "Green Bond and Sustainability-Linked Bond Guidelines 2022 Edition", the "Green Loan and Sustainability-Linked Loan Guidelines 2022 Edition", the "Climate Transition Finance Handbook 2023" and the "Basic Guidelines for Climate Transition Finance", for the purpose of raising funds through transition-linked loans (hereafter the "TLL"), stipulates that annual reporting on the progress of the Sustainability Performance Target (SPT) and verification by a third-party organisation are required. Therefore, this verification included KPI: CO2 emissions from power generations divisions throughout HEPCO Group, SPT: progress towards a 50% or more reduction in FY2030 (compared to the base year of FY2013 emissions) and the criteria for creating the subject matter information as the "Hokkaido Electric Power Framework".

#### Subject matter information period: April 1, 2023 to March 31, 2024

##### CO2 emissions from power generations divisions throughout HEPCO Group (KPI)

Energy-derived CO2 emissions: 1,154 ten thousand t-CO2

##### TLL related data

SPT: as KPI, a 50% reduction or more in CO2 emissions in FY2030 (Compared to the base year of FY2013 emissions)

##### FY2023 result

- CO2 emissions reduction: 738 ten thousand t-CO2 (1,892 ten thousand t-CO2 (FY2013) – 1,154 ten thousand t-CO2 (FY2023))
- Progress towards a 50% or more reduction in CO2 emission by FY2030 from power generations divisions throughout HEPCO Group, compared to the emissions in FY2013: 39%

### 2 Management Responsibility

The "FY2023 CO2 Emissions Calculation Report" (period: April 1, 2023 to March 31, 2024) was prepared by the management of the Company, who is responsible for the integrity of the assertions, statements and claims made therein (including the assertions over which we have been engaged to provide limited assurance), the collection, quantification and presentation of all data and information in the report, and applied criteria, analysis and publication.

The management of the Company is responsible for maintaining adequate records and internal controls that are designed to support the reporting process and ensure that the "FY2023 CO2 Emissions Calculation Report" (period: April 1, 2023 to March 31, 2024) is free from material misstatement whether intentional or negligent.

### 3 Assurance Practitioner's Responsibility

The responsibility of SOCOTEC is to express a limited assurance conclusion as to whether the subject matter information has been prepared in compliance with the criteria in all material respects.

We have performed limited assurance engagement in accordance with the verification procedures stipulated by SOCOTEC and "JIS Q 14064-3:2023 (ISO 14064-3:2019) Specification with guidance for the verification and validation of greenhouse gas statements".

The procedures performed in the limited assurance engagement are limited in their type, timing and scope as compared to the procedures performed in the reasonable assurance engagement. As a result, our limited assurance engagement does not provide as high assurance as reasonable assurance engagement.

Our procedures performed depend on the assurance professional practitioner's judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. Our conclusion was not designed to provide assurance on internal controls.

We believe that we have obtained the evidence to provide a basis for our limited assurance conclusions.





#### 4 Assurance Procedures

The procedures that SOCOTEC has conducted are based on professional judgement and include, but are not limited to:

- Evaluation of policies and procedures created by the Company in relation to subject matter information
- Inquiries to the Company personnel to understand the above policies and procedures
- Verification that the target project meets eligibility requirements
- Matching with the basis data by trial calculation and recalculation
- Obtaining and collating material for important assumptions and other data
- Sites visited to confirm the calculation structure and procedures, data collection and implementation status of record control:  
Ishikariwan Shinko Power Station / Sunagawa Power Station

#### 5 Statement of Our Independence, Quality Management and Competence

SOCOTEC has introduced and maintained a comprehensive management system that conforms to the accreditation requirements of "ISO17021 Conformity assessment -- Requirements for bodies providing audit and certification of management systems". In addition, we have also established a management system according to "ISO14065 Greenhouse gases -- Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition". These meet the requirements of International Standard on Quality Management 1 by the International Auditing and Assurance Standards Board and Code of Ethics for Professional Accountants by International Ethics Standards Board for Accountants. We maintain a comprehensive quality management system that includes ethical rules, professional standards and documented policies and procedures for compliance with applicable laws and regulations.

The SOCOTEC Group is a comprehensive third-party organisation in testing, inspection and certification operations, and provides management system certification and training services related to quality, environment, labour and information security in countries around the world. Engaged in performance data and sustainability report assurance of environmental and social information, SOCOTEC affirms that it is independent of the organisation that has ordered the assurance engagement, its affiliated companies, and stakeholders, and that there is no possibility of impairing impartiality or conflict of interest.

We assure that the team engaged in the assurance is selected based on knowledge and experience in the relevant industry, as well as the competence requirements for this assurance engagement.

#### 6 Use of Report

Our responsibility in performing our limited assurance activities is to the management of the Company only in accordance with the terms for this engagement as agreed with the Company. We do not therefore assume any responsibility for any other purpose or to any other person or organisation.

#### 7 Our Conclusion

On the basis of our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the subject matter information is not, in all material respects, prepared and reported in accordance with the stated criteria.

SOCOTEC Certification Japan

Seigo Futaba

Managing Director

27 December 2024