Promise for the Future

2010 Sustainability Report KOREA EAST-WEST POWER

KOREA EAST-WEST POWER CO.,LTD.

Pomise for the Future

GRI G3 Guideline Application Level

Korea East-West Power Co, Ltd.(EWP) declares that its Sustainability Report has been prepared to satisfy all the requirements for Level 'A' under GRI Application Levels.

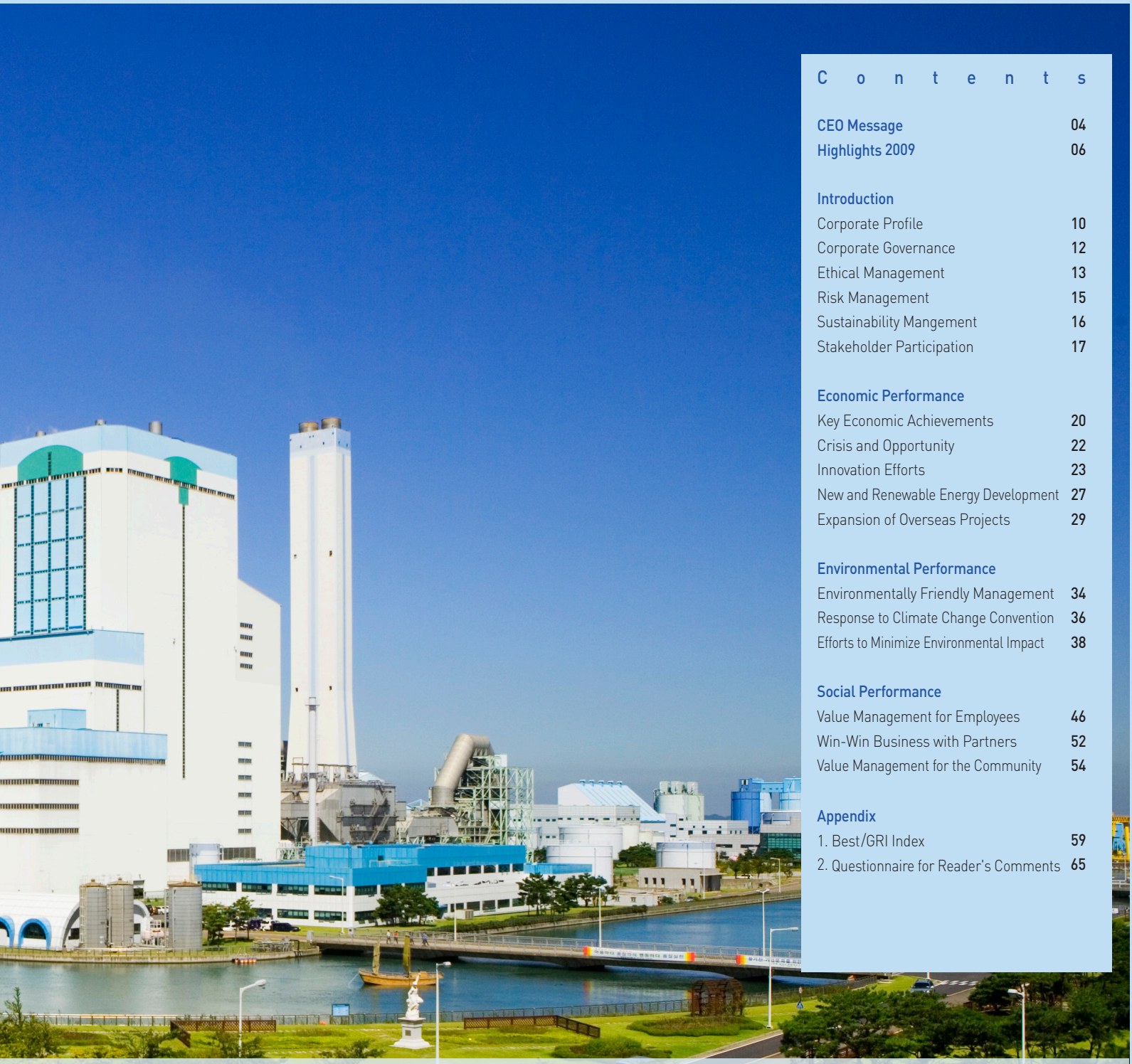
Overview of Report

Purpose of Report

This is the 4th Sustainability Management Report which EWP has published to disclose transparently its economic, environmental, and social performances to all stakeholders.

Reporting Guidelines

This report has been prepared based on GRI(Global Reporting Initiative) G3 Guidelines and BSR Guidelines (B.E.S.T. Sustainability Reporting Guidelines) developed in Korea.



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Scope of Reporting
This report has been prepared to cover the corporate head office in Seoul and six plant sites.

Reporting Cycle
Korea East-West Power(EWP) publishes its Sustainability Report each year since its first issue published in May 2007.

Reporting Period
This report outlines the company's sustainability management activities and outcomes from 1 January to 31 December 2009. Quantitative performance data for three years from 2007 to 2009 are provided to enable their time series trend analysis.

Base Unit of Data Used in Report
The units used in this report include KRW (South Korean won) currency unit, MW (facility capacity), GWh (amount of power generated), TOE (amount of energy used), kg-CO2/kWh (volume of greenhouse gas emitted) etc.

Additional Information
For additional information, please visit the corporate Website or the department indicated below:
Website: www.ewp.co.kr
Department in charge: Green Management Team, Strategy & Finance Division
Phone: 82-2-3456-8382 Fax: 82-2-3456-8459
e-mail: sustainability@ewp.co.kr

CEO Message

Dear Stakeholders,

We express our heartfelt thanks for your interest in and support of Korea East-West Power(EWP). We are very pleased to inform you of our activities and performances in the sustainability management this company pursues.

2009 was a year with very difficult business conditions because of the business recession caused by the global economic crisis. Yet, EWP achieved its best performance since its inception through management innovations and cost saving efforts, strengthening its foundation for its leap forward into a global energy company.

In particular, EWP is expanding its business domains into new and renewable energy and other new business lines to secure new growth engine with a vision that it will grow into a global company, ranking 5th in Asia. EWP has also achieved a remarkable performance in various projects in power plant construction, O&M and resource development through advancement into overseas markets.

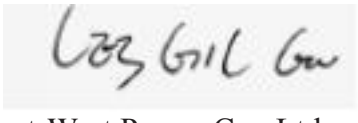
> “Korea East-West Power will do its best, with utmost passion, to improve our life quality and to provide a better world for the next generations.”

In addition, EWP declared a 'Green Management Vision' for the first time among power generation companies and drew up a 'Low-Carbon Green Management Master Plan' for leading green business that has become a priority topic these years.
Based on this Vision, EWP has been exploring a new paradigm for green business by securing new and renewable energy sources, developing technologies for reducing greenhouse gas, and staging diverse activities throughout its business domains, including 'practice of green life' and 'cultivating green workplaces'.

To pursue its social responsibility, EWP has also strengthened a foundation for win-win collaboration with its partners and has implemented various support programs to help small and medium companies to enhance their capabilities. To build a happy community for mutual prosperity, EWP has implemented programs for supporting alienated neighbors and volunteer service activities for communities. It has made extraordinary efforts to become a business that grows together with communities through such corporate social responsibility programs that match the needs of the communities.

EWP will continue its efforts to become an admired and trusted company by actively reflecting its stakeholders' diverse voices in its business activities.
Your continued attention and support are solicited for the incessant challenges EWP makes to energetically leap forward into a global energy company. Thank you.

July 2010



CEO, Korea East-West Power Co., Ltd.

Highlight 2009

Feb. 2009

'EWP Vision 2012' Declaration

Feb. 2009
'Carbon Neutral Certification' awarded
for the first time among power companies

Apr. 2009
Low-carbon green management vision declaration

Jun. 2009

Contract signed for the construction and operation of a 30MW diesel power plant in Haiti

Jun. 2009
Received Korea Green Awards 'Green Growth Site' Grand Prize Award

Mar. 2009
World first new-concept power plant operation system POMMS Center Opened

Mar. 2009
Master plan set for developing new and renewable energy

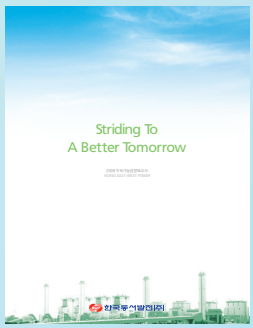
May 2009
Completion of Uldolmok Tidal Current Power Plant

Aug. 2009
Dangjin Small Hydro Power Plant registered as CDM (Clean Development Mechanism) project under the UN Framework Convention on Climate Change

Aug. 2009
Main contract signed for 206MW wind power projects in the Philippines

Sep. 2009
「Global Power Plaza in Asia」 held to assist small businesses in exploring overseas sales channels

Sep. 2009
EWP's third Sustainable management report published



Nov. 2009
Korea Agency for Technology and Standards under the Ministry of Knowledge and Economy selects EWP as the 'Outstanding Quality Business' for the third consecutive year

Nov. 2009
Community service in areas of new projects are launched (1company-1village service activities)

Oct. 2009
Received 2009 Korea Green Energy Grand Prize Award

Oct. 2009
Dangjin Thermal Power Plant Unit #1 given the 'Longest Continuous Unit Operation' Award by EUCG (Electric Utility Cost Group)

Dec. 2009
Completion of Dangjin Small Hydro Power Plant

Dec. 2009
Agreement signed with Tata Power, India, for collaboration in overseas markets

Dream & Vision

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Corporate Overview

Characteristic Attributes of the Power Industry

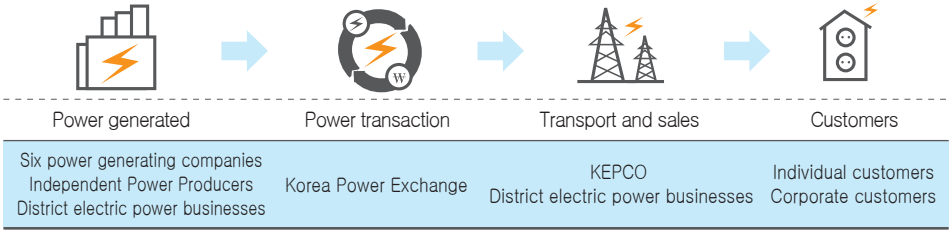
The power service is a national backbone industry that provides energy which is essential to nearly all industrial activities and basic life of the people in a modern state. The Korean electric power market is operated by a system where EWP and five other power generating companies, Independent Power Producers(IPPs) and District Electric Power Businesses(DEPBs) produce and sell electric power to Korea Electric Power Corporation(KEPCO) through the Korea Power Exchange. KEPCO resells power to general customers through its transmission network.

| Corporate Profile(as of Dec. 2009) |

(Units : KRW billion)

Name	Korea East-West Power Co, Ltd
Head Office	411 Yeongdong Blvd, Kangnam-gu, Seoul
Date of establishment	2 April 2001
Paid-in Capital	2,559.9
Total Assets	4,482.2
Sales	3,923.2
Net Profit	170.5
Major Business	Development of electrical power resources, power generation and related businesses
Total Power Output	50,776GWh
Number of Employees	2,056 persons
Total Power Output	50,776GWh
Sales Volume	48,383GWh
Composition of Shareholders	100% owned by KEPCO

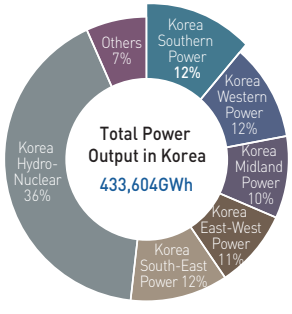
| Power Industry Structure |



Provision of a Sustainable Growth Foundation

EWP successfully constructed 500MW Ultra supercritical steam turbines for Dangjin Coal Fired Power Plant Unit #5 through #8 in the past six years. It has started construction of 1,000MW Ultra supercritical steam turbines for Dangjin Coal Fired Power Plant Unit #9 and #10 for completion in 2016. Further, EWP has accelerated its overseas projects and development of new and renewable energy in order to actively address changes in the future power industry.

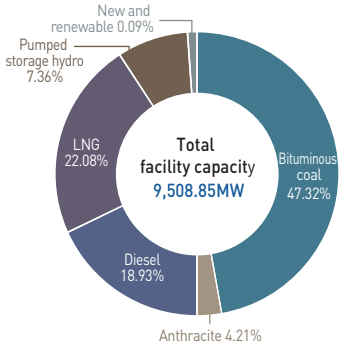
| Power Output Percentage |



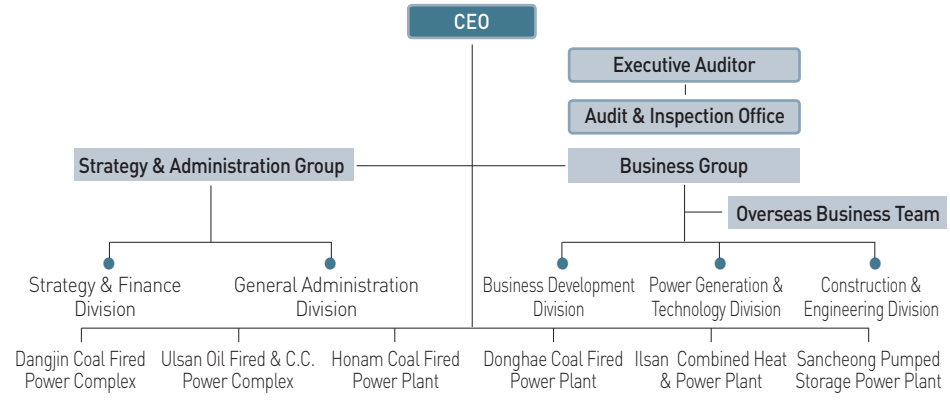
Aggressive Leap toward the Global Energy company

EWP has set 'Asia Top 5 Power Company' as its mid and long-term management goal by 2012 and has implemented 4 major strategic directions and 13 strategic tasks in order to attain the goal of developing into a world top class power company. In addition, it is striving to achieve a sustainable growth with all its stakeholders by adopting performance of its economic, social and environmental responsibilities as its major strategic task.

| EWP Facility Ratio by Fuel Source |



| Organization Chart |



Business Area

The key business area of EWP may be categorized into its main line thermal power generation, pumped-storage hydro power generation, overseas and new & renewable energy projects, whose investment is growing these days. EWP pursues a sustainable growth through diversification into new domestic businesses, development of new and renewable energy, and overseas power generation.

Business under way

Thermal power generation

- Main business of EWP : 97% of annual sales (as of 2009)
- 93% of the company facility capacity (88,000MW of 35 units)

- Power plant status: Dangjin (4,000MW), Ulsan (3,000MW), Honam (500MW), Donghae (400MW), and Ilsan (900MW)

※ Construction of Korea's first 1,000MW Ultra supercritical power plant Dangjin Coal Fired power units #9 and #10 : Total 2,000MW (1,000MW×2 units)

Pumped-storage power generation

- Hydroelectric power generation using the head of water released from a higher elevation reservoir by pumping up water from a lower elevation reservoir using low-cost off-peak electric power
- Sancheong Pumped Storage Power Plant(700MW/2 units) generates 585GWh a year (as of 2009).

Future-Oriented Business

Development of new and renewable energy

- New revenue sources for EWP that lead to future green energy market
- EWP promotes new and renewable energy development projects to secure new revenue sources while complying with the government plan to reduce greenhouse gas emission.
- Major projects
  - Projects completed: 9.85MW (Donghae Solar Energy, Ilsan Fuel Cell Power, etc)
  - Projects under way: 89.4MW (Jeongseon Wind, Uldolmok Tidal Current, etc)

Overseas projects

- New growth engine projects to leap toward a global energy corporation
- Various projects are being promoted based on know-how acquired from domestic power plant construction and operation, including construction of power plants, O&M and resource development.
- Major projects
  - Power plant construction: Wind power project in the Philippines, Diesel power generation in Haiti, etc
  - Service projects: PFBC O&M in Cebu, the Philippines, and start-up operation of a thermal power plant in Chile, etc

Corporate Governance

EWP has enhanced the transparency of its governance structure and decision-making processes by upgrading its board structure with more active management participation by non-executive directors.

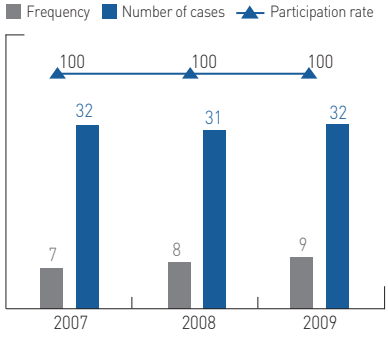
Composition of Shareholders and Capital

EWP is wholly owned by KEPCO as it was founded by a spin-off from KEPCO in 2001 under the government plan for restructuring the power industry.

Operation of the Board of Directors

The board consists of three executive and four non-executive directors. The CEO presides over the board meetings as its chairman. In order to set up a responsibility based management system run by the executive directors, they concluded an internal management contract with the CEO who concluded a management contract with KEPCO's CEO. The directors are compensated based on their performance. The non-executive directors are selected among those who are equipped with expertise and diverse career backgrounds and are paid allowances pursuant to the board regulations.

| Record of non-executive directors' participation in board meetings |



Efforts for Strengthening the Board Roles

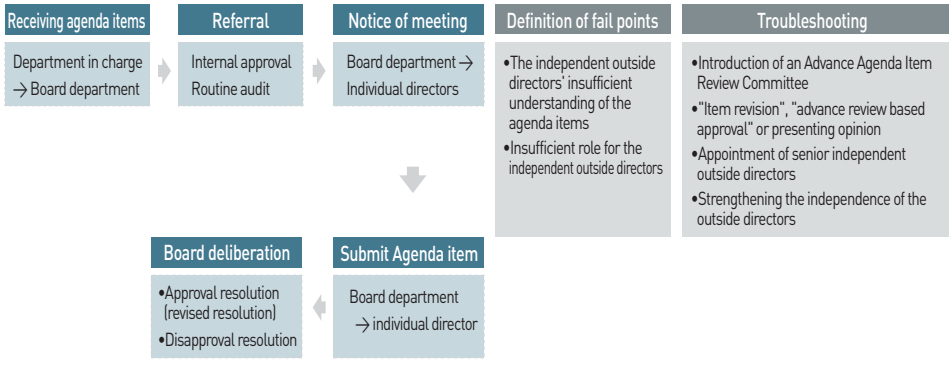
EWP improved the operational system of its board so that the non-executive directors may perform functions of deciding on policies with independence and expertise. Their access to managerial information has been enhanced by a website dedicated to the board members. Agenda items are reviewed in advance to enable more effective review. In addition, advice by non-executive directors is actively reflected on for mid and long-term core strategies and managerial policies. In particular, conflicts of interest among the board members are prevented by active discussion based on check and balance by having the expertise of non-executive directors sufficiently exploited in making decisions for highly risky projects.

| Key board resolutions in 2009 |

The 11th issuance of unsecured bond
Employee quota readjustment under the 4th plan for improving the management of government-invested corporations
Enactment of early retirement allowance payment plan
Acquisition of equity in and O&M service of 30MW diesel power generation project in Haiti
Equity investment in wind power generation in the Philippines
PFBC O&M in Cebu, Philippines
2010 budget and financing plan

* For further details, refer the corporate website (www.ewp.co.kr)

| Board Operation Processes |



Ethical Management

EWP has set business ethics as core elements of its sustainable management and has steadily implemented diverse programs to promote a transparent rational corporate culture by applying its ethical code as a basis for all its business activities.

Business Ethics Promotion Organization

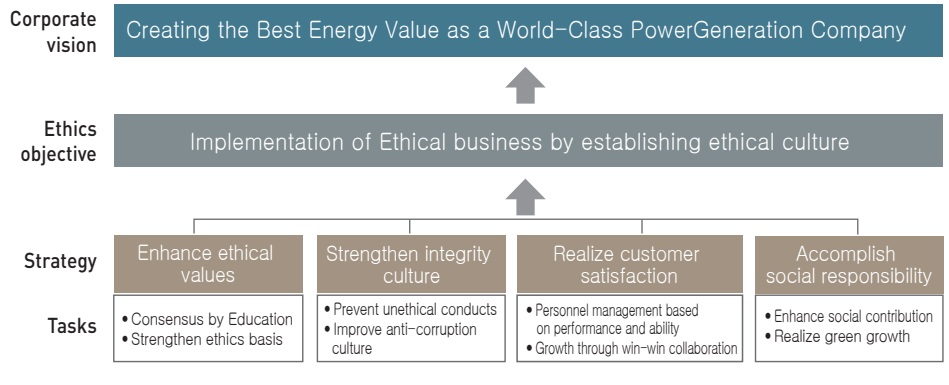
EWP operates an ethical management bureau under the direct control of the CEO. This bureau is responsible for establishing and implementing strategies for promoting enterprise-wide business ethics. The 'Green Management Committee' reviews and approves key policies related to business ethics. The audit and Inspection office implements a system for investigating code of ethics violations to prevent their recurrence. The ethical management is practiced by all units of the company, including head office and all business units.

| Ethical Business Organization |

Business Ethics Promotion System

To become a global energy corporation, EWP carries out all its business activities based on business ethics under the principle that it should always keep on the right path. It strives to realize its vision of 'Global Leader of the power industry' by seeking and sharing benefits with all stakeholders through transparent ethical business activities.

| Business Ethics Promotion System |



Action Programs and Institutions

Code of ethics

The code of ethics which provides all of its employees with standards of behavior and value judgment consists of an ethics charter, a code of ethics, a code of conduct, and behavior guidelines for performing duties. It also reflects the requirements of stakeholders surrounding the company through periodic revisions to keep pace with the social expectations. It is displayed on the company's website and intranet so that the employees may easily understand and practice the ethics code.

Ethical Mind Self-Scoring System

Ethical Mind Self-Scoring System

The employees of EWP carry out self-check on ethical dilemmas involving actual cases once a week in order to foster ethics and compliance spirit. They also enhance their ethical spirit and renew their determination to practice ethics autonomously by logging on the company's intranet.

Business Ethics Education

EWP conducts diverse systematic business ethics education courses so that all its employees may develop a sense of consensus and participate in business ethics. Those who have been promoted to a higher position or those who have been newly hired undergo mandatory business ethics education. EWP provides all its employees with various educations such as cyber education, invited outside lecturers' teachings, and circuit training by instructors touring each business units in turn.

Cyber Petition

Whistle Blowing

EWP operates a reporting system and online ethics counseling service on its website which all its employees and stakeholders may access. The company operates a 'Cyber Petition' service for reporting unethical and corruption cases. In addition, a 'Help Line System' is operated by independent outside specialists to handle internal reporting cases in order to encourage internal reporting (whistle-blowing) by guaranteeing the anonymity of the internal reporters.

Diagnosis of Ethics Practice Level

EWP has implemented the 'East-West Power Ethics Management Index (EWP-EMIx)' which was developed in 2007 to derive points for improvement through measurement and analysis of fulfillment degree of practical business ethics programs. Also, EWP measures the level of all its employees' recognition of business ethics by conducting a questionnaire survey. The outcome is utilized for developing plans to promote business ethics.

Internal Control System

EWP has corrected or supplemented its service manuals while steadily improving business processes in order to be fully prepared for introducing the IFRS (International Financial Reporting Standards) and to instill an internal control system that is comparable to those applied to US stock-exchange listed corporations. In addition, EWP has reconfirmed the validity of its internal control system through self-assessment each year. Further, it has implemented its internal control system that was revised along with the settlement and maturity of the ERP that was introduced in 2008. As a result of such efforts, EWP won a third-party certification of the validity of its internal control system while the number of irregularity cases pointed out by outside financial auditors decreased by 47% from the previous year.

ALIO System

Information Disclosure

EWP has steadily expanded the scope of information disclosure while enhancing the information user convenience by surveying and analyzing the customer needs periodically in order to enhance the transparency of the corporation information disclosure. In addition, EWP has shortened the period for information disclosure service to 10 days by revising the Guidelines for Information Disclosure Service in order to swiftly satisfy the customers' right to be informed. The company actively discloses its business information through ALIO (All public information In One), a centralized business information disclosure system for government-invested institutions.

Risk Management

To address risks arising out of market uncertainties at home and abroad, EWP manages such risks as those related to financial accounting, power generation and operation, supply of fuel, and disaster safety by deploying an enterprise-wide RMS (Risk Management System) based on its ERP (Enterprise Resource Planning).

Enterprise-wide Risk Management

EWP operates RMS in connection with its ERP that provides real-time information for maintaining integrity and consistency. Through this system, EWP consistently monitors five control areas and 20 KRIs. Also, action plans are activated when risks change by designing a screen that is identical to those used by EIS (Executive Information System).

ERP Integrated Risk Management System

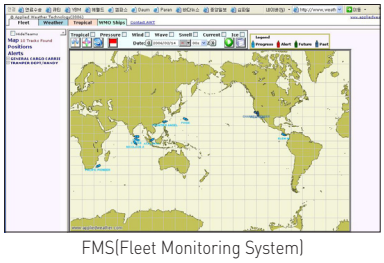
Financial Risks

EWP operates risk management systems actively with Foreign Exchange and LMS (Liability Management System) to manage financial risks related to currency exchange rates, interest rates and fluctuating fuel prices along with its PCN (Prime Coal NET), a system for controlling bituminous coal supply and vessel dispatch.

EWP secured a further advanced risk management infrastructure by utilizing VaR-based EaR (Earnings-at-Risk) management techniques introduced in 2009 to reduce the volatility of fuel prices, developing optimum borrowing portfolios and controlling risk related to currency exchange rate fluctuations.

Fuel Risks

EWP steadily makes efforts for hedging risks related to the volatility of international fuel prices to an optimum level to manage fuel price risks. Further, EWP continues to strengthen its capability to address crises by setting appropriate portfolios based on country matrix, utilizing advanced purchasing techniques using indexes, exploring new supply sources and alternative coal mines, and diversifying supply sources.



FMS(Fleet Monitoring System)

Plant Operation Risks

EWP is enabled to discover and take actions against plant problems early by maintaining a real-time monitoring and analysis of the entire operational status of all its six power plants for a total of 37 power generation units, including the Dangjin Coal Fired Power Plant based on its POMMS developed and installed at its head office for planning the operation and maintenance management service for its power plants. Through such risk management efforts, the company's unplanned loss rate in 2009 declined to 0.49%, which is a 42.6% decrease from 2007. The company exerts its best to further reduce its unplanned loss rate to 0.35% in 2010.

POMMS Operating Screen

Disaster Safety Risks

EWP has achieved a zero-harm record for two consecutive years, exclusively among all power industry groups while its safety management system was certified independently as its head office and all its business offices won a safety and public health business system certification by an independent safety expert agency for its preparation against natural disasters and occupational incidents.

EWP maintains a readiness posture to let its power plants, which are national backbone facilities, to continue to supply power without interruption by blocking the link to disasters under any critical situation, such as typhoon, earthquake, storm, thunder, fire, collapse, explosion and environment contamination. EWP is equipped with early emergency response capabilities and has set up collaborative systems with related agencies.

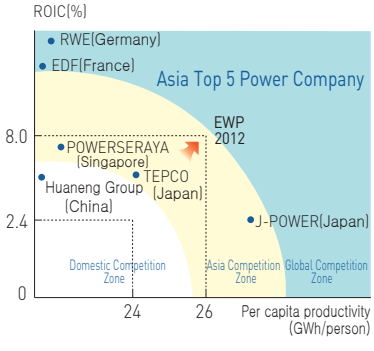
Sustainability Management

EWP strives to leap toward a global energy corporation by using the experiences and capabilities accumulated so far by setting its mid and long-term management objectives under the rapidly changing competition structure of the power industry. Based on that, EWP intends to practice a sustainable management that will develop together with all stakeholders by steadily achieving performance in economic, social and environmental aspects.

Basic Structure for Sustainability Management

EWP has made a mid and long-term business goal to leap forward into Asia's 5th power company by 2012 by creating best values for its stakeholders to realize its vision of 'global power generation company creating the best value energy'.

| 2012 Position Change of EWP |



| Vision 2012 Attainment Structure |

Innovate Business structure, Secure Competitive Advantage	Create New and Sustainable Growth Engines	Upgrading of Management System	Establish Green Management System
•Expand power generation facilities with low cost and high efficiency •Optimize facility operation and secure reliability •Operate stable and economical facility	•Expand to overseas markets •Intensify the development of new & renewable energy •Ensure stable supplies of fuel	•Establish advanced management system •Strengthen technology competitiveness •Boost human resource competitiveness	•Practice green management •Advocate corporate citizenship •Adapt to global corporate culture

Corporate Vision

The corporate vision of EWP is 'Create the Best Energy Value as a World-Class Power Generation Company'. It reveals the company's confidence and determination to become a global leading company of the world power industry by realizing a sustainable management that contributes to human prosperity by supplying quality energy and operating environment-friendly power generation services through constant technological development.

Core Values

EWP carries out all its business activities based on its five core values of creative spirit, human respect, reform-oriented, ethics compliance and environment-friendly operation, which are values or behavior patterns that should be shared by all its employees to realize its corporate vision.

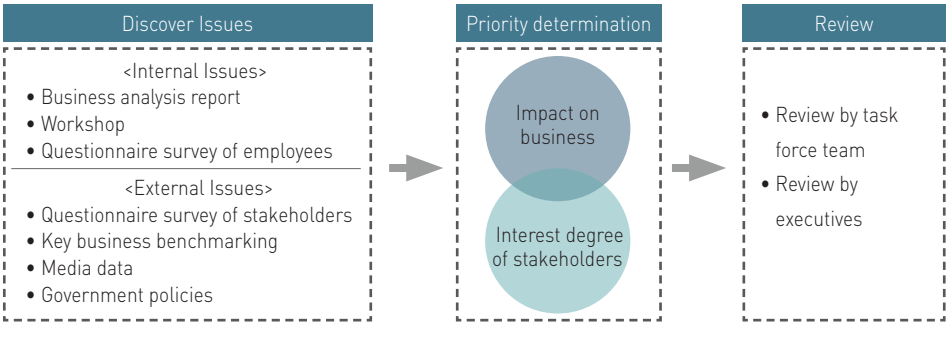
Participation by Stakeholders

EWP classifies its stakeholders who affect its business activities directly or indirectly into shareholders/investors, employees, business partners, power generation companies, government/advisory groups, and communities. To grow together with all its stakeholders, EWP collects all issues of concern to the stakeholders through various communication channels to reflect them in its business activities. In doing so, it strives to realize a sustainable management.

Materiality Test

EWP performed a materiality test in order to derive key sustainability issues to reflect on this report. The materiality test was conducted to derive key issues through a stakeholder questionnaire survey, key business benchmarking, media analysis, company regulations, government policies and laws, and direct and indirect economic impacts.

| Materiality Test Processes |



Classification	Reference data
Business analysis report	Business strategy report, Internal analysis data, Sustainability management report
Media data	News articles of various press media in 2009 Key business
Benchmarking	Websites, Sustainability management reports by other companies
Government policies	Green Growth 5-year Plan, and related bills including Framework Act on Green Growth

Key Stakeholder Issues

Domains	Key issues	
Economy	Economic value creation and distribution	20~21 page
Environment	Climate change response and environment protection	36~43 page
Innovation and creation	Product and organization innovation / new market exploration	23~31 page
Business partners	Win-win cooperation with and support to partners	52~53 page
Employees	Communication with employees and talent development	46~51 page
Community	Investment in community and fund support	54~57 page

Creation & Innovation

Economic Performance

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- Expansion of Overseas Projects 29

Key Economic Performance

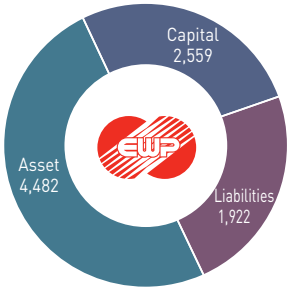
EWP strives to become 'Asia Top 5 Power Company' that is set as its mid and long-term management of 'Global Leading company of the Power Generation Industry that Creates the Best Energy Value' by 2012. EWP attempts to support such strategy implementation by creating new growth engines through diversification and upgrading of our management system as well as securing competitive advantages through business process reforms.

Sales and Earnings

The 2009 power sales volume of EWP increased to 48.4bn kWh by 0.2% over 48.3bn kWh in the preceding year. The total sales decreased to 3,923 billion won by 1.8% from the preceding year due to decreased selling prices.
Yet, the company achieved a 238.8 billion won operating income above the figure planned at the beginning of the year as result of its steady efforts for business process reforms, including favorable business environment factors such as declining oil prices and revalued currency value, reduced maintenance days, and saving of fuel purchase expenses. In doing so, the company achieved its best business performance since its inception by posting a 170.5 billion won net profit instead of a 196.6 billion won loss in the preceding year.

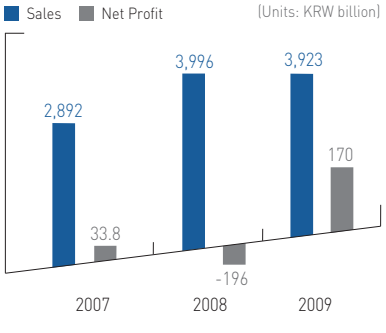
| Asset, Capital, Liabilities |

(Units : KRW billion)

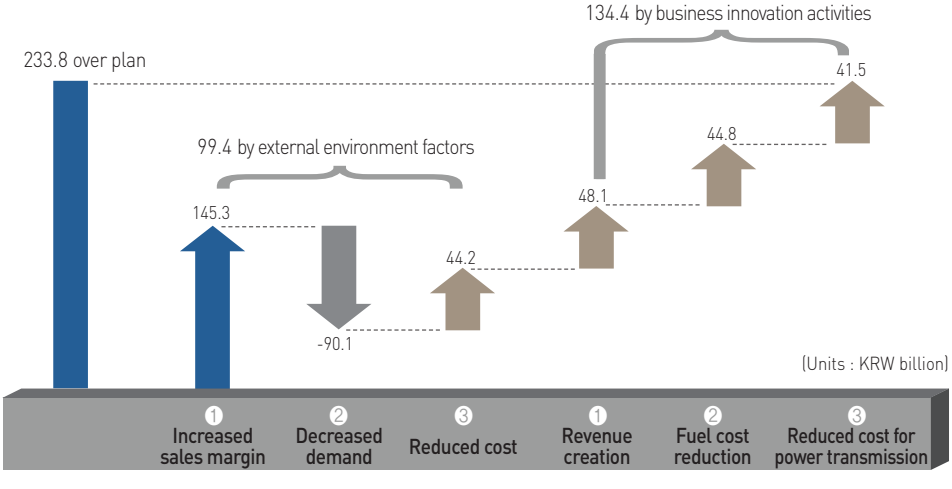


Classification	2007	2008	2009
Sales (billion won)	2,892	3,996	3,923
Operating income (billion won)	105	△65	267
Net profit(billion won)	33	△196	170
Total assets (billion won)	4,734	4,715	4,482
Total Liabilities (billion won)	2,149	2,325	1,922
Paid-in Capital(billion won)	2,585	2,389	2,559
Debt Ratio (%)	83.1	97.3	75.1
Dividend Amount(billion won)	13	0	51
Dividend per share (won)	22	0	83

| Sales, Net Profit |



| 2009 Operating Income Analysis |

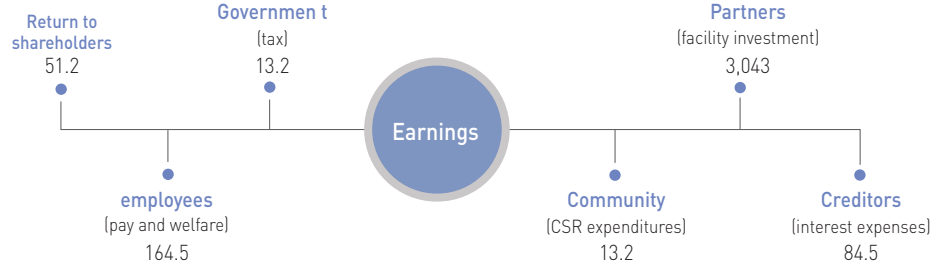


Distribution of the Economic Performance

The total earnings created by supplying quality power in a consistent and secure manner are distributed to such stakeholders as the employees, business partners, creditors, shareholders, community and government in diverse forms.

| Distribution of the Economic Performance |

(Units: KRW billion)



Facility Investment

In 2009, EWP paid 3,043.4 billion won to its partners for purchase of fuel, repair and maintenance, which includes materials purchased for repair, maintenance or improvement of power plant equipment and purchase of fuel like coal, crude heavy oil and LNG.

(Units: KRW billion)

Classification	2007	2008	2009
Facility Investment	2,147.8	3,335.2	3,043.4

Payroll and Welfare Expenses

(Units: KRW billion)

Classification	2007	2008	2009
Payroll	118.8	145.6	136.2
Retirement allowance	11.7	24.1	96.
Welfare	15.8	18.1	18.7
Total	146.3	187.8	164.5

Return to Shareholders

(Units: KRW billion)

Classification	2007	2008	2009
Cash dividend	13.5	-	51.2

Taxes

(Units: KRW billion)

Classification	2007	2008	2009
Corporate Income Tax	16.5	0	10.6
Municipal Taxes	7.1	41	6.6
Total	23.6	41	13.2

Corporate Social contributions

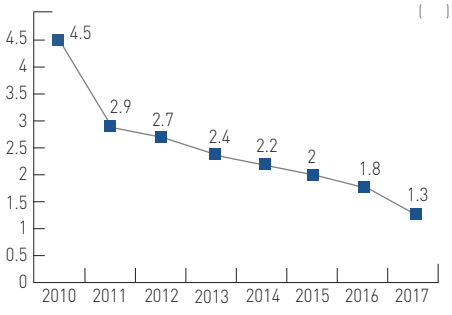
(Units: KRW Million)

Classification	2007	2008	2009
Income Growth Programs	1,430	757	1,488
Public Facility Programs	2,091	3,658	6,714
Social Welfare Programs	564	1,067	1,497
Educational support Programs	2,040	2,138	2,689
Others	733	746	800
Total	6,858	8,726	13,188

Crisis and Opportunity

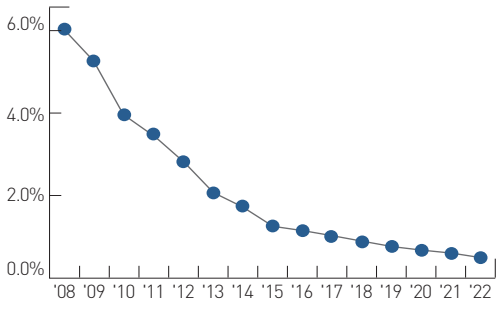
The recent uncertainty of the world economy directly caused the domestic recession which resulted in about 5% growth of the domestic power sales volume. It is further forecasted that the average annual growth rate will remain at 2% from 2008 to 2022 and will sharply drop to 0.5% in 2014 and thereafter because of the shift into industrial structures that consume less energy and the decrease in population.

| Long-term Forecast of the Power Demand - the 4th Basic Plan for Power Demand and Supply |



(Ministry of Knowledge and Economy, Dec. 2008)

| Tendency of Yearly Power Sales Volume Growth Rates |



Electric Power Statistics No. 211 (KEPCO, Mar. 2009)

The market share of EWP will likely decrease from 12.9% in 2008 to 10.7% in 2022 owing to the increasing share of nuclear and private sector power facilities if no more thermal power plants are built after Dangjin Unit #9 and #10.

Further, the earnings structure of power generating companies gradually deteriorates under the regulatory environment where fuel cost rise is not connected to power rate increase although the price of fossil fuels like coal, heavy oil, and gas is rising steadily. It is forecasted that EWP will be exposed to a relatively more disadvantageous financial environment as it possesses bituminous coal burning power plants which emit higher ratios of carbon dioxide, when emissions trading or carbon tax systems are introduced.

Yet, EWP will have new business and growth opportunities if it is well prepared for such limits in the power generation market and climate change issues. To that end, EWP is developing plans to strengthen its capabilities to expand into new or renewable energy sources to 165MW by 2012. Further, it plans to increase its power generation capacity to 1,000MW in 2012 and 2,000MW in 2014 by securing IPP(Independent Power Producer) infrastructure overseas by actively advancing into the world market, including power plant start-up, O&M, and construction service.

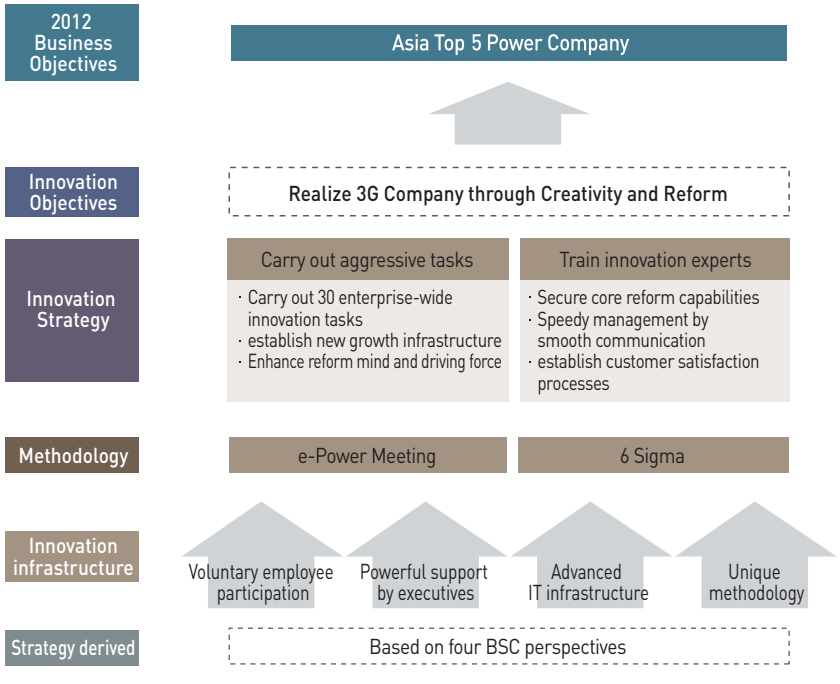
Innovation Efforts

EWP has promoted enterprise-wide innovative management in all business lines to preemptively address changes in the power industry environment at home and overseas and to steadily secure a competitive advantage. In addition, EWP has established an innovative corporate culture at an early stage where progressive and creative innovation activities are implemented based on the CEO's strong leadership.

Management Innovation Promotion Structure

EWP has established '3G (Global, Green, and Great) Company through Creativity and reform' as its innovation objective based on voluntary participation by its employees in addition to powerful support by executives. An action strategy is derived from four BSC perspectives for attaining innovation objectives . EWP has further strengthened its ability or driving force by performing its tasks according to its unique methodology.

| Innovation Management Promotion Structure |



Implementation of 30 Innovation Tasks

EWP has established an innovative corporate culture by successfully carrying out 30 reform tasks that were selected throughout the company's business lines based on the CEO's innovative leadership. In particular, it has transformed into a company that can demonstrate a powerful driving force for providing efficient business development conditions and for creating future growth engines by reforming its organization and personnel systems.

CEO's lecture for enhancing global capability

Six-Sigma Innovation Activities

The six-sigma innovation program that was introduced to advance management skills has helped 689 tasks carried out and 344 innovation specialists fostered through nine waves since its inception in 2004. In 2009, EWP generated 43.2 billion won in financial performance by performing challenging tasks focusing on financial performance.

| Performance of Six-Sigma Implementation by Annual Rolling of Long-term Business Innovation Plan |

Introduction period ('04~'05)	Proliferation period ('06~'08)	Settlement period ('09~)
• Introduction of Six-sigma • Building Six-sigma mind • Establishing Business Innovation infrastructure	• Disseminating Six-sigma mind • Implementing organization and team strengthened • Securing Six-sigma self driving basis	• Six-sigma business system settled down • Six-sigma corporate culture established
• 108 tasks / 45.4 billion won	• 439 tasks / 135.3 billion won	• 142 tasks / 43.2 billion won

e-Power Meeting

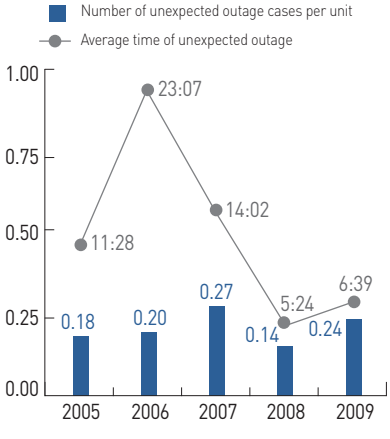
EWP conducts e-Power Meeting, its unique brand developed to form an open discussion culture among its employees and to induce performance creation. It is differentiated from the existing town meeting by discussion materials distributed in advance, problem lists submitted and connecting with Six-Sigma activities. A total of 13 facilitators have been fostered by providing specialized education to internal MBBs(Master Black Belts) and producing town meeting manuals.

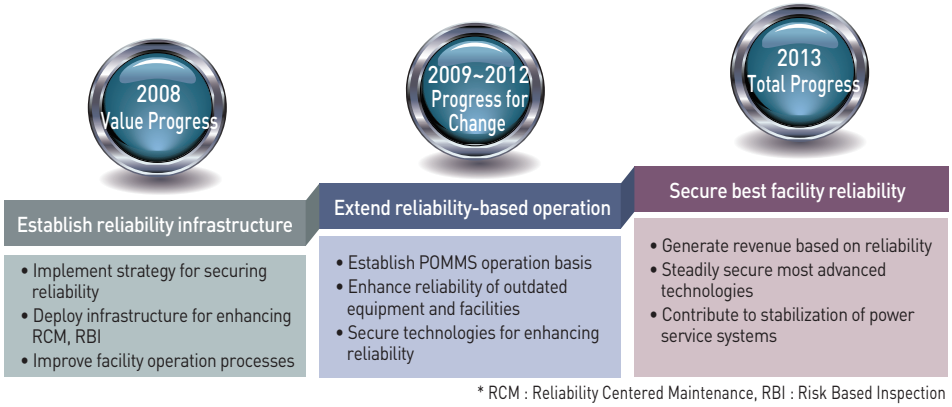
Reliability and Quality Reform of Power Plant Facilities

Efforts to Improve the Reliability of Power Plant Facilities

It is essential to minimize power plant failures in order to supply quality power. EWP exerts its best to accomplish the best level of facility reliability by operating 'Comprehensive Measures for Non-Failure Operation of Power Plants' to minimize their downtime rate and unexpected interruptions. In addition, EWP operates POMMS deployed by integrating scattered discrete maintenance, operation and administration systems from 2004 to enhance facility reliability. In doing so, EWP reduced downtime drastically by establishing plans for upgrading facility reliability and efficiency by measuring outage risk possibility in real time.

| Unexpected Outage Status |





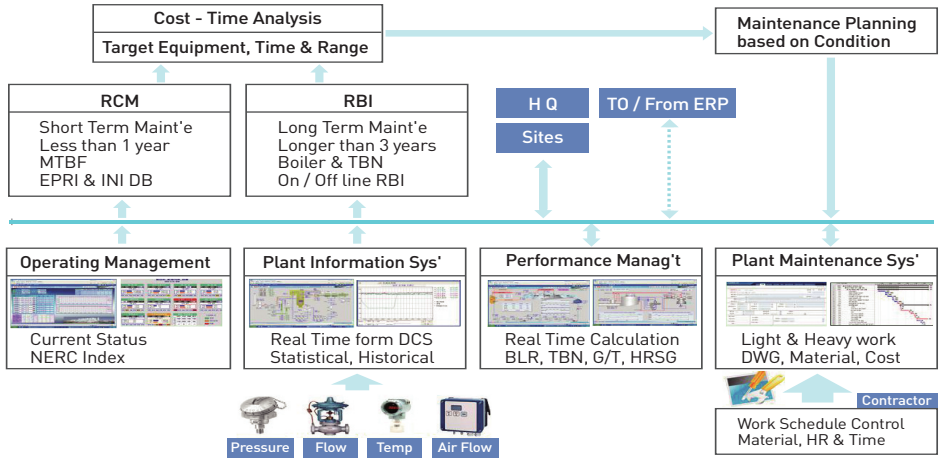
* RCM : Reliability Centered Maintenance, RBI : Risk Based Inspection

Operation of the World First POMMS™

POMMS™(Plant Operation and Maintenance Management System) is a specialized program for power plant facility management that ultimately enhances the operational reliability and saves maintenance cost by determining equipment to maintain, scope and timing for inspection through real-time status analysis.

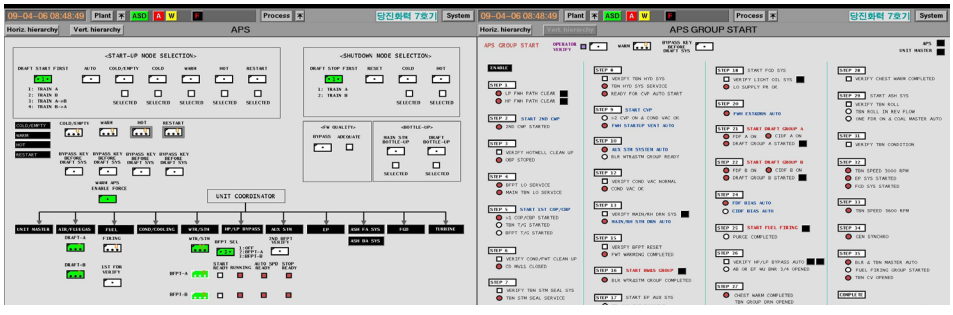
It has provided operation and maintenance related information to the entire organization through personal computers in real time and it has enhanced service efficiency by simplifying and standardizing procedures for maintenance management functions. It has also enhanced the reliability of power plant equipment maintenance and reduced costs by implementing 'Predictive Condition-Based Maintenance Management Cycle' system that presents the time, target and scope of maintenance by discovering economical maintenance point of time in a state where reliability is secured and by predicting damage cost by time based on cost of already performed maintenance and probability of failure utilizing Cost-Time Analysis Techniques for the first time in the world.

| POMMS Key Map |



Automatic Plant Start-up/Shut-down System (APS) Developed First in Korea

EWP fully automated 629 processes a power plant undergoes before starting normal operation by applying a commercialized APS (Automatic Plant Start-up & Shut-down System) to Dangjin Unit 7 and 8 for the first time to coal-fired power plant in Korea. APS optimized and standardized the operation and control procedures of the power plants and reduced the operational costs by shortening the time for their start-up and shut-down.



R&D Investment

EWP has actively promoted a third-generation R&D through revenue-centered strategic research and development for realizing its vision. It leads the research and development of the power generation industry with the 2008 government certification that it is one of the 'R&D dedicated departments'.

R&D Status

EWP has increased its R&D investment by establishing its 'mid and long-term technology management master plan' setting portfolios for different areas to deploy an R&D infrastructure. It has promoted R&D for exploring a total of 80 technologies in five areas, including the development of technologies for enhancing the power plant equipment reliability and efficiency, new and renewable energy technologies for driving low-carbon emitted green growth, and technologies for separating and recollecting CO2 gas to address climate change by investing 277.5 billion over the next 10 years. In addition, it has performed 100 or so research tasks under industry-university-research collaboration, including basic research tasks related to power, government-sponsored research tasks, site research for resolving chronic problems at facilities, and research tasks for win-win cooperation with small businesses. It has saved over 10 billion won or more each year by localizing foreign imported products. It has also made a great contribution to their advancement into world markets by helping improve their technological competence.

R&D Achievements

EWP has so far saved 24.5 billion won through a total of 150 research tasks and it expects to secure 40.8 billion won additional revenue within the next five years. In recognition of such R&D efforts, it has been awarded the 'Korea Technology Innovation Business Grand Prize' for three consecutive years. It has achieved many successes, including the successful development of a local technology for the main control equipment of combined-cycle thermal power plants that won a government citation for its contribution to the development of the power industry.

Yearly R&D Investment Expenses

(Units: KRW billion)

Classification	2005	2006	2007	2008	2009
R&D expenses	17.3	22	20.5	32.1	21.6

Intellectual Property Rights Acquired

Classification	Patents	Utility Model	Total
Number of cases	75	14	89

Korea Technology Innovation Management Grand Prize


R&D task for developing gear box core parts for a coal crushing pulverizer

R&D Awards received in 2008

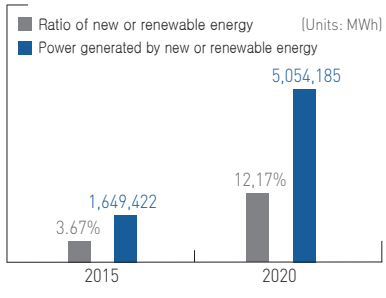
Development of New and Renewable Energy

EWP established a 'Low-Carbon Green Management Master Plan' to proactively address future changes in the power industry, including global environment issues caused by climate changes and implementation of climate change framework convention pursuant to the Kyoto Protocol. To realize this plan, EWP has constructed diverse new and renewable energy facilities, including those for generating power by wind, tidal current and photovoltaic.

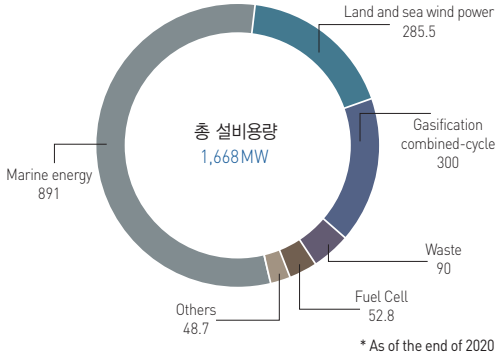
Plan for New and Renewable Energy Development

EWP plans to construct 115MW new or renewable energy facilities by investing 340.7 billion won from 2009 to 2011 under the '2nd agreement signed with the government for supplying new or renewable energy facilities'. To supply 3.8% of the total power with new or renewable energy, EWP established plans to secure 661.3MW new or renewable energy facilities by investing 2,687.8 billion won by 2015.

| Promotion Objectives |



| Plan to Secure Energy Facility by Source |



* As of the end of 2020

Status of New and Renewable Energy Projects

● Commercial operations ● in progress

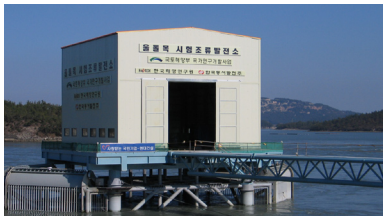
Total project budget 541.8 billion won			
Photovoltaic	Total project budget 29.9 billion won	● 1MW Donghae Solar Power ● 50kW Sancheong Solar Power ● 1MW Dangjin Solar Power ● 1MW Yeongam Solar Power	Sep. '06. completed Jun. '07. completed Sep. '10. To be completed Dec. '10. To be completed
Small hydro	Total project budget 28.3 billion won	● 400kW Sancheong Small Hydro Power ● 5MW Dangjin Small Hydro Power ● 600kW Sancheong Small Hydro Power(Extended)	Dec. '01. completed Dec. '09. completed Dec. '10. To be completed
Fuel battery	Total project budget 30.0 billion won	● 2.4MW Ilsan fuel cell power ● 2.8MW Ilsan fuel cell power(extended)	Oct. '09. Under construction
Wind	Total project budget 114.0 billion won	● 20MW Jeongseon Wind Power ● 13MW Gangneung Wind Power	Dec. '12. To be completed Dec. '11. To be completed
Tidal Current	Total project budget 198.1 billion won	● 49MW Uldolmok Tidal Current (1MW pilot tidal current power plant completed)	Under construction
Bio Mass	Total project budget 141.5 billion won	30MW Donghae Bio Mass Power Facility	March '13To be completed


Ilsan Fuel Cell Power Facility

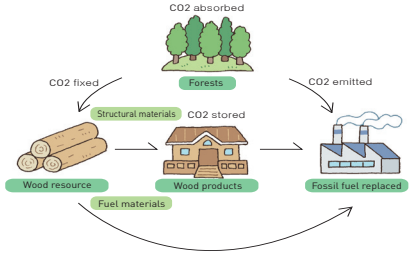

Donghae Solar Power Facility


Dangjin Small Hydro Power Facility


Overview of Daegi-ri Wind Power Facility


Uldolmok Pilot Tidal Current Power Plant

| Concept of Bio Mass Power Generation |



Key Projects under Promotion

Fuel Cell Power Facility

EWP is operating a 2.4MW fuel cell power facility which it installed in September 2009 while it established a basic plan for installing 4.8MW fuel cell power facility, the largest in Korea, in an idle site near Ilsan Combined Heat & Power Plant. In the future, EWP plans to construct a total of 2.8MW fuel cell power facility in the power plant sites.

Solar Power Facilities

EWP is operating a 1MW solar power facility which it constructed on the roof top of an idle parking lot space of the Donghae Coal Fired Power Plant in September 2006. This facility has been registered as CDM (Clean Development Mechanism) project for the first time among system-connected to solar power generation facilities under UNFCCC. Further, EWP is scheduled to construct a 1MW solar power facility using the roof top of the Dangjin Coal Fired Power Plant turbine building in October 2010.

Small Hydro Power Facilities

Sancheong Pumped Storage Small Hydro Power Facility generates 400kW by utilizing water released from the main power plant lower dam to maintain the river stream. It is scheduled to generate an additional 600kW starting in December 2010 as the small hydro power plant is being extended. The small hydro power facility of the Dangjin Thermal Power Plant that was constructed in December 2009 generates power utilizing the tidal difference between the nearby sea and the cooling water of the Dangjin Coal Fired Power Plant by installing 5MW(1,666kW×3Units) water turbines at the exit of the water released from the power plant.

Wind Power Facilities

EWP completed a field survey of five sites in December 2006, including the site inside the Dangjin and Donghae Coal Fired Power Plants, Donghae Chorok-bong and Jeongseon Baekbongnyeong, to explore wind energy resources. A 20,000kW wind farm is under construction at Jeongseon Baekbongnyeong. EWP also plans to construct more wind farms by conducting surveys of wind energy resources at such promising sites as Kangwon(Daegi-ri, etc.), Kyeongbuk and Jeju provinces.

Development of Commercial Marine Energy Technologies

In May 2009, EWP constructed 1,000kW Uldolmok pilot tidal current power plant under a joint research project with Korea Ocean Research & Development Institute (KORDI). The tidal current energy is an environment-friendly power generated by rotating water turbines with fast current flowing along a narrow water path at ebb or flood tide as no dam construction is required.

Bio Mass Power Facilities

EWP plans to construct a 30MW bio mass power facility inside the Donghae Coal Fired Power Plant, the largest in size in South Korea, in March 2013, which will burn forest bi-products and waste wood. It is expected that approximately 140,000 tons of CO2 gas will be reduced by replacing fossil fuel with the bio mass power plant operation. In 2013, bio mass power will represent 28.6% (2% of EWP's total power generated) of the total RPS(Renewable Portfolio Standard) target value of EWP.

Local Community Energy Service

EWP, SK E&S and Seohae City Gas plan to install a community energy supply facility inside the Heat Sources site in Seokmun State Industrial Complex by investing 129.4 billion won by 2012 by forming a consortium. It will supply up to 208.8Gcal/h of heat source starting in 2013 as the Dangjin Coal Fired Power Plant will supply steam and an auxiliary heat source of 38MW fluidized bed cogeneration.

Expansion of Overseas Projects

In pace with the growing demand of power in the world market and the international trend of deregulation on power industry, EWP has been actively seeking overseas projects based on its know-how accumulated from power plant construction and operation in Korea. Starting with Chile Nueve Ventanas commissioning service in 2008, EWP has made constant efforts to expand its capabilities in the world market by performing power plant operation and maintenance service, equity acquisition, and power plant construction. As a result, it has been developing diverse projects over 30 throughout the world.

Power generating field

On 27 April 2010, EWP signed an MOU with the Haitian government on ROT service for the Carrefour power plant damaged from the recent earthquake. As EWP had been constructing diesel power plant since 2009, it gave humanitarian support to the Haitian government and people including enthusiastic participation in recovery of the local power facilities by dispatching a damage assessment team while raising donation among all its employees when the earthquake took place. Therefore, this MOU is a valuable achievement for win-win management EWP has pursued and carried out. It plans to operate a total capacity of 80MW including the diesel power plant currently under construction in Haiti. In addition, EWP is actively developing power plant projects such as building up thermal power plants in Vietnam and Indonesia.

Signing MOU with Haiti Government
(ROT service of Carrefour Power Plant)

O&M and Commissioning Service field

Based on the high technical skills and knowledge, EWP has carried out many O&M and commissioning service projects, including O&M service for CFBC coal fired power plant in Cebu, Philippines, commissioning service for a thermal power plant in Angamos Chile and PMC for a diesel power plant at Cabras, Guam.
Global experts over 20 have been dispatched to perform O&M services for overseas power plants, demonstrating the superior technical capabilities of EWP throughout the world.
In 2009, EWP opened the very first overseas subsidiary in Cebu, Philippines, which will take a role to diversify business for more worldwide projects. Futhermore, it is expected for EWP to make $800million of sales by dispatching additional employees to Madagascar and Guam by the end of 2010.

Overview of a CFBC Coal-Fired Power Plant in Cebu, Philippines

Renewable Energy field

EWP has implemented social responsibilities at the same time striven to make profits by developing renewable energy sources such as wind and small hydro power in Philippines. Wind Power Project contains five projects in Burgos, Aparri and other northern areas of the Philippines to make a huge wind power plant complex with Alternergy, a local Filipino company.
These, the first non-governmental power generation projects after legislation of Philippines' renewable energy law, will significantly contribute to building up favorable relationship between the two countries supporting cooperatively. EWP also leads developing global green energy sources by promoting the construction of a small hydro power plant in Langogan, Philippines.

Philippines' President Arroyo's EWP visiting
(meeting on Philippines projects)

Signing ceremony with Eurus Energy on wind
Power Projects in Philippines

Mineral Resources field

EWP keeps to improve its profitability by cost savings while diversifying into resources development in connection with its power generation service in order to secure stable energy sources. EWP has promoted diverse investment approaches, including strategic alliance with or equity investment in resource development companies and mining companies, or direct development of mineral resources overseas. EWP currently holds 5% equity in Cockatoo, an Australian mining company, whose equity shares were successfully acquired in coopereation with KEPCO. Further, EWP plans to acquire equity shares of KCP, a PRB bituminous coal mine company, USA. It will greatly save power generation cost while diversifying its supply sources of coal by adding a stable supply source of bituminous coal. EWP plans to actively promote its resource development projects in order to secure stable sources of power plant fuel and to address volatile fuel prices.

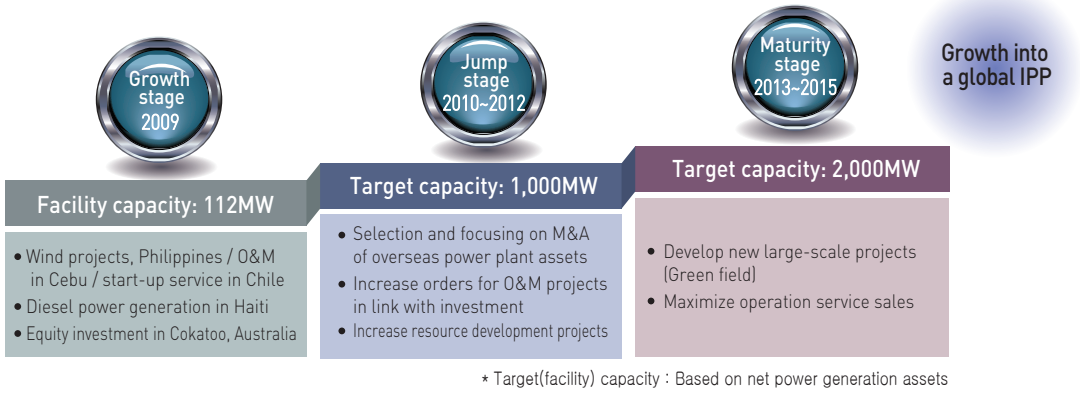
Future Plans

EWP plans to advance into the world market in diverse approaches, including power plant commissioning, O&M service and equity acquisition. It is also mapping out promoting green field projects based on the regional networks built while carrying out power plant operation service in various parts of the world.
By doing so, it will increase its net overseas power plant assets to 1,000MW in 2012 and 2,000MW in 2014 by actively constructing new power plants while enhancing its position as a global independent power producer.
In addition, it plans to strengthen its expertise in overseas projects by training finance specialists at the same time upgrading its technological competence through an increase of R&D personnel, increasing the overseas project specialists pools, and systematic practical education for overseas projects.

Status and Plans of Overseas Projects

① Mozambique: Commissioning service of Moaitize
② Madagascar: Operation support to Ambatovi
③ Bangladesh: Development of LNG/diesel power plants
④ Vietnam: Construction and operation of a 2,400MW coal fired power plant
⑤ Philippines: O&M service for wind power projects and 200MW CFBC Coal-Fired Power Plant in Cebu
⑥ Guam: O&M service for Cabras diesel power plant
⑦ Indonesia: Construction and operation service of a 200MW coal fired power plant, power generation in Kalimantan
⑧ Australia: Equity acquisition of Cokatoo coal company
⑨ Bahamas/Dominica: Thermal power plant construction project
⑩ Haiti: Equity investment in and O&M service for diesel power plant
⑪ Chile: Commissioning service of Nueva Ventanas and Angamos power plants, equity acquisition in Angamos/Cochrane, and O&M service for Santa Maria power plant

| Mid- and Long-term Plans for Promoting Overseas Projects |



* Target(facility) capacity : Based on net power generation assets

Care & Share

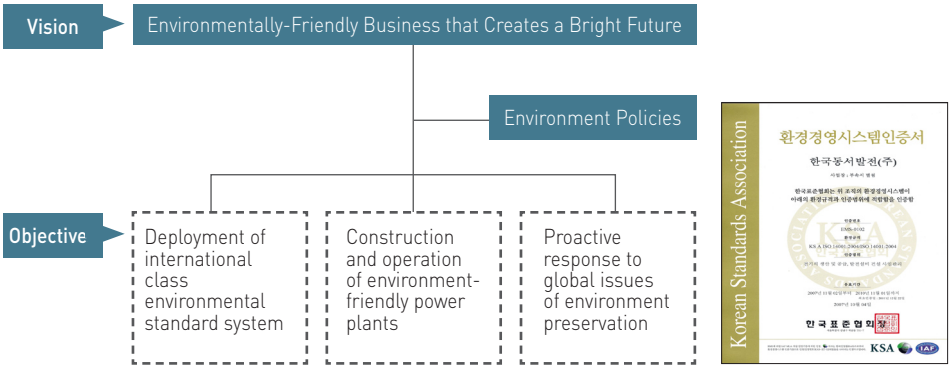
Environmental Performance

- Environmentally Friendly Management System 34
- Response to Climate Change Convention 36
- Efforts to Minimize Environmental Impact 38

Environmentally Friendly Management System

Environmental Vision and Objectives

EWP introduced an environment friendly management system satisfying the international standard specifications to accomplish its environmental vision 'Environment-Friendly Business that Creates a Bright Future'. In 2007, EWP secured a more systematic environment-friendly business system. Further, it established its environmental objective of 'Construction & Operation of environment friendly power plant, and environmental conservation of the earth'. It has exerted its best to reduce fuel consumption and to minimize waste disposal through enhanced power generation efficiency, and to develop new and renewable energy sources.



| Organizations |

Planning Department	Develop strategies for an environmentally-friendly business and against climate changes
Project Operation Office	Reduction of green house gas and environmental control
Business Development Office	Development of new and renewable energy
Project Support Office	Construction of environmentally-friendly power plants
All Power Plants	Performance of unit environmental control and environmentally-friendly business

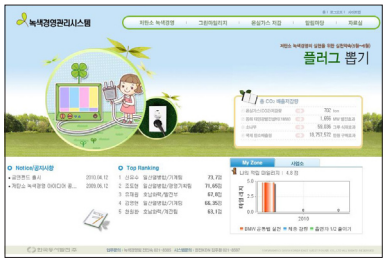
Evaluation system of Green Management Performance

Establishing Evaluation system of Green Management Performance

EWP inspects all areas that require management and improvement by expressing its environmental or sustainable business activities by objective numbers by adding sustainable business indexes to its existing environmental performance appraisal system. It has appraised its green business performance for the first time among power generating companies in order to enhance facility investment efficiency and transparency of its sustainable business.

Green Mileage System

EWP introduced a Green Mileage System to induce all its employees to participate in green life activities to attain its vision of low-carbon emitted green business. The Green Mileage System is an attempt to reduce green house gas emission in non-manufacturing sector introduced by a power generation company for the first time. It is systematically controlled by deploying a green business management system. In particular, competition is induced by providing services that enable a real-time comparison of performance by business units and individuals. The employees are induced to perceive the necessity of green house gas reduction as their performance of green life practice is directly converted into the volume of green house gas emitted by their activities.



Green Mileage System

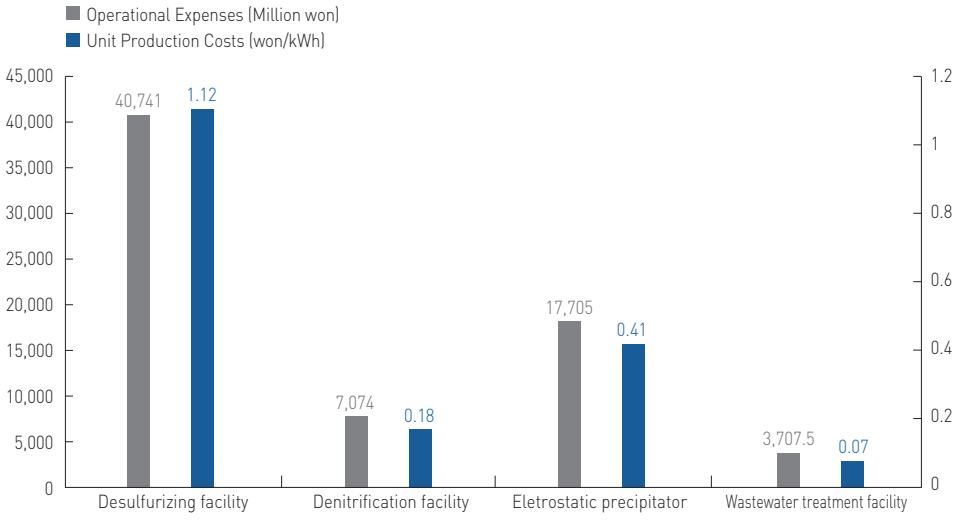
Environment Business and Investment

EWP operates a master plan for mid and long-term environmental business to minimize the discharge of contaminating materials while proactively addressing the changes in the environmental policy paradigms.
EWP steadily increased its investment for an environmentally-friendly business but it maintained a level similar to that of the preceding year in 2009. Its R&D investment decreased from the preceding year but it is expected that it will increase drastically as the company will increase its R&D programs for developing advance power generation technologies and those related to the UN Framework Convention on Climate Change.

Annual Operational Expenses and R&D Investments in Environment Protection Facilities (Units : KRW billion)

Classification		2007	2008	2009
Operational expenses	Air quality conservation	52.8	64.6	65.5
	Water quality conservation	3.1	3.9	3.7
	Sub-total	55.9	68.6	69.2
Environment-related R&D investment		3.0	2.8	1.6
Basic environment dues		0.4	0.4	0.4
Total		59.4	71.9	71.3

| Environment Protection Facilities Operational Expenses and Unit Production Costs (2009) |



Response to Climate Change Convention

The world will intensify its pressure on mandatory reduction of green house gas emissions in 2012 and thereafter when the 2005 Kyoto Protocol goes into force as Korea, OECD member state, emits the world's 9th green house gas in its energy sector. Further, the Korean government has enforced the Framework Act on Low Carbon, Green Growth in 2010. Therefore, EWP exerts its utmost to reduce green house gases, to achieve green growth, and instill a corporate culture for green business by establishing a green business master plan to proactively address climate changes while declaring a 'Low Carbon Green Management Vision'.

Vision	Power industry global leader that leads low-carbon green management Excellence 2012 2015 2020 Ener G REAT LOBAL REEN Company Best in Korea Best in Asia World Best		
Objectives	Reduce unit production emission by 20% in 2020 from 2005		
Strategy	Carbon Management G3 promoted		
	GHG Reduction	Green Growth	Green Corporate Culture
Key areas	•Enhance power generation efficiency/Save energy •Develop technologies for reducing green house gas	•Extend new and renewable energy sources •Deploy green business infrastructure	•Generate green workplace •Practice green life

The declaration of the Green Management Vision

Low-Carbon Green Management Declared

EWP held a ceremony to declare its "Low-Carbon Green Management Vision"in Jindo-gun, Jeonnam in April 2009 for the first time among the power generation companies, where over 100 local residents attended as well as its CEO, employees and officials from the municipal government. At the ceremony, EWP declared its vision of "Power industry global leader that leads the low-carbon green management" and presented three strategies of GHG Reduction, Green Growth, and Green Corporate Culture.

Green House Gas Inventory System Deployed

In February 2010, EWP deployed an enterprise-wide Web-based green house gas inventory system that can generate highly reliable statistical GHG data and compute volumes of GHG emitted. In addition, EWP had its green house gas emission from 2001 to 2008 verified by an independent third-party verifier (DNV Korea).

Green House Gas Inventory System

Emission of green house gas

Classification	2007	2008	2009
Power generated (GWh)	48,021	50,612	50,776
Direct emission (CO_2 1,000 tons	35,490	38,640	39,211
Indirect emission (CO_2 1,000 tons)	82	53	54
Total emission (CO_2 1,000 tons)	35,572	38,693	39,265
emission intensity (kg - CO_2/kWh)	0.741	0.764	0.773

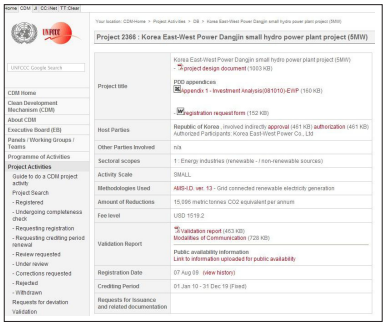
Achievements to Respond to UNFCCC

MOU signed to jointly respond to Climate Change Convention

EWP, other power generation group companies and Korea Power Exchange concluded an agreement on simulated trading of green house gas emission in the power generation sector to proactively respond to the US Framework Convention on Climate Change. Under this agreement, EWP responds to the climate change convention jointly, deploys a simulated trading system of green house gas emission rights, implements a simulated trading of green house gas emission rights, computes the coefficient of green house gas emissions, and makes other efforts to reduce emissions of green house gases.

Securing GHG Emission Rights and Responding to the Carbon Trading System

EWP has introduced CDM (Clean Development Mechanism) and system for registration of the national GHG reduction performance as part of its efforts for responding to the climate change. EWP registered its Donghae Thermal Power Plant solar power facility with the UN CDM for the first time in the power generation industry. It also registered the Dangjin Thermal Power Plant 5MW small hydro power facility, the largest single facility, with the UN CDM.



Dangjin Small Hydro Power Plant
UN CDM Registration (UNFCCC)

UN CDM and National GHG Reduction Registration

Project Name	Date registered	Volume reduced (tons/year)
Donghae Solar Power Facility (1MW)	2006.08	690
Dangjin Small Hydro (5MW)	2009.08	15,000
Honam High Voltage Inverter	2007.05	16,419
Dangjin New Technology Power Generation	2008.09	91,789
Ilsan HRSG (heat recovery generator system)	2009.11	52,653
Ulsan gas turbine heat recovery generator system	2009.11	5,547
Total		182,098

Newly Promoted Projects in 2010

Project Name	Status	Volume reduced (tons/year)
Ilsan fuel cell(2.4MW)	Under way	6,476
Ulsan hybrid denitrification	Under way	4,749
Total		11,225

Efforts to Minimize Environmental Impact

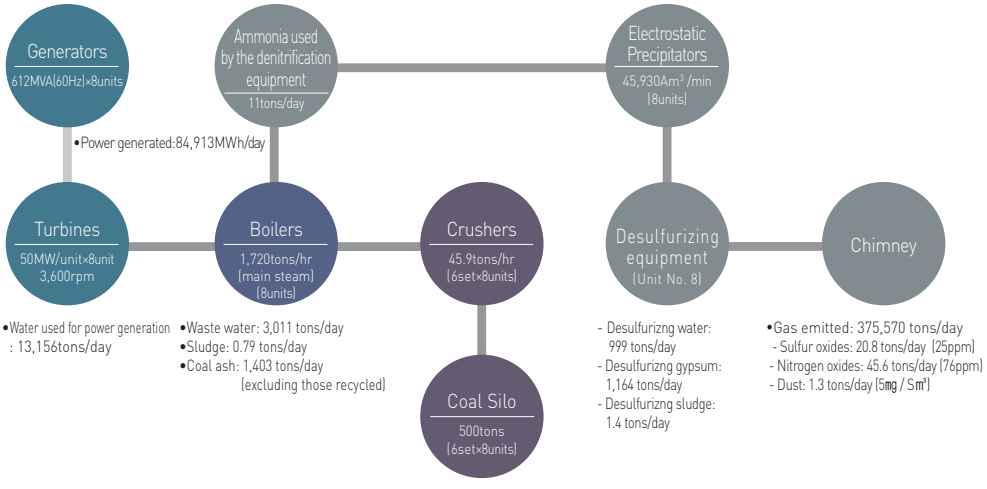
Status of Air and Water Quality Contaminants

Environment contaminants generated in the power generation processes include those that contaminate the air or the water. Air pollutants include Sulfur oxides, nitrogen oxides and dust while water contaminants include COD and SS.

Status of Environment Contaminants Emitted

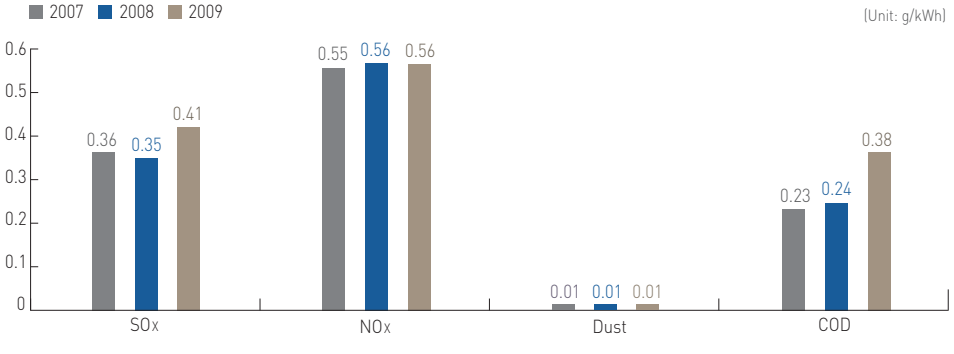
Classification	Air contaminants	Water contaminants	Wastes
Types of contaminants	Sulfur oxides, nitrogen oxides and dust	COD, SS	Coal ash
Reducing tools	Desulfurizing or denitrification equipment, electrostatic precipitator	Integrated waste water treatment station	Recycling (used for cement production)

| Environmental impact materials generated by the Dangjin Coal Fired Power Plant |



EWP exerts its best to reduce contaminant emissions by setting strict internal criteria. It operates advanced air pollution prevention facilities like desulfurizing, Electrostatic Precipitator, denitrification equipment and an integrated wastewater treatment station.

| Status of Air and Water Quality Contaminant Emission |



Environment-Friendly Power Plant Operation

EWP drastically reduced its NOx concentration to 50ppm or lower by installing equipment at the Dangjin Coal Fired Power Plant Unit #1 through #8. It strives to improve future air quality by organizing a joint committee with a local environment group called Dangjin Korean Federation for Environmental Movement(KFEM) for advance environmental review before constructing the Dangjin Coal Fired Power Plant Unit No. 9 and 10.
It also installed desulfurization and denitrification equipment for the Ulsan Oil Fired & C.C. Power Complex in 2009 to prevent eutrophication of aquatic ecosystems in the nearby sea and rivers. In doing so, it is expected that the total nitrogen concentration will be maintained below 20ppm or lower to minimize water pollution.

Response to Mercury Regulation

Mercury emitted by the power plants is mostly removed by their scrubbers and desulfurizing equipment up to 10% of the permitted level(0.1mg/Sm3).

Operation of Environment Monitoring System

All of EWP facilities are required to install CleanSYS (remote chimney monitoring system). Their contaminant emission data are transmitted to a control center of the Korea Environment Corporation. Further, EWP systematically controls contaminant emission through permanent monitoring of its chimney emission, water quality and perimeter environment conditions in connection with its internal environment monitoring systems.

CleanSYS

Real-time Monitoring of Piers and Coal Storage Yards

The pier stevedoring situation is inspected and monitored by CCTV cameras in real time, whose data are provided to the concerned departments and the management team to prevent environment accidents. EWP also exerts to minimize impact on the environment in the nearby areas by controlling the coal storage situation, coal quality and natural ignition situation of coal storage yards inclusively through CCTV cameras.

CCTV screen view of coal storage yards

Response to Spills of Chemicals or Oil

EWP has conducted crisis and disaster response exercises each year against leakage of power plant fuel oil and hazardous chemicals. The exercise was conducted 12 times in 2009. Further, it is prepared against emergency situations by maintaining disaster recovery ships nearby, which are entrusted with Korea Marine Environment Management Corporation. To date, there have been no instances of leakage of oil, wastes or hazardous oil nor any case of breaching the environment statutes.

Simulated exercise of marine pollution disaster

Treatment of Hazardous Wastes

EWP has lawfully treated its wastes pursuant to the Basel Convention and the Act on the Control of Trans-boundary Movement of Hazardous Wastes and Their Disposal. It had a total of 35.93 tons of PCB containing wastes disposed overseas in a safe manner from 2005 to 2007. As the technologies were introduced in 2008, domestic companies have safely disposed 54.55 tons of hazardous wastes.

Disposal or Treatment of Wastes under the Basel Convention (Units : KRW million)

Period	Quantity (tons)	Country	Cost
2005.09 ~ 2006.04	25.12	France	85
2007.01 ~ 2007.08	10.81	Belgium	51
2009.1 ~ 2009.12	54.55	Korea	26
Total	90.48		162

Usage of Chemicals

Power plants use chemicals for preventing corrosion, pure water production and waste water treatment. To reduce the consumption of chemicals, EWP has adopted the system of non-hydrazine injection with maintaining suitable Oxygen level.

Efforts to Save Energy

Key Energy Used

EWP uses more fuel as new coal-burning power plants have increased. In 2009, bituminous and anthracite coal usage increased to 13,920,000 tons and 1,590,000tons by 370,000tons (2.7%) and 120,000tons (8.2%) over the preceding year, respectively. In 2009, EWP consumed 2,521,328MWh of electricity at its power plants.

Usage of Fuel

Classification	2007	2008	2009
Anthracite(tons)	1,153,566	1,469,902	1,595,149
Bituminous coal(tons)	11,772,515	13,553,246	13,917,584
Heavy oil(kℓ)	1,266,786	712,022	922,287
Boiler kerosene(kℓ)	29,663	17,882	14,490
LNG(ton)	1,284,754	1,292,571	1,085,792

Energy and Cost Saving

EWP controls its facilities using the real-time performance monitoring functions of POMMS to enhance efficiency according to its mid- and long-term energy management plans. It implemented VESA (Voluntary Energy Saving Action) in 2009 to save costs and improve fuel efficiency through rational energy use. It plans to do its best to save energy from 2010 pursuant to the government system setting targets for management of GHG and energy use.

Energy Saved

Classification		Energy Saved by Year		
		2007	2008	2009
Used volume	Output(GWh)	48,021	50,612	50,776
	Energy(1,000 TOE)	11,363	11,617	11,660
Energy saved (1,000 TOE)	Fuel	81	80	96
	Power	43	50	58
	Others	0.4	0.4	0.4
	Total	124.4	130.4	154.4

Response to GHG and Energy Target Management System

The government is scheduled to enforce a GHG and energy target management system pursuant to the Framework Act on Low Carbon Green Growth (April 2010). This system is designed to inspect and control the performance of companies subject to control (those that discharge GHG or use energy excessively) by imposing target quota of their GHG emission and energy usage.
EWP is preparing for the system to minimize risks related to its enforcement by deploying a system to respond to it while actively participating in pilot programs of the energy target management system since 2009 before the system is introduced.

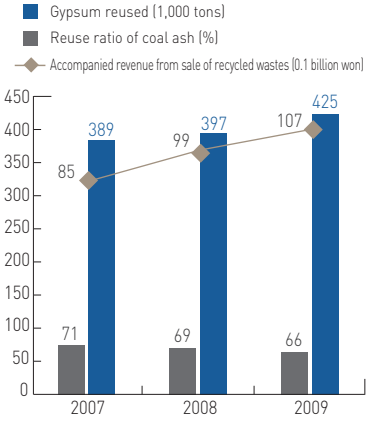
Usage of Recycled Material

EWP recycles wastes to earn revenue, including coal fly ash, gypsum or waste oil generated from power generation processes. It also exerts to steadily increase waste recycling and reduce treatment cost, by diversifying users of recycled wastes, steadily promoting R&D and exploring new demand. In 2009, EWP collected 10.7 billion won from selling coal fly ash and gypsum.

Recycling of Wastes (Coal Fly Ash and Gypsum Used for Desulfurization)

Classification		Unit	2007	2008	2009
Wastes	Ordinary	Ton	9,747	8,397	17,790
	Designated	Ton	1,043	995	1,328
	Total	Ton	10,790	9,392	19,117
Quantity recycled		Ton	7,126	5,731	11,088
Recycle ratio		%	66	61	58

Reuse of Coal Ash and Desulfurizing Gypsum



Water Usage and Waste Water Reuse

EWP reused 1,375,000tons, 58% of wastewater by treating it using wastewater treatment facilities installed at its power plants. It gets the remaining water from nearby rivers or dams. Water is used for boiler water supply, equipment cooling, desulfurizing water used at the absorption tower of desulfurizing facilities, and potable water.

Volume of Intake Water and Use by Power Plant

Power Plant	Water used(㎥)	Intake Sources
Dangjin	4,802,077	Boryeong dam, Sambong lake
Ulsan	1,657,704	Nakdong-gang (river)
Hanam	456,623	Juam dam
Donghae	221,991	Dalbang dam
Ilsan	1,857,053	Han-gang (river)
Total	8,995,448	-

Water Used and Waste Water Reused

Year	Power generated (GWh)	Service Water		Waste Water		
		Volume Used (1,000 tons))	Unit volume used (ton/GWh)	Volume treated (1,000 tons)	Volume reused (1,000 tons)	Reuse ratio (%)
2007	48,018	9,688	202	2,759	1,907	69
2008	50,612	8,726	172	2,585	1,453	56
2009	50,776	8,995	179	2,374	1,375	58

Efforts for Protecting the Ecosystem

Environment Impact Survey

EWP steadily makes efforts to protect the surrounding environment and ecosystem by thoroughly surveying the environmental impacts in order to predict all possible environmental impacts during construction and operation of the power plants in advance and assess the impacts inclusively.

Survey of Environment Impact by Power Plants

Classification	ite area	Surveyed by	Survey items	Survey period
Dangjin Coal Fired Power Plant	1,409,650㎡ in Dangjin-gun, Chungnam	Internally	Diffusion of warm water discharged	'94.07~'11.06
		Kongju National University	Air quality, noise, soil, marine water and soil quality, farm produces	
Sancheong Pumped Storage Power Plant	173,684㎡ in Sancheong-gun, Gyeongnam	Internally	Climate (number of foggy days, etc.)	'94.11~'06.12
		Gyeongsang National University	River water quality	

Releasing Fish nearby the Dangjin Coal Fired Power Plant

To conserve the fish resources near the power plant, each year fish are released at the sea shores of Nanji-do, Janggo port, and Gyoro-ri.

Fish Stocked by Dangjin Coal Fired Power Plant

Year	Fish species stocked	Amount invested (0.1 billion won)	Number of fish stocked (each)
2007	Rock cod, trigger fish	3	150,000
2008	Rock cod	3	150,000
2009	Rock cod	3	150,000

Fish Habitat Survey by the Sancheong Pumped Storage Power Plant

Changes in the habitats of the remaining fish and other infant fish released in the lower reservoir of the Sancheong Pumped Storage Power Plant are monitored every other year to preserve the ecosystem of the nearby river.

Year	location of survey	fish species	fish populations
2005	the lower reservoir	6	184
	adjacent river	5	204
2007	the lower reservoir	6	369
	adjacent river	5	115

Environment Love Activities

The employees of EWP carry out diverse environment preservation programs to practice their love of the environment, including nature purification activities, 1-company 1-shore caring and feeding wild animals. In addition, they hold environment love composition contests and one-day environment classes each year for local residents and students.

Fish Releasing

Environment Love Activities

Communication & Growth

Social Performance

- Value Management for Employees 46
- Win-Win Business with Partners 52
- Value Management for the Community 54

Value Management for Employees

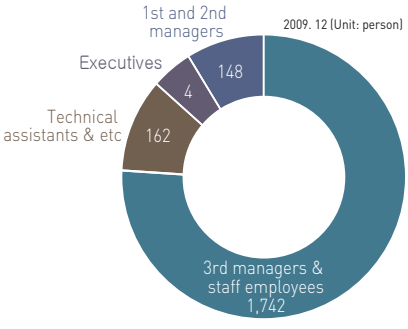
EWP actively practices programs for enhancing employee value in order to foster global experts who will lead the power industry in harmonized balance of work and life. EWP promotes welfare systems that realize a balance between work and life with fair employment and compensation systems based on individual capabilities and performances, and mid- and long-term master plans for steady education and training for upgrading their capabilities.

Composition of Employees

Status of Employees

As of the end of December 2009, EWP has 2,056 employees. In 2009, it did not hire any new employees in order to reduce the employee quota pursuant to the government policy for the advancement of government-invested corporations. Further, its job creation rate declined by enforcing early retirement schemes on two occasions but it hired more young interns under the government policy for creating jobs.

| Composition of personnel |



Composition of Employees

Classification	2007	2008	2009
Officers and Employees (persons)	2152	2118	2056
- Regular	2152	2118	2056
- Temporary	0	0	0
Average service years	15.1	15.1	16.5
Job creation rate (%)	4.01	-1.58	-2.93
Turnover ratio (%)	0.07	0.56	1.12

※ Job creation rate refers to the increase of officers and employees over the preceding year.
※ Turnover ratio refers to the ratio of employees who voluntarily left the company, except for those who retired at their retirement age).

Personnel by Division (as of 2009)

Division	Number of Personnel
Head Office	250
Dangjin Power Complex	652
Ulsan Power Complex	514
Donghae Power Plant	174
Honam Power Plant	191
Ilsan Power Plant	206
Sancheong Power Plant	69

Gender Equality among Employees

EWP has 150 female workers, 7.3% of the total officers and employees. EWP applies fair criteria to female workers in hiring, promotion, and pay. It strives to increase female employees gradually to realize gender equality.

| Hiring of female workers |

Improvement of Female Workers' Working Conditions

EWP introduces various policies for encouraging childbirth to support female workers and working moms in an age where the childbirth rate is low but the aged population share grows. EWP provides maternity and childcare leave. It also ensures that those who take childcare leave suffer no disadvantage in promotion, pay raise or service period calculation.

Fair Hiring System

EWP hired a total of 560 new recruits on nine occasions since 2001. Employees are hired strictly based on their capabilities as all hiring restrictions on hiring new employees have been fully removed, including those based on gender, age, schooling and regional origin. Internal processes, such as a system for direct petition to the CEO, are available to request for improvement against any discrimination.

Extension of Job Opportunities for Handicapped Persons

The ratio of newly hired handicapped employees increases each year by applying favored points to handicapped persons to hire them to a given target ratio. Their ratio now surpasses the statutory minimum ratio of 2%. EWP has removed all discrimination of handicapped employees by equal treatment in personnel management. It has also conducted education each year for all the employees to improve their perception of the handicapped.

In addition, EWP steadily maintains policies of favorable treatment of descendents of those who made meritorious service to the state and others whose employment is to be protected by the law in order to hire them to a given target ratio by granting favored points. Approximately 9.53% of the entire employees are those who have been hired by EWP under such favored treatment, accomplishing the statutory target for employment under social equity.

Classification	2007	2008	2009
Ratio of handicapped employees	2.18%	2.20%	2.46%
Ratio of employees hired under statutory favored treatment	9.53%	9.49%	9.53%

Human Rights Education

All EWP employees take sexual harassment prevention education at least once a year to generate healthy workplace where gender equality is secured. In 2009, all officers and employees took cyber lectures on sexual harassment prevention while individual business units conducted lectures by outside experts and video-based education.

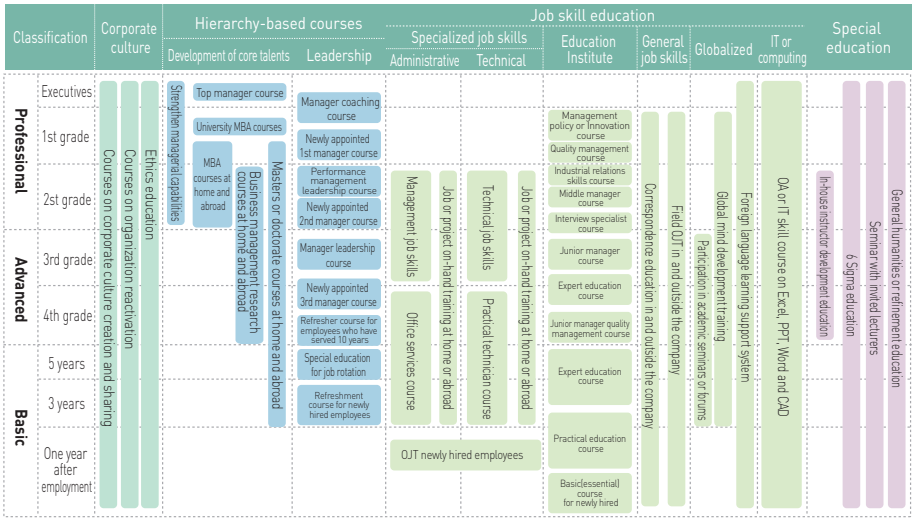
Development of Talents

Education and Training Plans

EWP conducts employee education and training courses on individual ability development and job productivity within a harmonized manner by surveying their educational needs.

Operation of Education Programs

EWP operates diverse education programs to foster strategic talents and to develop the employees' career. Education and training systems are divided into hierarchy- and function-based courses as follows:



Granular e-Learning System Deployed

EWP deployed a granular e-Learning system in order to improve its employees' education from an education-center collective education to a field-oriented open education. The education courses are segmented into units of 30 minutes or one hour so that employees may take the courses as they desire. The education contents were produced by internal instructors who are specialists on details required in their field. At present, EWP conducts 22 courses in 45 modules.

Education Assessment System Deployed

EWP has deployed and exploited a unique education assessment system through outsourcing to expert consultants. The assessment system is divided into three stages of assessment - course satisfaction, achievement in learning and applicability to field depending on the education courses. Assessment outcome is used to discover problems in education courses and is reflected in future education planning and operation. In March 2009, EWP reduced or abolished 132 education courses outsourced to outside instructors whose course satisfaction and suitability for job roles turned out to be low based on the 1st stage assessment of their satisfaction.

Global Pioneer Workshop

Development of Global Talents

EWP conducts systematic specialized education to enhance job and foreign language skills of global pioneer candidates selected based on the company's policy for the advancement of overseas projects and future growth engines. As of now in 2009, 78 candidates are under education. The company plans to secure 260 candidates by 2011.
In addition, EWP has dispatched core talents to famous universities overseas to foster global core talents. Three employees who won MBA at Emory University or environment engineering master's degree at Duke University have demonstrated their expert capabilities in relevant areas.

Lifelong Education Program

EWP conducts education courses for retiree candidates to support their psychological stability so that they may lead successful retirement life while performing corporate social responsibility as the average age increases. The courses consist of education on personal assets management, health management, venture business start-up, re-employment, and stress management which are required after their retirement. All lectures or classes are conducted by proven professional instructors.

Achievement of Education and Training

Education and Training Expenses and Hours

Classification	2007	2008	2009
Education and training expenses to sales (%)	0.20	0.14	0.11
Education and training expenses per person (1,000 won/person)	2,720	2,652	2,190
Annual education and training hours (hours/person)	109.6	104	98.2

Education and Training Performance

Classification	2007	2008	2009
In-house education institute	773 persons	628 persons	857 persons
Outsourced to local education institutes	8,235 persons	8,654 persons	9,381 persons
Outsourced to overseas education institutes	116 persons	50persons	25 persons
Total	9,124	9,332	10,263

Employee Welfare

EWP provides diverse welfare and fringe benefits to its employees to enhance their health, security and life quality, including support for housing, medical care, scholarship, welfare points, group injury insurance and congratulatory or condolence payments. In addition, EWP enhances employee satisfaction by reflecting various opinions collected through employee satisfaction surveys on matters to improve.

Family Friendly Management

EWP implements diverse policies and support programs for family friendly management based on a motto of "Family and Company is One Entity". The company generates a healthy corporate culture by operating "Weekend Family Experience" programs for family leisure activities on weekends (experiencing traditional culture, autumn harvesting experiences, and Dad's workplace experiences) and provides the employees with chances for recreation while spending time with their family members by operating its life training institute. The company further implements family friendly management for its officers and employees by providing family medical checkup services under agreements signed with superior physical inspection agencies.

Welfare Programs

EWP operates various welfare programs to generate Work-Life Balance corporate culture. It also strives to enhance employee satisfaction by offering systematic welfare and fringe benefit programs actively, including an optional welfare system.

Family Members and Residents Invited to the Ilsan Happy Cogeneration Power Plant

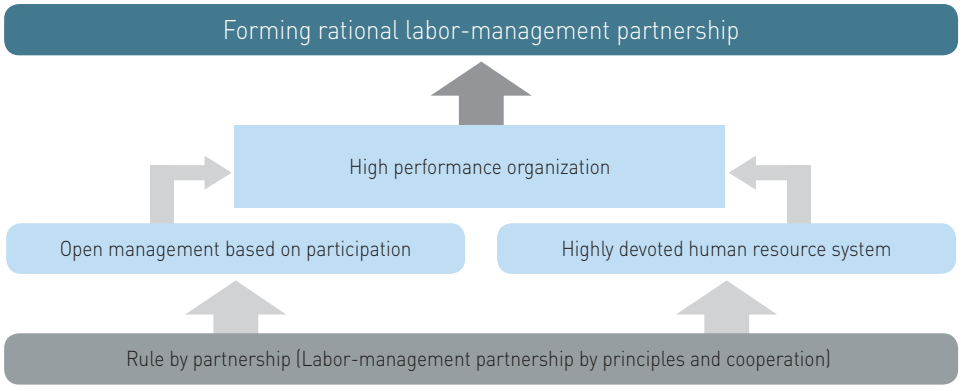
Green Experience Event with Family Members of the Sancheong Pump Storage Power Plant employees

Major Welfare Programs

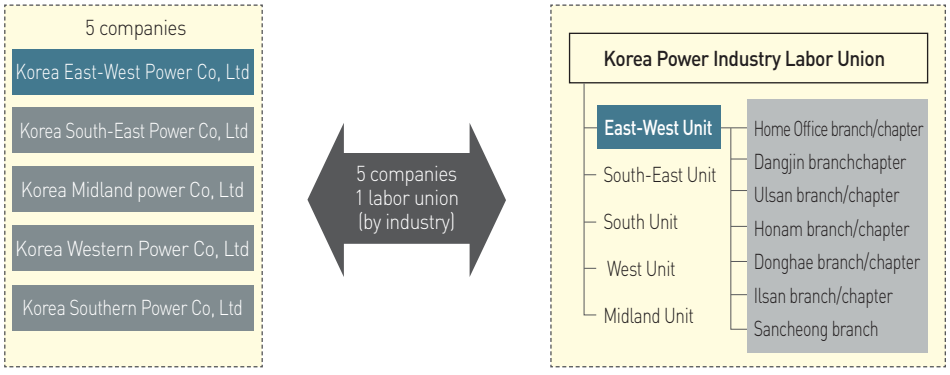
Programs	Payment (eligibility) criteria
Health maintenance allowance	• Employees of coal or pumped storage power plants
Optional welfare system	• Welfare points provided on anniversaries of employees and their families
Congratulatory or condolence pay	• Money and leave are provided on occasions that need congratulatory or condolence token
Childbirth encouragement pay	• Paid when first, second, third, fourth or more children are born
Disaster relief pay	• When house is totally burnt, destroyed, party burnt, destroyed, or flooded
Recreational facilities	• Life training institute, summer camp, and fitness center operated
Weekend family experience programs	• Traditional culture experiences, autumn harvesting, and dad's workplace experiences
Employee Assistance Program (EAP)	• Support for financial consulting to employees
Baby Shower System	• Encouragement for pregnant female employees with congratulatory gifts

Labor-Management Partnership

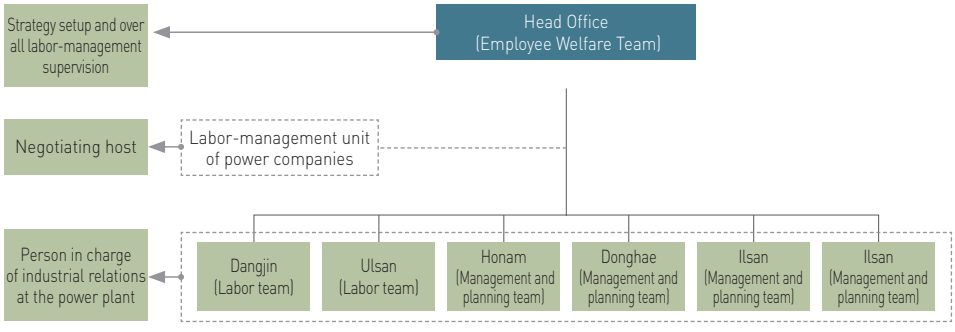
EWP strives to build up a rational labor-management partnership through an open and transparent management and development of loyal human resources based on the principles of labor-management win-win cooperation.



Labor Union Status



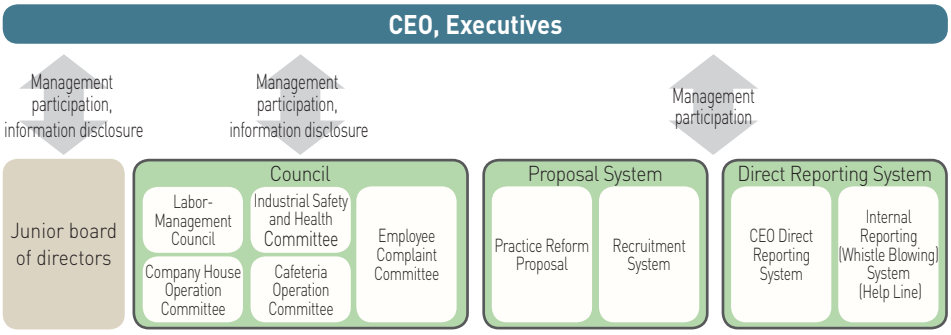
| Labor-Management Control Organizations |



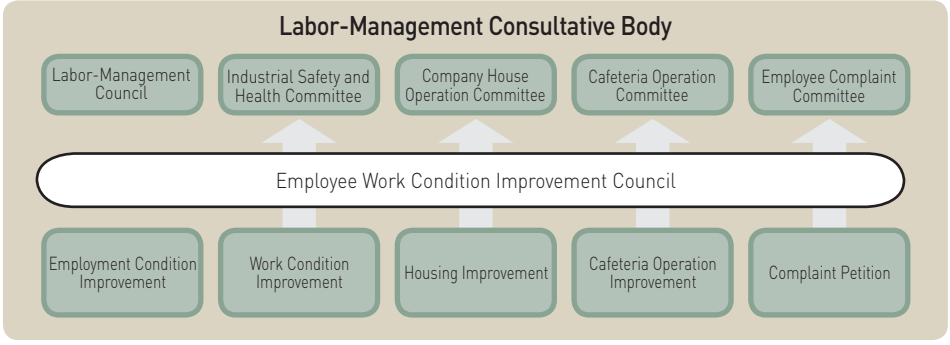
※ Labor-management unit of the power companies: Negotiating window under 5 companies 1 labor union scheme, operated by two persons dispatched by each of the power companies

Labor-Management Communication System

EWP practices an open management based on participation by operating various communication channels to vitalize management and communication participation by employees (by union members).



Operation of the Labor-Management Council



Labor-Management Consultative Body	Sessions/Cases	
	2008	2009
Labor-Management Council	18/170	14/132
Industrial Safety and Health Committee	20/71	22/80
Internal Fund Council	3/12	2/10
Company House Operation Committee	5/10	4/10
Employee Complaint Committee	11/60	10/35
Cafeteria Operation Committee	3/12	5/17
Total	60/335	57/274
Agreement ratio	94%	96%

Safety and Health

Disease Prevention and Health Promotion Program

EWP implements various health control programs, including a non-smoking fund returning benefits for those who quit smoking, discounts for employee and family medical checkup fees under agreement with healthcare institutes, and precise fitness measurement, while operating health management manuals for hearing capacity preservation, prevention of musculo-skeletal diseases, health promotion and job stress release programs with health specialists assigned to each power plant.

Labor-Management Joint Industrial Safety and Health Committee

Industrial Safety and Health Committee comprised and operated jointly by labor and management reviews and approves key issues related to industrial safety and health. It consists of heads of home office departments and power plant labor unit bureau directors. In 2009, the Committee held 24 sessions to handle 111 cases, including "Improvement of High Quality Safety Work Boots", to steadily improve safety and health.

Occupational Disasters

EWP achieved a no harm record for two consecutive years at all its business units by proactively blocking growth of hazardous or risky elements by performing risk assessment of all safety control elements at all business units through an objective certification processes of a Safe and Healthy Management System implemented by outside experts.

Industrial Safety and Health Committee

Joint Certificate of Safe and Healthy Management System

Win-Win Management with Partners

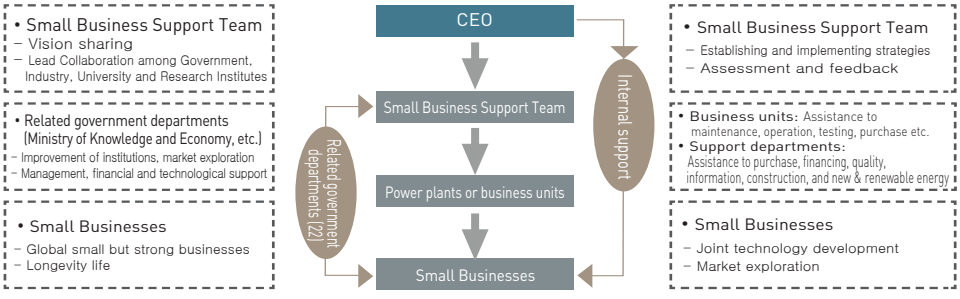
Win-Win Collaboration Policy

EWP has strengthened its win-win cooperation with its business partners by setting a steady communication and integrated support systems by recognizing them as partners for its growth. In particular, EWP carries out diversified custom-tailored support programs by periodically discovering requirements of its individual business partners so that they may grow into global small but strong businesses by strengthening their core capabilities.

Win-Win Cooperation Vision Presented for Mutual Growth with Partners

EWP sets a support philosophy for "Sustainable Win-Win Cooperation in the Power Industry" for the first time in Korea and implements "Mid- and Long-term Strategy to Support Small Businesses" in order to help them grow into 30 global small but strong businesses and 100 core small businesses in connection with the company's mid- and long-term management objectives. It has been awarded the "Best Government-Invested Company that Supports Small Businesses" prize by The Koean Association of Small Business Studies for developing a third-generation win-win cooperation model.

| System for Promoting Support to Small Businesses |



In 2009, EWP discovered the needs and difficulties of over 100 partner small businesses to reflect them in its support programs to small businesses according to its Plan for Support to Small Businesses. It also deployed a customized support system by classifying growth stages for equal transactions between large and small businesses by operating "EWP Small Business Association" for the first time among the power group companies. It leads the power group companies by implementing differentiated policies for personnel, financing, and support to venture business projects.

Support to Technology Development by Small Businesses

EWP provided nine billion won to 35 cases in five years by actively participating in purchase-condition new product development projects in order to promote localization of power plant equipment and supplies. It also provided 4.82 billion won in development financing to 116 tasks by implementing cooperative research and development with small businesses from 2004 to 2009. In addition, EWP strives to help small businesses to successfully commercialize new technologies or to strengthen technological competitiveness by providing its technologies to them free of charge.

Support to Technology Development by Small Businesses (Units : 0.1 billion won)

Classification	2007			2008			2009		
	Tasks	Agreed Amount	Purchased Amount	Tasks	Agreed Amount	Purchased Amount	Tasks	Agreed Amount	Purchased Amount
Purchase-condition new product development	7	22.3	8.9	15	36.8	12.1	9	32.3	8.7
Cooperative research and development	24	9.8	7.7	18	5.8	13.4	14	6.5	24
Field research and development	7	-	54.1	6	-	44.8	9	-	12.6

Increased Purchase of Small Business Products

EWP purchased 10.73 billion won worth of new technology-based products to increase purchases from small businesses while actively participating in the government's small business product joint purchase system. It also purchased a total of 98.5 billion won worth of products from small businesses, including 1.85 billion won worth of products from women-operated businesses and 0.35 billion won from businesses run by handicapped people. EWP strives to further extend small business vendor sources tracking purchase records by organizing a 21-person joint purchase council consisting of representatives from 11 departments directly reporting to the CEO.

Export Road Show in the Asian Region

Export Road Show in Latin America

Support to Small Business Marketing at Home and Abroad

EWP helped a total of 123 small business partners to have 596 billion won worth of inquiries and five billion won of orders by having them participate in an International Power IT Exhibition and three other trade shows to help them explore new markets. EWP also maximized the marketing effects by promoting outstanding small business products and publishing small business product brochures and English-version product brochures for100 outstanding small businesses.
In addition, it deployed a One-Stop Service system for helping small businesses explore overseas markets for the first time among the power generation companies. It leads the support to small businesses by building up joint overseas sales networks to help their export growth. As the result, it supported 85 small businesses in exploring customers in 12 countries on five occasions, including the 2009 Hanover Industrial Fair. It also helped 255 small businesses to gather 12.783 billion won of orders from major buyers in India and the Middle East countries to boost their export sales.

Support to Small Business Marketing at Home and Abroad [Units: 0.1 billion won (home), US$10,000 (overseas)]

Classification	2007		2008		2009	
	Participating businesses	Orders received	Participating businesses	Orders received	Participating businesses	Orders received
Local marketing	110	35	95	77	123	50.7
Overseas marketing	24	2,510	11	500	85	7,243
Export buyer meetings	18	2,380	135	6,171	255	5,540

Support to Small Business Workforce and Financing

To address the national issues of growing unemployment among young people and shortage of small business workforce, EWP hired 24 new employees in 2009 under a hiring agreement concluded with four junior colleges, Korea Polytechnics and Korea Council of Medium Industry for the first time among the power generation companies. EWP was also an example for the power group companies by hiring 31 new employees participating in a Job-World recruitment event jointly organized by the Industrial Bank of Korea and the Chosun-Ilbo Newspaper. It makes aggressive efforts to help mitigate the workforce shortage of small businesses by helping them hire masters or doctorate level research personnel.
To help their business partners to overcome the recent financial crisis, EWP helped them to induce one billion won investment in 2006 and 1.7 billion won in 2009 using a Power Fund for the first time among the power generation companies. It has helped small businesses to resolve fund shortage by providing them with a total of 72.3 billion won of financing support by increasing advance payments while introducing new financing support schemes, such as sPRM and Power Energy Loans.

Industry-University Agreement for Man Power Exchange

Briefing to support hiring of masters or doctorate level personnel

Value Management for the Community

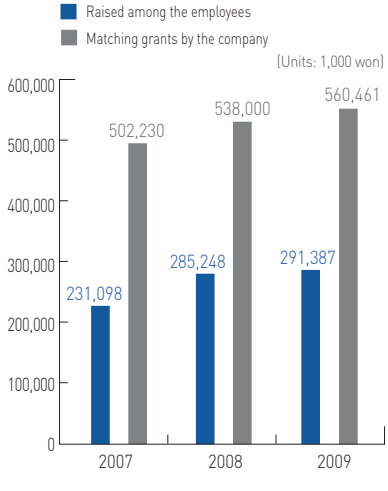
Corporate Social Responsibility Programs

EWP carries out various corporate social responsibility programs to help build a society for coexistence while performing its social responsibilities and roles as a corporate citizen in addition to its originally intended business activities to create economic values.

Operation of Volunteer Service Groups

In 2004, EWP organized its social volunteer service groups at its head office and six business units to carry out enterprise-wide volunteer service systematically. The groups first organized in February 2004 increased to 81 teams and 2,037 participants who carry out various activities to help alienated people, support to socially vulnerable people, and to give a hand to farmers and fishermen in the local communities.

Head Office Branch	Dangjin Branch	Honam Branch	Donghae Branch	Ulsan Branch	Ilsan Branch	Sancheung Branch	Enterprise-wide
6 teams	26 teams	8 teams	5 teams	25 teams	8 teams	3 teams	81 teams
250 persons	653 persons	187 persons	170 persons	513 persons	196 persons	68 persons	2,037 persons



Fundraising Programs

EWP has increased voluntary service activities by its employees since 2004. It operates a 'Neighbor Love Fund' to develop a healthy donation culture to which the officers and employees contribute 20,000 won from their payroll each month. The company provides a 1:1 matching fund to the amount raised by employees to donate various volunteer service programs and support projects inside and outside the company.

Fund Raising

(Units : KRW 1,000)

Classification	2007	2008	2009
Raised among the employees	231,098	285,248	291,387
Matching grants by the company	502,230	538,000	560,461
Total	733,328	823,248	851,848

Key Social Contribution Activities

EWP promotes various volunteer service programs by the branches and teams of its Volunteer Service Group, including its enterprise-wide focal activities. In May and September each year, it holds a 'Power Love Day' when various volunteer service activities are carried out intensively to practice the spirit of sharing warm love with alienated neighbors in the local communities.
In addition, various backbone programs have fully settled with steady participation and attention by employees including 'Relay of Love Blood Donation', 'Direct Marketing Agricultural Fairs', 'Realizing Dreams of Children with Intractable Diseases' and 'Happy Home School' in alliance with NGOs such as Korea Make a Wish Foundation and Korean Food for the Hungry International.

Delivery of Donation to Happy Home School


Volunteer Service to Children with Intractable Diseases

Enterprise-wide Focal Projects

EWP has carried out such enterprise-wide focal projects as 'Supporting teenaged heads of households', 'Aid to Helpless Senior Citizens', and 'Cultivation of Green Country'. EWP has set up sisterhood ties with 186 families, and the volunteer workers provided such volunteer service as repairing aging facilities, and house cleaning, commodities supports. All business units of EWP regularly carry out 'One Company One Mountain' and 'One Company One Shore' environment preservation campaigns called 'Cultivate Green Country'.

One Company One Mountain Cultivation

One Company One Shore Cultivation

2009 Performance of Enterprise-wide Focal Programs

Classification	Persons with Sisterhood Relationship (persons)	Number of activities	Participants (persons)	Amount donated (1,000 won)
Supporting teenaged heads of households	93	564	992	111,165
Aid to Helpless Senior Citizens	93	520	955	87,514
Cultivation of Green Country	-	37	637	9,096
Total	186	1,121	2,584	207,775

Branch-Level Projects and Team-Level Autonomous Projects

As volunteer service activities in support to social welfare institutions, the branches and teams of the Volunteer Service Group supported the 'Senior Citizens Birthday Feast' in Dangjin, 'Making Love Kimchi', Scholarships to students in Ulsan, and support to the 'Geobukseon Festival' in Yeosu.

'Senior Citizens Birthday Feast' in Dangjin

'Making Love Kimchi'

2009 Performance of Volunteer Service to Social Welfare Institutions

Classification	Integrated Welfare Facilities	Children's facilities	Senior citizens facilities	Facilities for handicapped	Total
Number of activities	99	15	20	31	165
Participants (persons)	670	116	137	215	1,138
Amount donated (1,000 won)	114,754	8,217	9,945	41,111	174,027

Planning Programs

Relay of Love Blood Donation

EWP has performed a 'Relay of Love Blood Donation' each year since 2004 where its head office and six business units participated in a blood donation. In particular, EWP performed its corporate social responsibility by actively participating in blood donation campaigns among government-invested corporations to help overcome the shortage of blood while the new flu diffused.

Support to the Rehabilitation of the Homeless

Since 2006, EWP has actively supported the rehabilitation and curing of the homeless who lead a hopeless alienated life in the community. The company founded 'Fund for Sharing Love with the Homeless' and regularly provided various volunteer service and supplies for the rehabilitation programs to homeless centers in Yeondeungpo and Cheongryangri, including food serving, cleaning, and plastering wallpaper.

Support to Low-Income Families

EWP has performed a 'Relay of Love Blood Donation' each year since 2004 where its head office and six business units participated in a blood donation. In particular, EWP performed its corporate social responsibility by actively participating in blood donation campaigns among government-invested corporations to help overcome the shortage of blood while the new flu diffused.

Programs Linked with Green Growth Projects

In order to comply with the 'Green Growth Strategy' the government intensively promotes, EWP has actively carried out strategic social responsibility programs linked with its projects for developing new and renewable energy. In doing so , it strives to become a business that grows along with the local communities based on trust by their residents. Further, EWP exerts its best to help revive the local economy growth and communicates with the residents by purchasing local products through 'Online Direct Marketing Agricultural Fairs'.

Programs Linked with Green Growth Projects

In 2009, EWP provided 12.4 billion won to help boost the local economy and income of the farmers and fishermen in areas surrounding its power plants. 9.7 billion won out of the total was spent to help boost income and support public or social welfare facilities in programs hosted by the local municipal governments in the areas where the power plants are located while the remaining 2.7 billion won was donated to education and other related programs hosted by individual power plants.

Details of Community Support Programs

(Units : KRW million)

Classification	Details of Support Programs	2007	2008	2009
Income Growth Programs	Programs that contribute to a balanced regional development and to the actual income growth of the local residents	1,430	757	1,488
Public Facility Programs	Construction and operation of medical care, road, port, water service and hygiene facilities	2,091	3,658	6,714
Resident Welfare Programs	Support funds required to improve housing or living conditions of the residents	-	130	200
Business Inducement Programs	Support to the inducement, founding and operation of businesses to boost income and employment in the area	36	440	800
Social Welfare Programs	Construction and operation of social welfare facilities, and support to medical care, education and sports activities using social welfare facilities	528	497	497
Education Programs	Support to the education of the residents, by supplying education equipment and supplies and scholarships	2,040	2,138	2,689
	Total	6,125	7,620	12,388

Compliance with UN Global Compact

EWP became a signatory to the UN Global Compact in August 2006 as part of its mission to ensure transparent management and fulfill its social reponsibilities. The company discloses its compliance with the Global Compact through the following Communication on Progress(COP).

	Global Compact Principle	Relevant Regulations and compliance details
Human Rights	Businesses should support and respect human rights - anywhere and everywhere	Collective agreement Ethics charter Code of Ethics(Article 19 and 21) Code of Conduct(Article 27)
	Businesses should not be complicit in human right abuses.	Corporate ideas Collective agreement Code of Conduct(Article 27)
Labor Standards	Businesses should uphold the freedom of association and the right to collective bargaining	Collective agreement
	Businesses should uphold the elimination of all forms of forced and compulsory labor	Collective agreement Code of Ethics(Article 22)
	Businesses should uphold the abolition of child labor	Collective agreement
	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Collective agreement Ethics charter Code of Ethics(Article 10 and 20) Code of the Conduct(Article 7)
Environment	Businesses should support a precautionary approach to environmental problems and challenges	Environment Vision Environment Policies ISO 14000 certificate Ethics charter Code of Ethics(Article 26)
	Businesses should undertake initiatives to promote greater environmental responsibility	Environment Policies Ethics charter
	Businesses should encourage the development and diffusion of environmentally friendly technologies	Environment Vision Environment Policies Ethics charter
Anti-Corruption	Businesses should work against all forms of corruption, including extortion and bribery	Code of Ethics(Article 6 and 8) Code of Conduct(Chapter 3)

: APPENDIX

1. GRI INDEX 60
2. Reader Opinion Survey 65

BEST/GRI INDEX

GRI Index	Wordings / Reasonings	Check	Page
1.1	Statement from the most senior decision-maker of the organization	■	4~5
1.2	Description of key impacts, risks, and opportunities	■	22
2.1	Name of the organization	■	10
2.2	Primary brands, products, and/or services	■	10~11
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	■	11
2.4	Location of organization's headquarters	■	1
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	■	29~31
2.6	Nature of ownership and legal form	■	12
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	■	10
2.8	Scale of the reporting organization, including: * Number of employees; * Net sales (for private sector organizations) or net revenues (for public sector organizations);	■	10
2.9	Significant changes during the reporting period regarding size, structure, or ownership	▣	12
2.10	Awards received in the reporting period	▣	6~7
3.1	Reporting period for information provided	■	3
3.2	Date of most recent previous report (if any)	■	7
3.3	Reporting cycle (annual, biennial, etc.)	■	3
3.4	Contact point for questions regarding the report or its contents	■	3
3.5	Process for defining report content	X	
3.6	Boundary of the report	■	3
3.7	State any specific limitations on the scope or boundary of the report	X	-
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	□	-
3.9	Data measurement techniques and the bases of calculations	X	-
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	X	-
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	X	-
3.12	Table identifying the location of the Standard Disclosures in the report	■	59~60
3.13	Policy and current practice with regard to seeking external assurance for the report	X	-
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	■	12
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	■	12
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	■	12
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	▣	12
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	■	12

■ Reported ▣ Partially reported □ N/A X Not reported

BEST/GRI INDEX

GRI Index	Wordings / Reasonings	Check	Page
4.6	Process in place for the highest governance body to ensure conflicts of interest are avoided	■	12
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	■	12
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	x	16
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	▣	12
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	x	-
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	■	38-43
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	■	58
4.13	Memberships in association advocacy organizations in which the organization	x	
4.14	List of stakeholder groups engaged by the organization	■	17
4.15	Basis for identification and selection of stakeholders with whom to engage	x	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	■	17
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	■	17
EC1	Direct economic value generated and distributed, including revenues, operating costs, employees compensations, donations and other community investment, retained earnings, and payments to capital providers and governments	■	20~21
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	■	22
EC3	Coverage of the organization's defined benefit plan obligations	▣	21
EC4	Significant financial assistance received from government	x	-
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	x	-
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	x	-
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	x	-
EC8	Development and impact of infrastructure investment and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	■	57
EC9	Understanding and describing significant indirect economic impact, including the extent of impacts	■	57
EN1	Materials used by weight or volume	■	40
EN2	Percentage of materials used that are recycled input materials	■	41
EN3	Direct energy consumption by primary energy source.	■	40
EN4	Indirect energy consumption by primary source	■	41
EN5	Energy saved due to conservation and efficiency improvements	■	41
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	■	41

■ Reported ▣ Partially reported □ N/A x Not reported

BEST/GRI INDEX

GRI Index	Wordings / Reasonings	Check	Page
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	▣	40
EN8	Total water withdrawal by source	■	42
EN9	Water sources significantly affected by withdrawal of water	X	-
EN10	Percentage and total volume of water recycled and reused	■	42
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	□	-
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	■	42~43
EN13	Habitats protected or restored.	X	-
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	■	43
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	X	-
EN16	Total direct and indirect greenhouse gas emissions by weight	■	36
EN17	Other relevant indirect greenhouse gas emissions by weight	■	36
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	■	36~37
EN19	Emissions of ozone-depleting substances by weight	X	-
EN20	NOx, SOx, and other significant air emissions by type and weight	■	38
EN21	Total water discharge by quality and destination	■	42
EN22	Total weight of waste by type and disposal method	■	56
EN23	Total number and volume of significant spills	■	40
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	■	40
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	▣	42~43
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	■	38~42
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	X	-
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	■	39
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	□	-
EN30	Total environmental protection expenditures and investments by type	■	35
LA1	Total workforce by employment type, employment contract, and region	■	46
LA2	Total number and rate of employee turnover by age group, gender, and region	■	46
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	□	-
LA4	Percentage of employees covered by collective bargaining agreements	X	-

■ Reported ▣ Partially reported □ N/A X Not reported

BEST/GRI INDEX

GRI Index	Wordings / Reasonings	Check	Page
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	X	-
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	X	-
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	■	51
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	■	51
LA9	Health and safety topics covered in formal agreements with trade unions	■	51
LA10	Average hours of training per year per employee by employee category	X	-
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	■	48
LA12	Percentage of employees receiving regular performance and career development reviews	X	-
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	■	46
LA14	Ratio of basic salary of men to women by employee category	X	-
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	X	-
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	X	-
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	X	-
HR4	Total number of incidents of discrimination and actions taken	□	-
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	X	-
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	□	-
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	□	-
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	X	-
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	□	-
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	■	57
SO2	Percentage and total number of business units analyzed for risks related to corruption	X	-
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	▣	14
SO4	Actions taken in response to incidents of corruption	■	14
SO5	Public policy positions and participation in public policy development and lobbying	X	-
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	X	-

■ Reported ▣ Partially reported □ N/A X Not reported

BEST/GRI INDEX

GRI Index	Wordings / Reasonings	Check	Page
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	X	-
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	X	-
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	X	-
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	□	-
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	X	-
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	□	-
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	X	-
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	□	-
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	□	-
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	□	-
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	□	-

■ Reported ▣ Partially reported □ N/A X Not reported

2010 EWP's Sustainability Report Reader Opinion Survey

In this report, EWP has tried to disclose its sustainability management activities as openly as possible. To improve its contents and level of completeness, we would like to hear from you. Your opinions will be reflected in future reports.

1. What is your position?

☐ Investor/Shareholder ☐ Employee of an affiliate ☐ Local resident
☐ NGO ☐ Employee of GENCO ☐ Member of Academic Community
☐ Civil Servant ☐ Employee of EWP ☐ Other( )

2. What is your overall evaluation of this report?

☐ Good ☐ Moderate ☐ Bad

3. How understandable is it

☐ Easy ☐ Moderate ☐ Difficult

4. How do you feel about the amount of information included in this report?

☐ Too much ☐ Moderate ☐ Too little

5. Which section of the report did you find the most interesting?

☐ Sustainability at EWP ☐ Economy ☐ Environment ☐ Society

6. Which section of the report do you think needs improvement?

☐ Sustainability at EWP ☐ Economy ☐ Environment ☐ Society

7. Please feel free to make comments on the report.

Thank you for your cooperation.

Please forward this form to 82-2-3456-8459 (Fax) or sustainability@ewp.co.kr (e-mail).

KOREA EAST-WEST POWER CO.,LTD.
#411, YEONGDONG-DAERO, GANGNAM-GU SEOUL, 135-791, KOREA
Tel : 02-3456-8382 **Fax** : 02-3456-8459