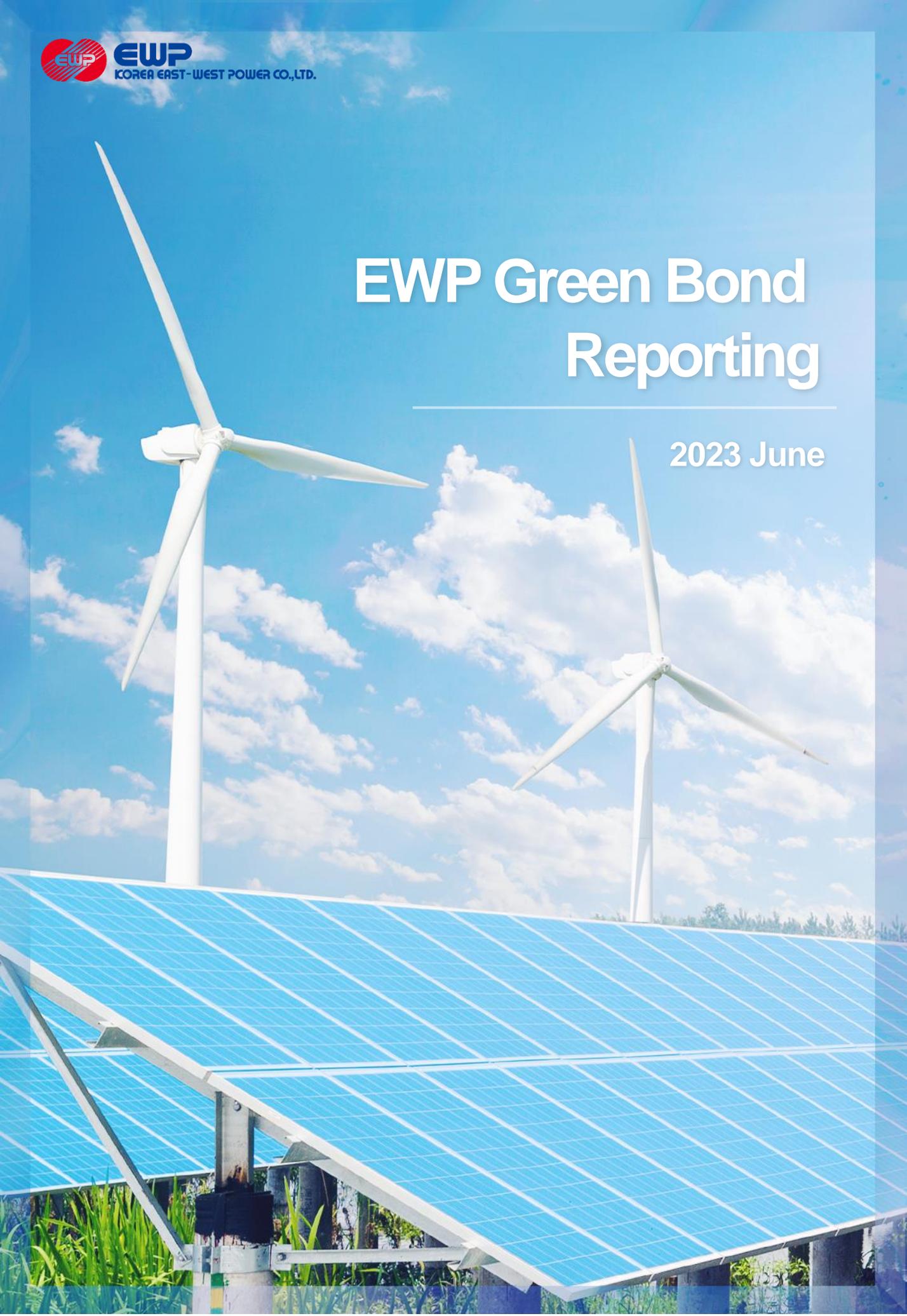




EWP
KOREA EAST-WEST POWER CO.,LTD.

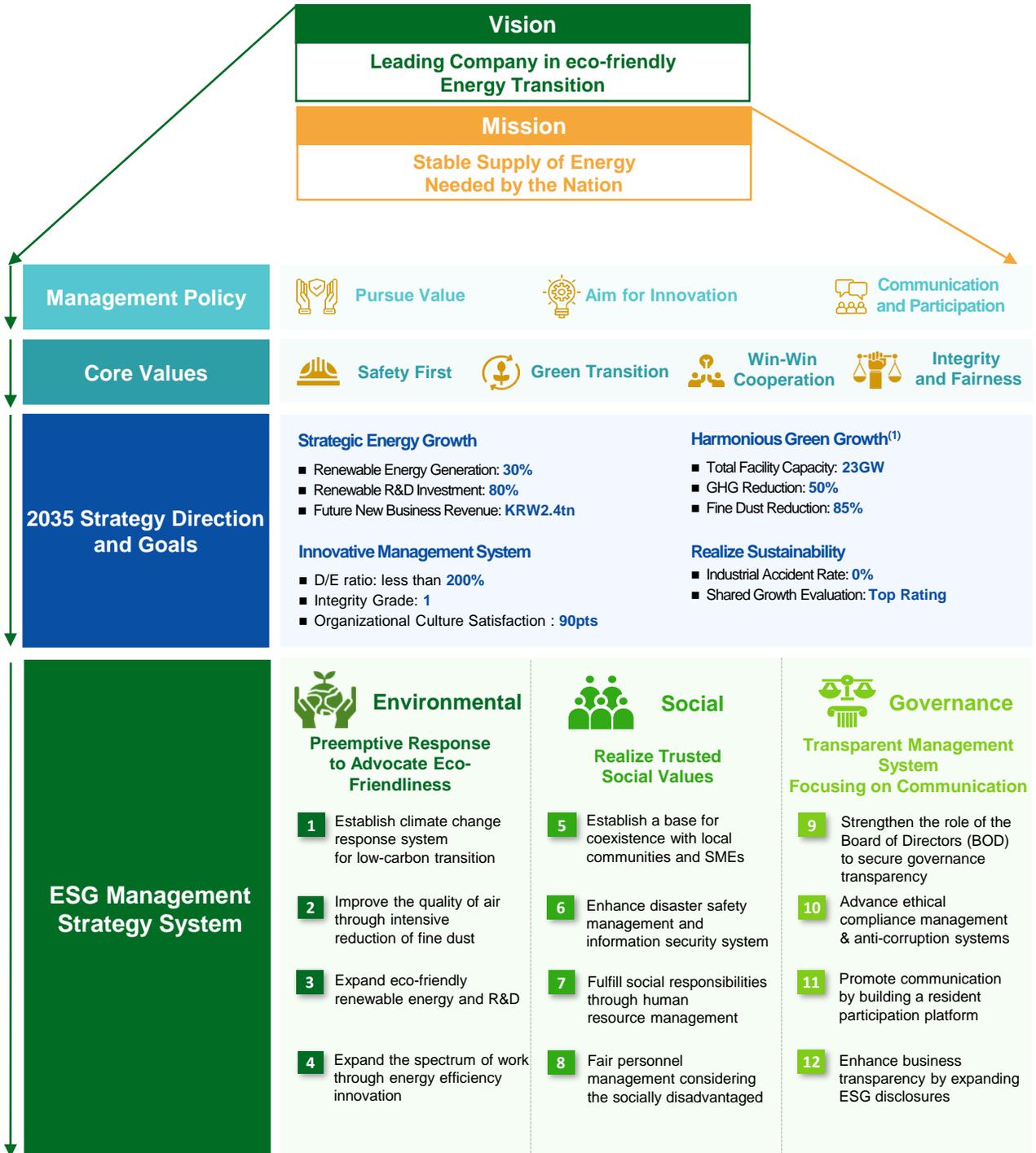
EWP Green Bond Reporting

2023 June



EWP's ESG Strategy

Korea East-West Power Co., LTD. ("EWP") launched ESG Management Strategy in 2021 with a vision and a mission focusing on energy transition and Net Zero. To achieve its mission and vision, EWP established 2035 Mid-to Long-term ESG Goals in 2021 and has been actively implementing ESG strategies.



(1) % of GHG and fine dust reductions compared to 2018

EWP's 2022 ESG Highlight

Based on EWP's strong commitment to ESG, EWP has successfully implemented ESG-related strategies and received recognition for our excellence in ESG from various institutions.

<p>Prime Minister's Commendation for Sustainable Management (7th Dec)</p> <ul style="list-style-type: none"> ✓ Published EWP Sustainability Report for 16 consecutive years (solely among GENCOs) ✓ Established ESG management system to realize social value and renovate traditional management system 	<p>Selected as "ESG Management Leader Corporation" (6th Dec)</p> <ul style="list-style-type: none"> ✓ Shared profits from operating Taebaek Gadeok Wind Power Plant with residents ✓ Developed a "residents participation-based profit-sharing model" ✓ Awarded "2022 Korea Management Grand Prize" in renovation category
<p>Awarded Excellence in the Korea ESG Awards (25th May)</p> <ul style="list-style-type: none"> ✓ Engaged participation of residents into employment generation in renewable energy business ✓ Supported GHG reductions of SMEs ✓ Enhancing employee's representation in the board of directors 	<p>President's Commendation for Evaluation of Public Data Provision and Operation (2nd May)</p> <ul style="list-style-type: none"> ✓ Provided data mining service/ open data related to social issues ✓ Supported data utilization of the public by organizing data contests ✓ Received a commendation after evaluations for 548 central/ local government authorities and public institutions in Korea

Regarding EWP's 2022 key ESG achievements in detail, please see below table:

Key Achievements in 2022	
E (Preemptive Measures to Advocate Eco-friendliness)	
1) GHG/ Fine Dust Emission	
<ul style="list-style-type: none"> ✓ Achieved 100% in allocated emissions trading 	
<ul style="list-style-type: none"> ✓ Reduced a total of 10,400k tons of GHG emissions (26.3% vs. 2018) 	
<ul style="list-style-type: none"> ✓ Reduced 15.7k tons of GHG emissions via domestic and international CDM businesses 	
<ul style="list-style-type: none"> ✓ Reduced fine dust by 58.8% (vs 2018) 	
2) Renewable Energy	
<ul style="list-style-type: none"> ✓ Constructed a 40.3MW renewable energy power plant facility 	
<ul style="list-style-type: none"> ✓ Started construction of a 109MW renewable energy power plant facility 	
<ul style="list-style-type: none"> ✓ Allocated 40% of total R&D budget to renewable energy sector 	
3) Energy Efficiency	
<ul style="list-style-type: none"> ✓ Completed construction of a 163MWh ESS MSP project (Cumulative capacity: 589MWh) 	
<ul style="list-style-type: none"> ✓ Started energy efficiency improvement projects in 3 college campuses (6 campuses cumulatively) – Reduced 9.1GWh/y of energy use in campuses 	
<ul style="list-style-type: none"> ✓ Operating rooftop solar panels in industrial complexes in Ulsan 	
<ul style="list-style-type: none"> ✓ Operating VPPs installed in apartment rooftops and idle lands in Ulsan 	
S (Realize Trusted Social Values)	
<ul style="list-style-type: none"> ✓ Achieved 0% of fatality rate 	
<ul style="list-style-type: none"> ✓ Hired total 338 socially disadvantaged people 	
G (Transparent Management System Focusing on Communication)	
<ul style="list-style-type: none"> ✓ Held ESG Committee for 5 times 	
<ul style="list-style-type: none"> ✓ % of female executives on the board of directors: 11% 	
<ul style="list-style-type: none"> ✓ 2022 CDP Score (Climate Change & Water Security Disclosures): B 	

EWP's Green Bond Reporting Overview

Key Issuance Metrics	
Issuer	Korea East-West Power Co., Ltd
Instrument	Senior Unsecured Green Bond
Use of Proceeds	Under EWP's Green and Sustainability Bond Framework
ISIN	US5006EPAL52/ USY4836TCE92
Pricing date	28 April 2022
Size	USD 500 million
Format	Public Offering
Issuer rating	Aa2 (Moody's)/ AA (S&P)/ AA- (Fitch)
Maturity	6 May 2025

“**USD120.1mn, or 24%** of total proceeds of green bond allocated to **17 projects** committed across **2 categories**”



Expected to reduce:

58,806,205 CO₂ equivalent per year

2,658 MWh of energy consumption per year



Energy Installed Capacity:

317.2 MW in photovoltaics power plants

139.4 MW in wind power plants

172.4 MWh of energy storage capacity



Expected to generate:

100,823 MWh of renewable energy per year



Expected to Improve:

21.7% of energy efficiency post-project in average

Allocation Reporting

Total Allocation⁽¹⁾ : KRW 152,811,700,000 (Equiv. USD 120,125,277)

Refinancing Ratio⁽²⁾ : 18.8%

Project Description	Amount Allocated (USD)
Renewable Energy (Solar Power)	59,411,630
Renewable Energy (Wind Power)	12,145,245
Energy Efficiency	48,568,402
Renewable Energy Total	71,556,875
Energy Efficiency Total	48,568,402
Grand Total	120,125,277

(1) KRW/USD: 0.0007861 as of 28 April 2022 (Source: Bloomberg)

(2) Refinancing Ratio = Allocation from ~'22 1Q/ Allocation in all period

Impact Reporting

Total Exp. Energy Produced (Renewable Energy): 100,823MWh/year

Total Exp. CO₂ Avoided (Renewable Energy): 58,806.21tCO₂e/year

Project Description	Installed Capacity ⁽¹⁾	Exp. Energy Produced ⁽²⁾	Exp. CO ₂ Avoided ⁽³⁾
Renewable Energy (Solar Power)	317.2	90,740.67	54,037.26
Renewable Energy (Wind Power)	139.4	10,082.34	4,768.95
Total	456.6	100,823	58,806.21

Total Installed ESS Capacity (Energy Efficiency) : 172.4MWh

Total Exp. Energy Consumption Reduced (Energy Efficiency) : 2,658MWh/year

% of Energy Efficiency Improved: 21.7%

Project Description	Electricity Bills Saving ⁽⁴⁾	Installed ESS Capacity ⁽⁵⁾
Energy Efficiency (ESS MSP)	77.39	172.4

Project Description	No. Installed Efficiency Facilities	Exp. Energy Consumption Reduced ⁽⁶⁾	% of Energy Efficiency Improved
Energy Efficiency (Improving Energy Efficiency of University Campus)	12,273	2,658	21.7%

(1) Project Total Installed Capacity, Unit: MW

(2) EWP's Share, Unit: MWh/year

(3) EWP's Share, Unit: tCO₂e/year

(4) Unit: KRW 100mn

(5) Unit: MWh

(6) Unit: MWh/year

Methodologies for Green Impact

Renewable Energy: Solar & Wind Power

- ✓ Following the EIB guidelines, the carbon impact of renewable energy projects is assessed against country-specific baselines for intermittent electricity generation, used for solar and wind electricity generation.
- ✓ Source: [EIB Project Carbon Footprint Methodologies, January 2023](#)



EWP Green and Sustainability Bond Framework

Korea East-West Power Co., Ltd (“EWP”) has updated a Green and Sustainability Bond Framework (“the Framework”) in April 2022 to facilitate transparency, disclosure, integrity and quality in EWP’s Green and Sustainability Bonds for interested investors and stakeholders.

<p>Eligible Projects</p>	<ul style="list-style-type: none"> The net proceeds of EWP Green and Sustainability Bonds will be used to finance and/or refinance, in whole or in part, new or existing projects (“Eligible Projects”) as defined below <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>< Green Categories ></p> <ul style="list-style-type: none"> ✓ Renewable Energy ✓ Energy Efficiency </div> <div style="text-align: center;"> <p>< Social Categories ></p> <ul style="list-style-type: none"> ✓ SME Support ✓ Socio Economic Advancement and Empowerment ✓ Access to Essential Services </div> </div>
<p>Evaluation and Selection of Projects</p>	<ul style="list-style-type: none"> EWP has established a Sustainable Finance Working Group (“SFWG”) to oversee the selection of Eligible Projects and their compliance with the eligibility criteria described in the Framework
<p>Management of Proceeds</p>	<ul style="list-style-type: none"> EWP’s treasury team will track internally to make sure that proceeds raised from the Green and Sustainability Bonds to be allocated to Eligible Projects. The register will include the below proceed allocation information:. <div style="display: flex; justify-content: space-around;"> <ul style="list-style-type: none"> ✓ Name and description of Eligible Projects ✓ Allocated amount of the proceeds <ul style="list-style-type: none"> ✓ The balance of unallocated proceeds ✓ Information of temporary investment for unallocated proceeds (if applicable) ✓ Other relevant information </div> <ul style="list-style-type: none"> For refinancing, the green and sustainability bond could be used for Eligible Projects completed in the three full years prior to the green and sustainability bond issuance year
<p>Reporting</p>	<ul style="list-style-type: none"> On an annual basis until full allocation of proceeds and on a timely basis in case of material changes, EWP will provide a dedicated green bond report with allocation and impact reporting. The Allocation & Impact Reporting will be made public on EWP’s website [TBU]

Second Party Opinion

“...it is DNV’s opinion that the EWP’s Green and Sustainability Bond Framework meets the criteria established in the Protocol and are aligned with the GBP, SBP and SBG 2021.”

- Second Party Opinion on EWP Green and Sustainability Bond Framework



Case Study

Yeongdeok Sunrise Park Wind Power Project

- **Capacity:** 34.4MW
- **Description:** **Acting as a growth ladder for domestic wind power business** by such as the first application of domestic products with the largest capacity (4.3MW)
- **Project Objective:** To develop large-scale wind power, one of key carbon neutral energy sources, to achieve Net Zero
- **Structure:** EWP 70%
Kolon Global 30%



Daeho Lake Floating Photovoltaic Power Project

- **Capacity:** 78MW
- **Description:** **A large-scale floating photovoltaic power plant** that enables efficient use of national land by stretching supply of sustainable & renewable energy and contributes to the national low-carbon green growth strategy
- **Project Objective:** To supply **renewable energy by efficient use of national land** and **to contribute to the local economy** by sharing profits with residents
- **Structure:** EWP 100% investment



Case Study

Australia Columboola Photovoltaic Power Project

- **Capacity:** **202.5MWp**
- **Description:** Overseas large-capacity solar power plant construction and operation
- **Project Objective:** To **pioneer the Australia renewable power generation market** and to **secure an outpost for hydrogen business development in Australia**
- **Structure:** EWP 66.7%
Energy New Business Fund 33.3%



ESS MPS Project (LG Electronics Changwon Smart Park)

- **Capacity:** **163MWh**
- **Description:** EWP operates **the largest ESS for peak reduction** in Korea (**Total 589MWh**)
- **Project Objective:** To distribute power demand during peak load times
- **Structure:** EWP 100% investment (KRW 43bn)
- Expected to generate KRW 77.4bn of electricity cost savings during the 15-year business period and to recover 97% of the savings

