



KOREA WESTERN POWER (KOWEPO) PERIODIC REVIEW



Document title: Periodic Review on KOWEPO's 2025 Green Bond Report

Prepared by: DNV Business Assurance Korea Ltd.

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This statement is valid until the KOWEPO's 2025 Green Bond Report (June 2025) remains unchanged.

Table of Contents

Table of Contents	2
DNV'S INDEPENDENT ASSESSMENT	3
Scope and Objectives	3
Responsibilities of the Management of KOWEPO and DNV	3
Basis of DNV's opinion	3
Work Undertaken	4
Findings and DNV's Opinion	4
Schedule 1. Eligible Sustainability Bond Allocation and Disbursement (as of 31 Dec 2023)	6
Schedule 2. Allocation and Impact Summary	6
Schedule 3. KOWEPO-specific Eligibility Assessment Protocol	8
1. Use of Proceeds	8
2. Process for Project Selection and Evaluation	9
3. Management of Proceeds	10
4. Reporting	11

Disclaimer

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

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirement, professional standards, and applicable legal and regulatory requirement. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.



DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

KOWEPO (hereinafter "KOWEPO" or the "Company") issued 3-year Senior Unsecured Green Bond (USD 300 million) in June 2022 under the KOWEPO's Green, Social and Sustainability Financing Framework (hereinafter "Framework").

DNV has been commissioned by KOWEPO to provide the review of KOWEPO's 2025 Green Bond 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 KOWEPO as well as the interview conducted with its team or a delegated entity. We do not provide any independent assurance or other type of audit activities.

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

Responsibilities of the Management of KOWEPO and DNV

The management of KOWEPO 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 KOWEPO 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 KOWEPO. 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 KOWEPO is not correct or complete.

Basis of DNV's opinion

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of the Bond must use the funds raised to finance (or refinance) eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of the Bond should outline the process it follows when determining eligibility of an investment using the proceeds of the Bond, and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that the 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 handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting to the bond investors should be made of the use of the proceeds of the Bond 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 KOWEPO 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 report, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by KOWEPO and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by KOWEPO and KOWEPO's website;
- Discussions with KOWEPO's responsible people, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

Findings and DNV's Opinion

DNV's findings are listed below:

1. **Principle One: Use of Proceeds.** KOWEPO has reported use of the proceeds of the Bond to finance and refinance projects and assets including:
 - Green: Renewable Energy (solar, wind, hydro & small hydro, and maintenance) and Energy Efficiency

DNV reviewed the criteria for the project categories above to determine the eligibility of the nominated projects. DNV can confirm that the proceeds of the proceeds were used in accordance with the Framework.
2. **Principle Two: Process for Project Evaluation and Selection.** The proceeds have been allocated to finance and refinance the projects as defined in Schedule 1. DNV has reviewed evidence that demonstrates that KOWEPO follows the project evaluation and selection described in the Framework. Eligible projects were identified and selected via KOWEPO's project team in collaboration with relevant teams in alignment with the Framework.
3. **Principle Three: Management of Proceeds.** DNV has reviewed evidence showing how KOWEPO has traced the proceeds, from the time of issuance to the time of disbursement. The full amount of the proceeds was managed within KOWEPO's general account to record the allocation and track the use of the Bond proceeds. At the end of each financial period, KOWEPO reviewed the outstanding balance of the Bond. As stated above, 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.** KOWEPO has confirmed that it will include and maintain a dedicated section in its website for this reporting. This includes a description of the project and value of the proceeds invested, as well as the associated quantitative green impacts

On the basis of the information provided by KOWEPO and the work undertaken, it is DNV's opinion that the Bond meets the criteria established in the Protocol and that it is also aligned with the Green Bond Principles 2025, which is to enable capital-raising and investment for new and existing projects with environmental benefits.



for DNV Business Assurance Korea Ltd.

Seoul, Republic of Korea / 18 July 2025

A handwritten signature in black ink, appearing to read "Chang Rok Yun" in a stylized, cursive script.

Chang Rok Yun
Senior Auditor

Project Team
DNV Business Assurance Korea

A handwritten signature in black ink, appearing to read "Yu Lee Jang" in a stylized, cursive script.

Yu Lee Jang
Accredited GHG Verifier

Technical Reviewer
DNV Business Assurance Korea

Schedule 1. Eligible Sustainability Bond Allocation and Disbursement

- Out of the total issuance amount (US\$ 300,000,000), full amount has been allocated to the eligible green projects, in the form of financing and refinancing
- Refinancing ratio: 69.7%

Project Description	Amount Allocated (USD mn) ¹		
	Jul.19~Jun. 22	Jun.22 ~ 25 YTD	Total
Renewable Energy – Solar Power	65.8	77.5	143.2
Renewable Energy – Wind Power	103.1	11.3	114.4
Renewable Energy – Hydro & Small Hydro	36.8	0.2	37.0
Renewable Energy - Maintenance	0.1	2.0	2.1
Energy Efficiency – ESS	3.2	0.1	3.3
Allocation Total	209.0	91.0	300.0

¹ USDKRW: 1,293.65 (as of 21st June 2022, Bloomberg)

Schedule 2. Impact Summary

Renewable Energy

Project Description	Capacity (MW)	Renewable Energy Production (MWh)	GHG Emissions Avoided ² (tCO ₂ e)
Solar Power	91.4	112,362.3	53,147.4
Wind Power	59.8	127,135.3	21,939.4
Hydro & Small Hydro	28.6	130,654.2	112,461.5
Renewable Energy Impact Total	179.8	370,151.8	187,548.3

Energy Efficiency

Project Description	Capacity ³ (MW)	Energy Efficiency Improved (%)
ESS 1	19.5	32.0%
ESS 2	15.6	49.0%
Energy Efficiency Impact Total	35.1	--

² EIB Projected Carbon Footprint Methodologies, January 2023: In calculating the GHG emissions avoided, KOWEPO's share (green bond allocation to the project in total) was considered.

³ KOWEPO's green bond share of the capacity: ESS 1 – 4% & ESS 2 – 48%

Schedule 3. KOWEPO-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 Bond Green/Social Use of Proceeds Revenue Bond Green/Social Project Bond Green/Social Securitized Bond Loan instrument made available for Green and Social project (Green and Social use of loan proceeds) 	<p>Review of:</p> <ul style="list-style-type: none"> KOWEPO's 2022 Green and Sustainability Financing Framework KOWEPO's 2025 Green Bond Report <p>Discussion with KOWEPO (or a delegated entity)</p>	<p>The reviewed evidence confirms that the Bond falls into the category:</p> <p>Green Use of the Proceeds</p>
1b	Sustainable Project Categories	<p>The cornerstones of Sustainability Bond and Loan are the utilization of the proceeds of the Bond which should be appropriately described in the legal documentation for the security.</p>	<p>Review of:</p> <ul style="list-style-type: none"> KOWEPO's 2022 Green and Sustainability Financing Framework Sub Project Performance and Financial Documentation KOWEPO's 2025 Green Bond Report <p>Discussion with KOWEPO (or a delegated entity)</p>	<p>DNV confirms that KOWEPO used the Bond proceeds for green projects in accordance with the 2025 Green Bond Principles.</p> <p>Green Projects</p> <ul style="list-style-type: none"> Renewable Energy and Energy Efficiency
1c	Green benefits	<p>All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<p>Review of:</p> <ul style="list-style-type: none"> KOWEPO's 2022 Green and Sustainability Financing Framework Relevant project documents 	<p>DNV reviewed data and calculation methods provided by KOWEPO to verify green impact of the invested projects. After DNV's review, nothing comes to our mind that rationale (or assumption) used in calculating environmental impacts was inappropriately made by KOWEPO.</p>

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
			<ul style="list-style-type: none"> Environmental impact verification related documents KOWEPO's 2025 Green Bond Report <p>Discussion with KOWEPO (or a delegated entity)</p>	
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.	<p>Review of:</p> <ul style="list-style-type: none"> KOWEPO's 2025 Green Bond Report Sub Project Performance and Financial Documentation <p>Discussion with KOWEPO (or a delegated entity)</p>	In total, USD 300 million were allocated (100% allocation) to the eligible projects from 2019 to 2025. The Company disclosed that allocation from July 2019 to June 2022 is considered as refinancing and its amount is USD 209 million. The refinancing share out of USD 300 million is 69.7%.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Sustainability Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Sustainability Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> A process to determine how the projects fit within the eligible Green and Social Projects categories identified in the Green/Social Bond Principles and Green/Social Loan Principles; The criteria making the projects eligible for using the Sustainability Bond proceeds; and 	<p>Review of:</p> <ul style="list-style-type: none"> KOWEPO's 2022 Green and Sustainability Financing Framework KOWEPO's 2025 Green Bond Report <p>Discussion with KOWEPO (or a delegated entity)</p>	DNV has reviewed evidence that demonstrates that KOWEPO follows the project evaluation and selection described in the Framework. Eligible projects were identified and selected via KOWEPO's project team in collaboration with relevant teams in alignment with the Framework.

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
		<ul style="list-style-type: none"> The environmental sustainability objectives, and the social objectivities 		
2b	Issuer/borrower's environmental and social and governance framework	In addition to information disclosed by an issuer on its Sustainability Bond process, criteria and assurances, Sustainability Bond and Loan investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.	<p>Review of:</p> <ul style="list-style-type: none"> KOWEPO's 2022 Green and Sustainability Financing Framework KOWEPO's 2025 Green Bond Report <p>Discussion with KOWEPO (or a delegated entity)</p>	<p>KOWEPO's Vision 2035:</p> <p>Under the Korean Government's overarching strategy to reach carbon neutrality by 2050, KOWEPO strives to expand the renewable energy businesses. In addition, under KOWEPO's Vision 2035, the Company has set up four strategic directions:</p> <ol style="list-style-type: none"> 1. Improve competitive advantage through the best technical skills and quality 2. Secure sustainability through creating future growth engines 3. Social responsibility through Eco & Safe power 4. Improve public value based fairness and responsibility. <p>KOWEPO's Renewable Energy Roadmap:</p> <p>In order to move forward to carbon neutrality, KOWEPO aims to increase renewable energy capacity up to 11,232MW by 2035. According to the KOWEPO's renewable energy roadmap, the Company targets to invest KRW 5.2tn to renewable energy businesses, thus generating a total of 11,849GWh via renewable energy businesses by 2035, which accounts for 29.7% of the total generation.</p>

3. Management of Proceeds

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Sustainability 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/Social Projects.	<p>Review of:</p> <ul style="list-style-type: none"> KOWEPO's 2022 Green and Sustainability Financing Framework The Bond Register (provided in excel sheet) KOWEPO's 2025 Green Bond Report 	DNV has reviewed evidence showing how KOWEPO has traced the proceeds, from the time of issuance to the time of disbursement. The net proceeds of the Bond have been managed by KOWEPO's Budget and Financing Office, and the proceeds of the Bond were deposited in the general accounts. An amount equal the net proceeds were earmarked for allocation to the eligible projects, in accordance with the Framework. KOWEPO also maintained a register to keep track of the use of proceeds for the Bond.

			Discussion with KOWEPO (or a delegated entity)	DNV confirms that the KOWEPO's internal process can manage and track the outstanding balance of the Bond.
3b	Tracking procedure	So long as the Sustainability Bonds and Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green/social investments or loan disbursements made during that period.	Review of: <ul style="list-style-type: none"> • KOWEPO's 2022 Green and Sustainability Financing Framework • The Bond Register (provided in excel sheet) • KOWEPO's 2025 Green Bond Report Discussion with KOWEPO (or a delegated entity)	DNV can confirm that at the end of each financial period, KOWEPO reviewed the outstanding balance of the Bond, reducing by amounts matching eligible green or social investments made during that period.
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 instruments for the balance of unallocated proceeds.	Review of: <ul style="list-style-type: none"> • KOWEPO's 2022 Green and Sustainability Financing Framework • KOWEPO's 2025 Green Bond Report Discussion with KOWEPO (or a delegated entity)	KOWEPO can confirm that pending allocation, the net proceeds from the Bond issued were invested in cash or cash equivalents, and short-term money market instruments. As of 15 July 2025, the pending allocation doesn't exist.

4. Reporting

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Sustainability Bond proceeds have been allocated including <ul style="list-style-type: none"> • when possible with regards to confidentiality and/or competitive considerations 	Review of: <ul style="list-style-type: none"> • KOWEPO's 2022 Green and Sustainability Financing Framework • KOWEPO Website • KOWEPO's 2025 Green Bond Report Discussion with KOWEPO (or a delegated entity)	KOWEPO will upload the Annual Report on its website. https://www.iwest.co.kr/eng/850/subview.do The Annual Report includes a description of the projects and value of the proceeds invested, as well as associated qualitative and quantitative green and social impacts.

		<ul style="list-style-type: none">• a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.		
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WHEN TRUST MATTERS

About DNV

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