



WHEN TRUST MATTERS



KOREA EAST-WEST POWER CO., LTD. GREEN AND SUSTAINABILITY BOND FRAMEWORK



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Prepared by: DNV Business Assurance Korea Ltd.

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This statement is valid until the Framework provided in April 2022 remains unchanged.

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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.dnv.com)

DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

Korea East-West Power Co., Ltd.² ("EWP" or the "Company") is one of the six subsidiaries for power generation in Korea, which was separated from the Korea Electric Power Corporation ("KEPCO") in 2001. Engaging itself in the development and generation businesses of electric power resources, EWP's generation capacity is 8.4% of the entire domestic generation capacity, with 11,276MW (except for the invested assets) of installed capacity (as of the end of 2021).

Under the overarching vision of becoming a global energy company that emphasizes the environment and society while advocating transparent management, the Company set four main goals to be achieved by 2035, respectively 1) Leading Energy Transition, 2) Sustainable Green Growth, 3) Realize Social Value and 4) Establish Innovative Management System. The ESG Committee which was created at the level of Board of Directors in June 2021, plays a pivotal role as a vehicle for actively pushing forward with ESG strategies and projects.

EWP's commitment to sustainable management is shown in its EWP 2050 Carbon Neutrality Roadmap which was made in connection with Republic of Korea's 2030 Nationally Determined Commitments (NDCs) and 2050 Carbon Neutral Scenario. The Roadmap includes 44% reduction of GHG emission (Scope 1 & 2) by 2030 and 100% reduction by 2050 from their peak in 2018. In order to achieve this target, EWP intends to pursue prompt energy transition by increasing renewable energy, strengthening new energy businesses, and expanding the hydrogen fuel cell generation business. In particular, EWP tries to adjust its energy generation portfolio with the goal of achieving 30% renewable energy generation with facility capacities of 9,000MW by 2035.

In addition to its various environment related initiatives, EWP tries to make social contributions, for examples, by raising funds for social contribution activities. Under the slogan "EWP e-Together," EWP tries to support three major target groups such as youth, local communities, and the socially disadvantaged. In 2020, EWP carried out digitact (digital + contact) social contribution activities to practice a new way of sharing during the COVID-19 pandemic. EWP also makes efforts for maintaining high integrity in its business operation process by spreading a culture of ethics and integrity to its employees, partner companies, and citizens, starting with the management-led example of ethics and integrity. Its ethical standards provide guiding principles for related stakeholders including employees and education programs enable them to keep learning up-to-date knowledge and practicing it in daily works.

DNV Business Assurance Korea Ltd. ("DNV")³ has been commissioned by EWP to review the EWP's Green and Sustainability Bond Framework and provide a Second Party Opinion on the Framework in relation to alignment with Green Bond Principles 2021 (GBP)⁴, Social Bond Principles 2021 ("SBP")⁵, and Sustainability Bond Guidelines 2021 ("SBG")⁶ published by the International Capital Market Association ("ICMA").

No assurance is provided regarding the financial performance of instruments issued via the EWP's Framework, the value of any investments, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of EWP and DNV

EWP has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform EWP and other interested stakeholders in the Framework as to whether the Framework is aligned with the GBP, SBP, and SBG. In our work we have relied on the information and the facts presented to us by EWP. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by EWP and used as a basis for this assessment were not correct or complete.

² <https://ewp.co.kr/eng/main/>

³ <https://www.dnv.co.kr/>

⁴ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

⁵ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

⁶ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

Basis of DNV's opinion

We have adapted our assessment methodology to create the EWP-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four core components:

1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental and social benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond should outline the process it follows when determining eligibility of an investment using Green, Social, and Sustainability Bond proceeds, and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a bond should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled.

4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by EWP in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Protocol, adapted to the purpose of the Framework, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by EWP on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by EWP and EWP's website;
- Discussions with EWP and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

Findings and DNV's Opinion

DNV's findings are listed below:

1. Use of Proceeds

EWP ensures that the net proceeds of its 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 in the Framework. The Framework defines the following Eligible Project categories.

Eligible Green Project Categories

- Renewable Energy
- Energy Efficiency

Eligible Social Project Categories

- Small-Medium Enterprise (SME) Support
- Socio Economic Advancement and Empowerment
- Access to Essential Services

DNV undertook an analysis of the associated project type to determine the eligibility as “Socially Beneficial” and “Green” in line with the GBP, SBP, and SBG 2021. EWP has provided tables mapping its Eligible Green and Social Categories with the United Nations Sustainable Development Goals (“UN SDGs”). The outlined types of project within each category and associated selection criteria are provided in the Framework in order to determine eligibility. EWP has also stated exclusion criteria in the Framework.

DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the GBP, SBP, and SBG 2021.

2. Process for Project Evaluation and Selection

The Framework states that the Eligible Projects are assessed and identified using EWP’s eligibility criteria in the Framework. It also stresses that only projects that meet one of the eligibility criteria may benefit from the Green and Sustainability Bond financing. In order to ensure that process for project selection and evaluation is observed in an appropriate manner, 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.

DNV concludes that EWP’s Framework appropriately describes the process of project evaluation and selection.

3. Management of Proceeds

The Framework states that the proceeds from each Green and Sustainability Bond will be managed with oversight by EWP’s treasury team. The team will track internally, with the use of a register in Excel Spreadsheet format to make sure that proceeds raised from the Green and Sustainability Bonds will be allocated to Eligible Projects. The SFWG also set the look-back period of three years.

DNV views that the proceeds arising from the future issuances will be appropriately managed.

4. Reporting

EWP intends to publish a report on the use of proceeds on an annual basis until the bond proceeds have been fully allocated. The Company also intends to report on environmental and social impacts of the Eligible Projects, and in the Framework, it presents relevant quantifiable indicators in alignment with characteristics of potential projects.

DNV concludes that EWP’s reporting will be made in an appropriate manner.

On the basis of the information provided by EWP and the work undertaken, 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. Please refer to Schedule 4. Sustainability Bond/Sustainability Bond Programme External Review Form for detailed information.

for DNV Business Assurance Korea Ltd.

Seoul, Republic of Korea, 13 April 2022



Chang Rok Yun
Senior Auditor

Project Team
DNV Business Assurance Korea



Young Wook Park
Sustainability Manager



Mark Robinson
Sustainability Manager

Technical Reviewer
DNV Business Assurance Australia

Schedule 1. Description of Categories to be financed or refinanced through EWP’s Green and Sustainability Bond Framework

Green Category

Green Categories	Eligible Criteria	DNV Findings
Renewable Energy	<ul style="list-style-type: none"> Research, development, acquisition, construction, installation, maintenance and upgrade of renewable energy generation facilities, equipment or infrastructure from <ul style="list-style-type: none"> Solar Wind Tidal and wave power Biomass (life-cycle GHG emission intensity below 100g CO₂e/kWh and using sustainable feedstock⁷) Geothermal (life-cycle GHG emission intensity below 100g CO₂e/kWh) Run-of-river hydropower (do not have an artificial reservoir) or hydropower (life-cycle GHG emission intensity below 100gCO₂e/kWh or power density of the electricity generation facility above 5 W/m²) 	<p>According to Tracking Power 2021 published by IEA⁸, emissions from the power sector (from both electricity and heat production) accounts for 40% of energy-related CO₂ emissions. While the reports views positively that emissions from the power sector declined almost 3% in 2020 due mainly to reduced electricity consumption during the COVID-19 pandemic and increased share of renewable energy sources (29% out of total power generation), it also highlights that current trend is not on track with the Net Zero Emissions by 2050 Scenario, which requires that power sector emissions fall an average 7.6% per year to 2030.</p> <p>Republic of Korea, envisaging a Net-Zero by 2050, announced the upgraded nationally determined contributions (NDCs) target in October 2021, committing to reduce GHG emissions by at least 40% by 2030 from their peak in 2018. In line with this commitment, Korean Government intends to increase portion of renewable energy to 30.2% by 2030 compared to the level of 2018⁹.</p> <ul style="list-style-type: none"> Renewable energy such as solar, wind, and tidal and wave energy is in alignment with technical screening criteria of the EU Taxonomy. For solar power, EWP communicated with DNV that it may include to invest the Virtual Power Plant (VPP)¹⁰ where most of CAPEX are used to set up solar panels. As for biomass and geothermal energy, EWP intends to restrict projects within the life-cycle GHG emission intensity below 100g CO₂e/kWh. In addition, as for biomass, EWP will ensure sustainable feedstock is used which is not derived from sources of high biodiversity, not completing with food sources and not depleting carbon pools. The only timber feedstock allowed is waste wood. It is DNV’s viewpoint that these criteria will secure eligibility of green projects for EWP in alignment with the EU Taxonomy and/or the Climate Bonds Taxonomy. Run-of-river hydropower: EWP strengthens eligibility of green projects by making potential projects comply with technical screening criteria of the EU Taxonomy.
Energy Efficiency	<ul style="list-style-type: none"> Acquisition, installation, 	<ul style="list-style-type: none"> DNV views it favorably for EWP to apply the

⁷ Sustainable feedstock refers to the feedstock that is not derived from sources of high biodiversity, not completing with food sources and not depleting carbon pools. The only timber feedstock allowed is waste wood.

⁸ <https://www.iea.org/reports/tracking-power-2021>

⁹ (Korean only)

<https://me.go.kr/home/web/board/read.do?pagerOffset=0&maxPageItems=10&maxIndexPages=10&searchKey=&searchValue=&menuId=286&orgCd=&boardId=1482140&boardMasterId=1&boardCategoryId=&decorator=>

¹⁰ VPP is a project that secures rooftop sites from locals and cooperatives to distribute solar panels while using information and communication technologies for integrated management as single power plant. VPP project aims at promoting community energy welfare as well as the spread of renewable energy.

Green Categories	Eligible Criteria	DNV Findings
	<p>maintenance and upgrade of the energy efficient equipment or facilities in the office building/university campus or renewable energy generation facilities. Such project shall achieve at least 20% improvement in the energy efficiency</p> <ul style="list-style-type: none"> • Research, development, acquisition, construction, maintenance and upgrade of facilities, equipment or system dedicated for energy storage 	<p>threshold of 20% of energy efficiency for acquisition, installation, maintenance and upgrade of equipment or facilities, which helps to enable the Company to effectively keep track of the performance against a quantitative target.</p> <ul style="list-style-type: none"> • In regard to energy storage related to projects, EWP plans to invest projects such as ESS Management Service Provider (MSP), R&D related to Redox Flow Battery (RFB) technology, R&D related to Water-in-Battery (WIB) technology, Ammonia-hydrogen dual-fuel engine. <ul style="list-style-type: none"> - The purpose of the ESS is to increase the efficiency of energy through charging during midnight (in condition of light loading) and discharging during daytime (in condition of maximum loading). This system can be also connected to store renewable energy. - RFB or WIB technology are battery based technology for storing energy and DNV considers that this new battery based R&D can accelerate electricity generation from zero carbon sources. - DNV also considers that R&D related to ammonia-hydrogen dual fuel engine complies with low carbon trajectory because CO2 emissions resulting from use of fossil fuels can be avoided. In particular, the Korean Green Taxonomy (K-Taxonomy), which was announced in December 2021, includes power generation by ammonia and hydrogen as green technology. DNV considers that the related technology can be utilized usefully to promote low carbon technology.

Social Category

Social Categories	Eligible Criteria	DNV Findings
<p>Small-Medium Enterprise (SME) Support</p>	<ul style="list-style-type: none"> • Projects supporting SMEs¹¹ to promote employment and energy efficiency. Examples include: <ul style="list-style-type: none"> - Energy consulting and R&D support including customized technology and energy management education support - Support for high-efficiency equipment such as solar power 	<p>Since 2012, EWP has carried out SME support through energy consulting and R&D supports with an aim to reduce inefficient energy use of SMEs and therefore lead to cost savings for them. DNV notes the positive benefits for SMEs which these programs have brought. DNV also views that the related programs are in alignment with the SDG 8.3 which highlights supporting creativity and innovation for as well as encouraging growth of SMEs.</p>
<p>Socio Economic Advancement and Empowerment</p>	<ul style="list-style-type: none"> • Projects support the development of communities and people living under 	<p>Pursuant to Korean Government's initiative of Agricultural-Fishery Win-Win Cooperative Fund¹², the relevant projects are designed to promote development of remote</p>

¹¹ SME defined as: Per Article 2 of the Enforcement Decree of the Framework Act on Small and Medium Enterprises (<http://law.go.kr/LSW/eng/engMain.do>)

¹² The Fund has become effective since 2017 after three relevant laws for promoting mutual growth were passed in Korea's National Assembly.

	<p>poverty, and rural communities (agriculture and fishery) as defined under Korean Government's 'Agricultural-Fishery Win-Win Cooperative Fund'. Example including to support the development of solar panel facility in Ulju-gun</p>	<p>areas (including rural areas). In line with the Government's intended purpose of this Fund, DNV views the projects will bring positive social outcomes for people in remote areas.</p>
<p>Access to Essential Services</p>	<ul style="list-style-type: none"> • "Happy Energy Voucher" program, which resolves energy poverty in the community by supporting lower-income classes¹³, families in need of emergency aid and disabled people in Ulsan 	<p>EWP operates the "Happy Energy Voucher" program, for the purpose of resolving energy poverty of marginalized groups by providing them with necessary goods and financial support. Through the programs, lower-income class may spend cooler summers and warmer winters. According to the Company's 2021 Sustainability Report, the Company shared Happy Energy Voucher funds worth 80.58 million KRW with 1,243 lower-income households near EWP's business places in 2021.</p> <p>DNV views that the voucher program functions as a useful tool to help bridge energy divide.</p>

¹³ Lower-income classes defined as: individuals/ persons who belong to 1) second-lowest income bracket, defined by National Basic Living Security Act Article 7 (3), 2) families in need of emergency aid and 3) disabled people

Schedule 2. Contributions to UN SDGs

Eligible Project Categories	UN SDGs	DNV Findings
Renewable Energy	SDG 7 Affordable and Clean Energy <ul style="list-style-type: none"> 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix. 	DNV is of the opinion that eligible categories outlined in the Framework contribute to the achievement of the UN SDGs.
Energy Efficiency	SDG 7 Affordable and Clean Energy <ul style="list-style-type: none"> 7.3 By 2030, double the global rate of improvement in energy efficiency 	
Small-Medium Enterprise (SME) Support	SDG 8 Decent Work and Economic Growth <ul style="list-style-type: none"> 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services 	
Socio Economic Advancement and Empowerment	SDG 8 Decent Work and Economic Growth <ul style="list-style-type: none"> 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors. 	
Access to Essential Services	SDG 1 No Poverty <ul style="list-style-type: none"> 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance. 	

Schedule 3. Eligibility Assessment Protocol

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings				
1a	Type of bond / loan	<p>The Bond and Loan must fall in one of the following categories, as defined by the Green/Social Bond Principles:</p> <ul style="list-style-type: none"> Green/Social Use of Proceeds Bond Green/Social Use of Proceeds Revenue Bond Green/Social Project Bond Green/Social Securitized Bond Loan instrument made available for Green and Social project (Green and Social use of loan proceeds) 	<p>EWP's Green and Sustainability Bond Framework clearly describes it intends to issue 1) Green Bonds to finance and/or to refinance eligible green projects or 2) Sustainability Bonds to finance and/or to refinance a mix of eligible green projects and eligible social projects</p> <p>From the Framework</p> <p><i>This Green and Sustainability Bond Framework has been updated based on EWP's Sustainability Bond Framework dated June 2018, reflecting EWP's latest climate change and energy transition strategy and aligning with the latest international standards and practices in the Green and Sustainability bond market. In addition to Sustainability Bond, the updated Framework also allows EWP to issue Green Bond where the proceeds would be exclusively used for Eligible Green Projects. This Framework will be applicable to the EWP's Green and Sustainability Bond issuances launched on or after the date of this Framework.</i></p> <p><i>This Framework governs the issuance of the following debt instruments by EWP:</i></p> <ul style="list-style-type: none"> <i>Green Bonds to finance and/or to refinance eligible green projects; or</i> <i>Sustainability Bonds to finance and/or to refinance a mix of eligible green projects and eligible social projects</i> 				
1b	Sustainable Project Categories	<p>The cornerstones of Sustainability Bond and Loan are the utilization of the proceeds of the bond and the loan which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible Projects categories presented by EWP are as follows:</p> <table border="1"> <thead> <tr> <th>Green Categories</th> <th>Social Categories</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <i>Renewable Energy</i> <i>Energy Efficiency</i> </td> <td> <ul style="list-style-type: none"> <i>Small-Medium Enterprise (SME) Support</i> <i>Socio Economic Advancement and Empowerment</i> <i>Access to Essential Services</i> </td> </tr> </tbody> </table> <p>The Framework also strengthens eligibility criteria of projects by adding the exclusion list in the Framework.</p> <p>From the Framework</p> <ul style="list-style-type: none"> <i>Nuclear energy</i> <i>Fossil-fuel based electricity production</i> <i>SME with main business fall into IFC Exclusion List</i> 	Green Categories	Social Categories	<ul style="list-style-type: none"> <i>Renewable Energy</i> <i>Energy Efficiency</i> 	<ul style="list-style-type: none"> <i>Small-Medium Enterprise (SME) Support</i> <i>Socio Economic Advancement and Empowerment</i> <i>Access to Essential Services</i>
Green Categories	Social Categories						
<ul style="list-style-type: none"> <i>Renewable Energy</i> <i>Energy Efficiency</i> 	<ul style="list-style-type: none"> <i>Small-Medium Enterprise (SME) Support</i> <i>Socio Economic Advancement and Empowerment</i> <i>Access to Essential Services</i> 						

Ref.	Criteria	Requirements	DNV Findings
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.	EWP intends to select projects which are environmentally beneficial by applying the appropriate thresholds from international or national standards. It also presents quantitative indicators in the reporting section in order to assess environmental outcome more accurately.
1c	Social Benefits	All designated Social Project categories should provide clear social benefits, which, where feasible, will be quantified or assessed by the Issuer.	EWP intends to select projects which are socially beneficial by adopting the appropriate criteria. It also presents quantitative indicators in the reporting section in order to assess social outcome more accurately.
1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. refinancing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	<p>EWP set the look-back period with three years prior to the Green and Sustainability Bond issuance year. In addition, the portion of financing and refinancing will be disclosed in the annual allocation reporting.</p> <p>From the Framework <i>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.</i></p>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Sustainability Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Sustainability Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> A process to determine how the projects fit within the eligible Green and Social Projects categories identified in the Green/Social Bond Principles and Green/Social Loan Principles; The criteria making the projects eligible for using the Sustainability Bond and Loan proceeds; The environmental sustainability objectives, and the social objectives; and Complementary information on process by which the issuer identifies and 	<p>According to the Framework, EWP ensures that Sustainable Finance Working Group (SFWG) oversees the selection of Eligible Projects and their compliance with the eligibility criteria described in the Framework.</p> <p>From the Framework <i>To ensure that allocations are made to Eligible Projects as specified above, 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. The SFWG will meet on an annual basis and when required.</i></p> <p><i>The SFWG is comprised by representatives from the following departments:</i></p> <ul style="list-style-type: none"> Planning Division (incl. Planning Department, Financial Management Department and Risk Management Department) Energy Transition Division Renewable Energy Division Global Business Division Carbon Neutral Division Other relevant departments or teams

Ref.	Criteria	Requirements	DNV Findings
2b	Issuer/borrower's environmental and social and governance framework	<p>manages perceived environmental and social risks associated with the relevant project</p> <p>In addition to information disclosed by an issuer on its Sustainability Bond/Loan process, criteria and assurances, Sustainability Bond and Loan investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental and social sustainability.</p>	<p>EWP website well describes its effort for sustainable development, by describing ethical management, social contribution, and environment-friendly policy. In particular, in its ESG management strategy system, the Company presents 12 core projects in three sectors as follows:</p> <p>Environmental: Pre-emptive Response to Advocate Eco-Friendliness</p> <ol style="list-style-type: none"> 1. Establish climate change response system for low-carbon transition 2. Create pleasant air quality through intensive reduction of fine dust 3. Expand eco-friendly renewable energy and R&D 4. Expand the spectrum of work through energy efficiency innovation <p>Social: Realize Trusted Social Values</p> <ol style="list-style-type: none"> 5. Establish a base for coexistence with local communities and SMEs 6. Enhance disaster safety management and information security system 7. Fulfill social responsibilities through human resource management 8. Fair personnel management considering the socially disadvantaged <p>Governance: Establish a Transparent Management System Focusing on Communication</p> <ol style="list-style-type: none"> 9. Strengthen the role of the board of directors (BOD) to secure governance transparency 10. Advance ethical compliance management & anti-corruption systems 11. Promote communication by building a resident participation platform 12. Enhance business transparency by expanding ESG disclosures <p>In addition, EWP has voluntarily participated in the CDP since 2012 to do its responsibility as a public energy company. EWP's annually published Sustainability Report also includes various performance indicators in relation to environmental and social impacts.</p> <p>Moreover, by maintaining ISO 14001, EWP intends to apply environmental management system to operations of all of its power complexes.</p>

3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure	The net proceeds of Green Bond should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green/Social Projects.	<p>The evidence reviewed shows how EWP plans to track the allocation of the proceeds in an appropriate manner. EWP's treasury team will track the proceeds raised from the Green and Sustainability Bonds to be allocated to Eligible Projects.</p> <p>From the Framework</p> <p><i>The net proceeds of each Green and Sustainability Bond will be deposited in EWP's Treasury Portfolio. An amount equivalent to the net proceeds shall be allocated for the financing and / or refinancing of existing or new Eligible Projects. EWP's treasury team will track internally, with the use of an Excel Spreadsheet the proceeds raised from the Green and Sustainability Bonds to be allocated to Eligible Projects.</i></p>
3b	Tracking procedure	So long as the Green Bond/Loan is outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	<p>EWP will keep track of the use of proceeds using an excel spreadsheet. The register will include the below proceed allocation information.</p> <p>From the Framework</p> <ul style="list-style-type: none"> • <i>Name and description of Eligible Projects to which the proceeds have been allocated</i> • <i>Allocated amount of the proceeds of the Green and Sustainability Bonds to Eligible Projects</i> • <i>The balance of unallocated proceeds</i> • <i>Information of temporary investment for unallocated proceeds (if applicable)</i> • <i>Other relevant information</i>
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>The Framework clearly states that the unallocated net proceeds may be used for the payment of all or a portion of outstanding indebtedness, and/ or may be temporarily invested in cash, cash equivalents, and short-term money market instruments in accordance with the EWP's liquidity management policy.</p> <p>From the Framework</p> <p><i>Any balance of the net proceeds from Green and Sustainability Bonds that have not been allocated to Eligible Projects will be held in accordance with EWP's normal liquidity management policy. The unallocated net proceeds may be used for the payment of all or a portion of outstanding indebtedness, and/ or may be temporarily invested in cash, cash equivalents, and short-term money market instruments.</i></p>

4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Green Bond proceeds have been	<p>The framework states that the reporting will include allocation reporting and impact reporting, which will be published annually and will be publicly available on EWP website.</p> <p>From the Framework</p> <p><i>The allocation reporting will be available to investors within approximately one year from the date of the bond issuance and yearly thereafter until the bond proceeds have been fully allocated. It will be available on EWP</i></p>

		<p>allocated including - when possible with regards to confidentiality and/or competitive considerations -a brief description of the projects and the amounts disbursed, as well as the expected environmentally and social sustainable impact.</p>	<p><i>website.</i></p> <ul style="list-style-type: none"> • <i>Allocation per Eligible Asset Category</i> • <i>Example of projects financed by the proceeds, including their description (date, location, category, progress) and the corresponding allocated amount (in US\$)</i> • <i>Allocated amount vs. total amount (in %)</i> • <i>Portion of financing and refinancing</i> <p>DNV also views that quantitative indicators regarding green and social impacts function as effective means in managing the performance results of the projects.</p>
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Schedule 4. Green or Sustainability Bond / Green or Sustainability Bond Programme External Review Form

Section 1. Basic Information

Issuer name:

Korea East-West Power Co., Ltd. (EWP)

Green, Social, and Sustainability Bond ISIN or Issuer Green, Social, and Sustainability Bond Framework Name, if applicable:

EWP Green and Sustainability Bond Framework, April 2022

Independent External Review provider's name:

DNV Business Assurance Korea Ltd.

Completion date of this form:

13 April 2022

Publication date of review publication:

13 April 2022

Section 2. Review overview

SCOPE OF REVIEW

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

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

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 |
| <input type="checkbox"/> Other (please specify): | |

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

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

On the basis of the information provided by EWP and the work undertaken, 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.

Section 3. Detailed 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.

1. USE OF PROCEEDS**Overall comment on section (if applicable):**

EWP intends to use the proceeds issued under the Framework to finance or refinance, in whole or in part, for new and/or existing Eligible Green and/or Social Projects. DNV concludes that the EWP's Framework is aligned with the GBP, SBP, and SBG 2021.

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs: EU Taxonomy and Climate Bonds Taxonomy

Use of proceeds categories as per SBP:

- | | |
|--|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input checked="" type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input checked="" type="checkbox"/> Employment generation / programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises |
| <input type="checkbox"/> Food security and sustainable food systems | <input checked="" type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

Target populations:

- | | |
|---|--|
| <input type="checkbox"/> Living below the poverty line | <input checked="" type="checkbox"/> Excluded and/or marginalised populations and /or communities |
| <input type="checkbox"/> People with disabilities | <input type="checkbox"/> Migrants and /or displaced persons |
| <input type="checkbox"/> Undereducated | <input checked="" type="checkbox"/> Underserved, owing to a lack of quality access to essential goods and services |
| <input type="checkbox"/> Unemployed | <input type="checkbox"/> Women and/or sexual and gender minorities |
| <input type="checkbox"/> Aging populations and vulnerable youth | <input checked="" type="checkbox"/> Other vulnerable groups: Low-income groups |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):
 The proceeds will be allocated to finance and refinance the assets as defined in Schedule 1. DNV reviewed the Framework which describes the process through which projects are evaluated and selected. DNV can confirm the proceeds go through a well-placed internal process for evaluation and selection. EWP will have a dedicated Sustainable Finance Working Group (SFWG) to oversee the selection of Eligible Projects and their compliance with the eligibility criteria described in the Framework.

Evaluation and selection

- | | |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The Framework states that the proceeds from each Green and Sustainability Bond will be managed with oversight by EWP's treasury team. The team will track internally, with the use of a register in Excel Spreadsheet format to make sure that proceeds raised from the Green and Sustainability Bonds to be allocated to Eligible Projects.

Tracking of proceeds:

- Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (*if applicable*):

EWP intends to publish a report on the use of proceeds on an annual basis until the bond proceeds have been fully allocated. EWP will also report environmental and social impact with quantifiable indicators.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input checked="" type="checkbox"/> Sustainability Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- Annual
 Semi-annual
 Other (please specify):

Impact reporting:

- Project-by-project
 On a project portfolio basis
 Linkage to individual bond(s)
 Other (please specify):

Frequency:

- Annual
 Semi-annual
 Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings
 Energy Savings
 Decrease in water use
 Number of beneficiaries
 Target populations
 Other ESG indicators (please specify): to be developed later

Means of Disclosure

- Information published in financial report
 Information published in sustainability report
 Information published in ad hoc documents
 Other (please specify): EWP will post the allocation/impact reports on the EWP's website
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

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

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

<https://ewp.co.kr/eng>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Second Party Opinion
 Certification
 Verification
 Scoring/Rating
 Other (please specify):

Review provider(s):

DNV Business Assurance Korea Ltd.

Date of publication:

13 April 2022

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

- 1. Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- 2. Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- 3. Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 4. Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.



About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

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