



KOREA EAST-WEST POWER CO.,LTD. 2023 GREEN BOND REPORTING PERIODIC REVIEW



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This statement is valid until the Report provided on June 2023 remains unchanged.

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Disclaimer

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

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

DNV PERIODIC REVIEW OPINION

Scope and Objectives

Korea East-West Power (henceforth referred to as "EWP" or "Issuer") issued Green Bond (henceforth referred to as "BOND") with the total amount of 500 million USD.

Pricing Date	Type	Maturity Date	Currency	Amount	ISIN	Framework
2022.4.28	Green Bond	2025.05.06	USD	500mn	US5006EPAL52/ USY4836TCE92	2022 EWP's Green Bond Framework

DNV Business Assurance Korea Ltd (henceforth referred to as "DNV") has been commissioned by EWP to provide the review of EWP's 2023 Green Bond Reporting (henceforth referred to as "Report"). Our criteria and information covered to serve the purpose are described under 'Work Undertaken' shown below. The periodic review was made based on the information and documents provided by EWP as well as the interview conducted with them and correspondence exchanges. We do not provide any independent assurance or other type of audit activities.

In this report, no assurance is provided regarding the financial performance of the Issuer, the value of any investments in the BOND or the long-term green benefits arising from the nominated projects. Our main objective of these reviews has been to provide an assessment that the BOND has met the criteria established on the basis set out below.

Responsibilities of the Management of EWP and DNV

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

Basis of DNV's Opinion

DNV adapted our Sustainability Bond Principles methodology, which incorporates the requirements of the Green Bond Principles ("GBP"), to create an EWP-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the BOND has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a green bond must use the funds raised to finance eligible activities. The eligible activities should produce clear green benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a green bond should outline the process it follows when determining eligibility of an investment using a green bond proceeds, and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a green bond should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be managed should be made.

- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work Undertaken

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

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

Findings and DNV's Opinion

DNV's findings are listed below:

1. **Principle One: Use of Proceeds.** EWP has reported use of the proceeds of the BOND to finance and refinance projects and assets including:

Green Project Categories

- Renewable Energy – Solar and Wind Power
- Energy Efficiency – Energy Storage System (ESS) Management Service Provider (MSP) and Improving Energy Efficiency of University Campus

DNV reviewed the criteria for the project categories above and determined the nominated projects and assets are eligible.

2. **Principle Two: Process for Project Evaluation and Selection.** The BOND proceeds have been allocated to finance and refinance the assets as defined in Schedule 1. DNV has reviewed evidence that demonstrates that EWP's Sustainable Finance Working Group (SFWG) oversees the selection of eligible projects and their compliance with the eligibility criteria described in the Framework.
3. **Principle Three: Management of Proceeds.** DNV has reviewed evidence showing how EWP traced the proceeds from the BOND, from the time of issuance to the time of disbursement. The full amount of the proceeds was deposited in EWP's Treasury Portfolio. Through its internal accounting system, the proceeds were monitored and checked regularly. EWP also confirmed to DNV that the unallocated net proceeds were used for the payment of all or a portion of outstanding indebtedness, and/or were temporarily invested in cash, cash equivalents, and short-term money market instruments in accordance with the Framework. DNV provides no assurance regarding the financial performance of the BOND, the value of any investments in the BOND, or the effects of the transaction.

4. **Principle Four: Reporting.** EWP has confirmed that the Report will be updated in its website (www.ewp.co.kr) with this DNV's assurance report. The Report includes a description of the project and value of the proceeds invested, as well as the associated qualitative and quantitative environmental impacts.

On the basis of the information provided by EWP and the work undertaken, it is DNV's opinion that the BOND meets the criteria established in the Protocol and that the projects are aligned with the stated definition of GBP, which is to "enable capital-raising and investment for new and existing projects with green benefits".

for DNV Business Assurance Korea Ltd.

Seoul, Republic of Korea / June 2023



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About DNV

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Schedule 1. Nominated Assets & the Proceeds Allocation

- **Issued Amount:** USD 500 million
- **Total Allocation:** USD 120 million (24% of the net proceeds)
- **Refinancing Ratio:** 18.8% (out of allocated 120 million)

Green Category (USD)

Category	Projects	Until 1Q 2022 (Refinancing)	After 1Q 2022	Total	% out of USD 500 million of proceeds
Renewable Energy	Solar Power	4,378,577	55,033,053	59,411,630	11.9%
	Wind Power	11,319,840	825,405	12,145,245	2.4%
	Sum	15,698,417	55,858,458	71,556,875	14.3%
Energy Efficiency	ESS MSP	3,403,813	38,825,479	42,229,292	8.4%
	Improving Energy Efficiency of University Campus	3,466,701	2,872,409	6,339,110	1.3%
	Sum	6,870,514	41,697,888	48,568,402	9.7%
Total		22,568,931	97,556,346	120,125,277	24.0%

Schedule 2. Impact Reporting

Green Category (Renewable Energy)

Project Description	Country	Installed Capacity (MW)	Exp. Energy Produced (MWh/year)	Exp. CO2 Avoided (tCO2e/year)
Renewable Energy (Solar Power)		317.2	90,740	54,037.26
Busan Industrial Complex Rooftop Photovoltaic Power Project II	KR	10.8	366	173.34
Donghae Power Complex Project	KR	3.3	668	315.75
Power Intermediary Industrial Complex III	KR	3.6	4,656	2,202.27
Daeho Lake Floating Photovoltaic Power Project	KR	78.0	9,441	4,465.70
Gwangyang Port Rooftop Photovoltaic Power Project IV	KR	2.2	2,809	1,328.66
Seongwon Corp Plant Rooftop Photovoltaic Power Project	KR	1.0	1,415	669.17
Ulju-gun Photovoltaic Power Project	KR	0.5	601	284.33
Donghae Bio-Mass Fuel Storage Rooftop Photovoltaic Power Project	KR	0.9	1,115	527.34
Power Intermediary Industrial Complex IV & V	KR	9.19	5,266	2,490.96
VPP ²	KR	1.5	2,178	1,030.40
Energy Convergence & Development Complex_Chungcheong Center PV	KR	3.2	2,597	1,228.34
Australia Columboola Photovoltaic Power Project	AU	202	58,510	38,792.22
Photovoltaic Power Project for Public Facilities and SMEs in Ulsan	KR	1.2	1,118	528.77
Renewable Energy (Wind Power)		139.4	10,082.34	4,768.95
Yeongdeok Sunrise Park Wind Power Project	KR	34.4	9,563	4,523.50
Jeju Offshore Wind Power Project	KR	105.0	519	245.44
Total		456.8	100,967	58,806.2

² Virtual Power Plant Projects that utilize industrial complex or idle lands in Ulsan

Green Category (Energy Efficiency)

- Total Installed ESS Capacity (Energy Efficiency) : 172.4 MWh
- Total Exp. Energy Consumption Reduced (Energy Efficiency) : 2,658 MWh/year
- % of Energy Efficiency Improved: 21.7%

Project Description	Country	Electricity Bills Saving (KRW 100 million)	Installed Capacity(MWh)
Energy Efficiency (ESS MSP)			
Project LG Electronics	KR	73.60	163
Public Facilities and SMEs in Ulsan	KR	3.79	9.4
Total		77.39	172.4

Project Description	Country	No.Installed Efficiency Facilities	Exp. Energy Consumption Reduced (MWh/year)	% of Energy Efficiency Improved
Improving Energy Efficiency of University Campus				
Donggeui University	KR	9,180	1,954	21.3%
Dongseo University	KR	3,093	704	22.8%
Total		12,273	2,658	21.7%

Schedule 3. EWP-specific Eligibility Assessment Protocol

1. Use of Proceeds

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings								
1a	Type of bond / loan	<p>The Bond and Loan must fall in one of the following categories, as defined by the Green/Social Bond Principles:</p> <ul style="list-style-type: none">Green/Social Use of Proceeds BondGreen/Social Use of Proceeds Revenue BondGreen/Social Project BondGreen/Social Securitized BondLoan instrument made available for Green and Social project (Green and Social use of loan proceeds)	<p>Review of:</p> <ul style="list-style-type: none">EWP Green and Sustainability Bond Framework (2022)EWP Green Bond Impact Reporting (2023) <p>Discussion with EWP management or delegated entity</p>	<p>The reviewed evidence confirms that the BOND falls in the category of the Green Use of Proceeds.</p> <ul style="list-style-type: none">On 28 April 2022, EWP issued USD 500 million green bond with a tenor of 5 years.								
1b	Sustainable Project Categories	<p>The cornerstones of Sustainability Bond and Loan are the utilization of the proceeds of the bond and the loan which should be appropriately described in the legal documentation for the security.</p>	<p>Review of:</p> <ul style="list-style-type: none">EWP Green and Sustainability Bond Framework (2022)EWP Green Bond Impact Reporting (2023)Documentation of project details including location, size, allocated amount and environmental impacts <p>Discussion with EWP management or delegated entity</p>	<p>According to EWP’s Framework, EWP aims to use the proceeds for promoting the use of renewable energy and increasing energy efficiency.</p> <p>The reviewed evidence shows that the proceeds were used for the following projects:</p> <table><tr><th>Type</th><th>Location</th></tr><tr><td>Solar Power</td><td>Korea and Australia (14 in total)</td></tr><tr><td>Wind Power</td><td>Korea (2 in total)</td></tr><tr><td>Energy Efficiency</td><td>Korea (2 in total - Energy Storage System Management Service Provider (ESS MSP) and university campus)</td></tr></table> <p>Overall, DNV’s assessment concludes that the projects contribute to achieving a low-carbon economy and are in alignment with the Framework.</p>	Type	Location	Solar Power	Korea and Australia (14 in total)	Wind Power	Korea (2 in total)	Energy Efficiency	Korea (2 in total - Energy Storage System Management Service Provider (ESS MSP) and university campus)
Type	Location											
Solar Power	Korea and Australia (14 in total)											
Wind Power	Korea (2 in total)											
Energy Efficiency	Korea (2 in total - Energy Storage System Management Service Provider (ESS MSP) and university campus)											

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.	Review of: <ul style="list-style-type: none"> EWP Green and Sustainability Bond Framework (2022) EWP Green Bond Impact Report (2023) Documentation of project details including location, size, allocated amount of proceeds and environmental impacts Discussion with EWP management or delegated entity	DNV reviewed the data provided by EWP to verify the impacts, including the accuracy of the calculation, and concludes that they are appropriate and accurate within the scope of our assessment. The calculation was verified by the DNV Business Assurance Korea's GHG verification team based on the European Investment Bank (EIB) guidelines.
1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	Review of: <ul style="list-style-type: none"> EWP Green and Sustainability Bond Framework (2022) EWP Green Bond Impact Reporting (2023) Documentation of project details including location, size, allocated amount of proceeds and environmental impacts Discussion with EWP management or delegated entity	USD 22,568,931 was used as refinancing. This takes up 18.8% of total allocation of this year (USD about 120 million). The refinanced projects are renewable energy and energy efficiency projects.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
2a	Investment-decision process	The Issuer of a Green Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond and Loan proceeds. This includes,	Review of: <ul style="list-style-type: none"> EWP Green and Sustainability Bond Framework (2022) EWP Green Bond Impact Reporting (2023) 	EWP has confirmed to DNV that the project evaluation and selection process has been conducted in accordance with the Framework. Sustainable Finance Working Group ("SFWG") was convened to oversee the selection of Eligible Projects and their compliance with the

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
		<p>without limitation:</p> <ul style="list-style-type: none"> A process to determine how the projects fit within the eligible Green Projects categories identified in the Green Bond Principles and Green Loan Principles; The criteria making the projects eligible for using the Green Bond proceeds; The environmental sustainability objectives, and Complementary information on process by which the issuer identifies and manages perceived environmental risks associated with the relevant project 	<ul style="list-style-type: none"> Meeting Minute of SFWG (2022) <p>Discussion with EWP management or delegated entity</p>	<p>eligibility criteria described in the Framework.</p>
2b	Issuer/borrower's environmental and social and governance framework	In addition to information disclosed by an issuer on its Green Bond process, criteria and assurances, Green Bond and Loan investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.	<p>Review of:</p> <ul style="list-style-type: none"> EWP Green and Sustainability Bond Framework (2022) EWP Green Bond Impact Reporting (2023) EWP Sustainability Policy <p>Discussion with EWP management or delegated entity</p>	<p>EWP website well describes its effort for sustainable development, by describing ethical management, social contribution, and environment-friendly policy.</p> <p>https://ewp.co.kr/eng/subpage/content.html?pc=H11HETAZCZ7IBSU M36J6SAX0DDC1TXC</p> <p>In particular, the Issuer presents 9 strategic direction in three sectors as follows:</p> <p>Production of clean energy:</p> <ul style="list-style-type: none"> Create a pleasant air environment Strategic plans for climate change Improve water quality and expand resource circulation <p>Partnership with community:</p> <ul style="list-style-type: none"> Create participatory-type environmental monitoring Communication with stakeholders

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
				<ul style="list-style-type: none"> Pursue social values <p>Establishment of Sustainable System</p> <ul style="list-style-type: none"> Establish a comprehensive preventive management system Lead the environmental technology development Strengthen environmental management focusing on people

3. Management of Proceeds

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Green Bonds should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green Projects.	<p>Review of:</p> <ul style="list-style-type: none"> EWP Green and Sustainability Bond Framework (2022) EWP Green Bond Impact Reporting (2023) ERP Snapshot <p>Discussion with EWP management or delegated entity</p>	<p>EWP has confirmed with DNV that internal ERP system was used to track the green bond proceeds.</p> <p>DNV can confirm that the net proceeds of the BOND was deposited in EWP's Treasury Portfolio. An amount equivalent to the net proceeds was allocated for the financing and/or refinancing of existing or new Eligible Projects. EWP's treasury team has tracked the proceeds raised from the BOND to be allocated to Eligible Projects.</p>
3b	Tracking procedure	So long as the Green Bonds and Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	<p>Review of:</p> <ul style="list-style-type: none"> EWP Green and Sustainability Bond Framework (2022) EWP Green Bond Impact Reporting (2023) ERP Snapshot <p>Discussion with EWP management or delegated entity</p>	<p>EWP has confirmed with DNV that the proceeds of the BOND have been traced, from the time of issuance to the time of disbursement, and the net balance has been reduced in line with its financing schedule.</p> <p>At the end of each financial year, the outstanding balance of the BOND was reviewed.</p>
3c	Temporary holdings	Pending such investments or disbursements to eligible Green and Social Projects, the Issuer should make known to investors the intended types of temporary investment	<p>Review of:</p> <ul style="list-style-type: none"> EWP Green and Sustainability Bond Framework (2022) 	<p>EWP has confirmed with DNV that unallocated net proceeds were used for the payment of all or a portion of outstanding indebtedness, and/or were temporarily invested in cash, cash equivalents, and short-term money market instruments in accordance with EWP's normal liquidity</p>

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
		instruments for the balance of unallocated proceeds.	<ul style="list-style-type: none"> EWP Green Bond Impact Reporting (2023) <p>Discussion with EWP management or delegated entity</p>	management policy.

4. Reporting

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
4a	Periodical reporting	<p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Sustainability Bond proceeds have been allocated including</p> <ul style="list-style-type: none"> when possible with regards to confidentiality and/or competitive considerations a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact. 	<p>Review of:</p> <ul style="list-style-type: none"> EWP Green Bond Impact Reporting (2023) Website <p>Discussion with EWP management or delegated entity</p>	<p>EWP has prepared the Green Bond Reporting 2023, which will be uploaded on its website. DNV has reviewed the Reporting and confirms that it includes the project types, amount of proceeds allocated, as well as the associated quantitative environmental impacts, which have been summarized in Schedule 1 and 2 above.</p> <p>EWP is committed to publishing the Reporting on an annual basis until the proceeds are fully allocated.</p>