



**SUSTAINABILITY
BOND FRAMEWORK
2020 ANNUAL REPORT**

JULY 2020

ewp

KOREA EAST-WEST POWER COMPANY

SUSTAINABILITY BOND FRAMEWORK

2020 Annual Report

July 2020

Inaugural Issuance of Sustainability Bond

- Korea East-West Power Co., Ltd. (“EWP”) priced its inaugural Sustainability Bond in July 2018, in amount of US\$500 million with a 5-year tenor. EWP intends to use the net proceeds from the Sustainability Bond for renewable energy development, SMEs (supporting small and medium enterprises) and unprivileged target group.

Allocation Report

- The net proceeds (US\$496,030,000) of EWP’s inaugural sustainability bond were allocated to EWP’s selected Eligible Projects in accordance with EWP’s Sustainability Bond Framework, in forms of financing and refinancing.
- As of the end of December 2019, 100% of the net proceeds has been fully allocated to Eligible Projects.
- Breakdown between new financing and refinancing:
 - New financing 55.2% (\$273.9 million)
 - Refinancing 44.8% (\$222.1 million)

* FX rate at June 30, 2019 used for allocation amount reported by June 2019, and FX rate at December 31, 2019 for additional allocation made in the 2nd half of 2019

Allocation of Net Proceeds by Eligible Categories

Eligible Project Categories	Amount (in 1,000 US\$)	Portion (%)
Renewable Energy	297,023	59.9%
SME Financing and Support for Underprivileged Target Groups	199,007	40.1%
Total	496,030	100%

Allocation by Key Projects

Category	Projects	Amount (in 1,000 US\$)	Financing (in 1,000 US\$)	Refinancing (in 1,000 US\$)
Renewable Energy	Solar Power	38,601	24,503	14,098
	Wind Power	10,531	-	10,531
	Other Renewables (ESS, fuel cell)	115,066	107,716	7,350
	Purchase of Renewable Portfolio Standard	132,824	71,665	61,159
SME Financing and Support for Underprivileged Target Groups	Job Creation	104,788	39,873	64,915
	Social Contribution	4,960	2,633	2,327
	SME Financing	23,206	7,894	15,312
	Support for Underprivileged Target Group	66,052	19,619	46,433
Total		496,030	273,904	222,126

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Impact Report

• Renewable Energy (EWP's equity portion denoted in parenthesis)

Sectors	Generation Capacity (MW)	Power Generated (MWh)	CO2 Reduced (tCO2/MWh)*	Greenhouse Gas Reduced (GWP)*
Solar Power (EWP's equity portion)	199 (98)	389,296 (190,556)	181,139 (88,666)	181,907 (89,041)
Wind Power (EWP's equity portion)	246 (94)	593,027 (226,708)	275,936 (105,487)	277,105 (105,934)
Total	445 (192)	982,324 (417,265)	457,075 (194,153)	459,011 (194,976)

* Note : Based on guideline on Greenhouse Gas Energy Target Management by the Ministry of Environment

• SME Financing and Support for Underprivileged Target Groups

Sectors	2015	2016	2017	2018	2019
Number of SME financed	605	558	734	734	1,007
Number of Job Created	26	47	101	157	326
Number of Beneficiaries (Underprivileged Target Groups)	148	120	114	134	121

Case Studies

Dangjin Ash Pond Solar Farm

- EWP invested US\$20 million to turn ash pond at Dangjin Thermal Power Plant into a solar farm.
- The project has 25.0MW capacity, and we expect 13,564 GHG emissions avoided annually, which is equivalent to 13,507 in tons of CO2.

Dangjin Eco Solar Power

- EWP built a large scale solar power complex in Dangjin equipped with ESS facilities (24.6MWh). EWP has 34% equity stake in US\$46 million project size in total.
- The project has 9.8MW capacity, and expect 5,948 GHG emissions avoided annually, equivalent to 5,923 in tons of CO2.

Yangyang Manwol Wind Farm

- As part of a plan to establish East Wind Power Belt, EWP started construction of a wind farm at Manwol mountain. EWP has 45% equity stake in total project size of US\$104 million.
- The project will be 42.0MW in capacity by 2021, and we expect 47,453 GHG emissions avoided annually, which is equivalent to 47,253 in tons of CO2.

