KOSPO
KOREA SOUTHERN POWER CO.,LTD.

KOSPO Green Bond Impact Report

2023 February

KOSPO 2022 ESG Highlights

Vision 2030: Mid/ Long-Term Business Plan

In 2022, Korea Southern Power Co. ("KOSPO") has declared its Vision 2030, a mid/ long-term business plan to lead the future clean energy business and to lift the productivity and efficiency of businesses. Under its Vision 2030 "We lead clean energy for the people," the company has established 4 main strategies and detailed goals for each strategies:

2030 Mid/ Long-Term Business Strategy

To Lead Future Energy Businesses

- Total Facility Capacity 17GW
- New Growth Business Sales KRW 2tn

To Lead Sustainable Management

- Serious Accident Zero
- Integrity Level 1

To Covert into Low-Carbon Power System

- Coal to LNG Conversion 100%
- GHG Reduction 50%

To Innovate Result-Oriented Management

- KOSPO Innovation Index Level A
- Debt Ratio under 200%

Green Bond Key Figures

In 2021, KOSPO issued a USD 450mn senior unsecured green bond. The proceeds from the bond will be allocated to eligible projects in accordance with KOSPO's Green Financing Framework.

Issuer	Korea Southern Power Co. ("KOSPO")
Issuer Ratings	A1 (Moody's) / A+ (S&P)
Issue Date	January 27, 2021
Use of Proceeds	Under KOSOP's Sustainable Financing Framework
Tenor/ Type	5Y/ Senior Unsecured
Issued Amount	USD 450 million
Coupon	0.750%
ISIN	RegS: USY4949FAF28/ 144A: US50065AAC80

Allocation Summary[1)]

2019 ~ 2021 — KRW 304.5bn (=USD 276.2mn)

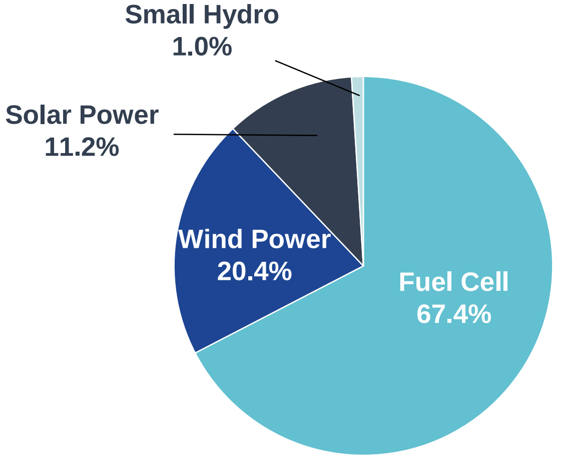
2022 — KRW 64.6bn (=USD 58.6mn)

Note: 1) USDKRW = 1,103.00 (as of 27th Jan 2021)

2019 – 2022 Allocation Reporting

Green Asset Portfolio Breakdown by Project Types

Green Asset Portfolio Breakdown(%)



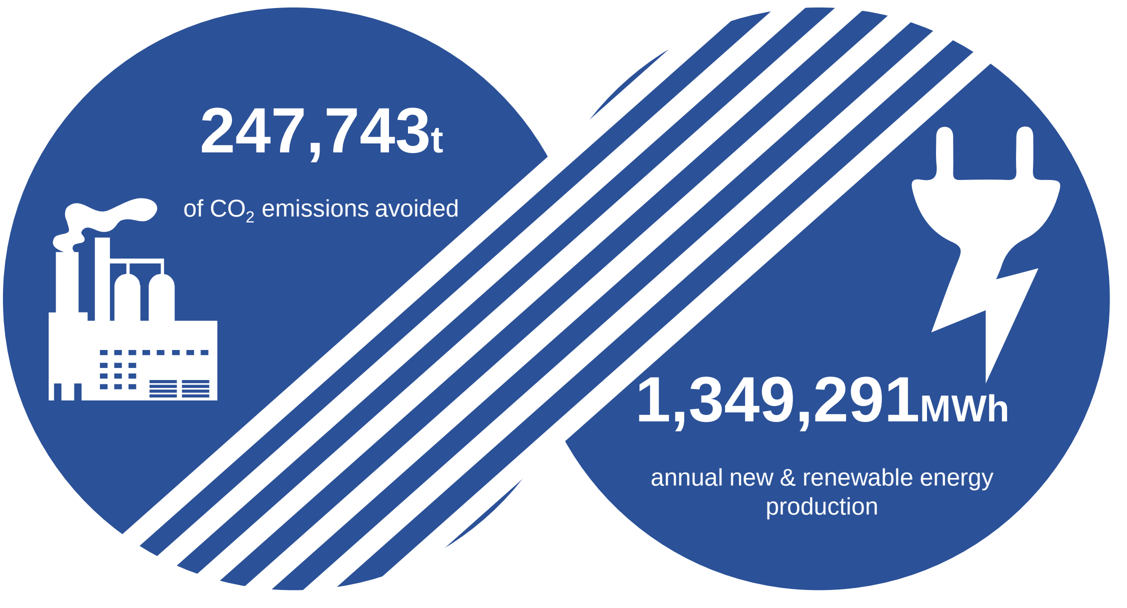
Allocation Breakdown (Total Allocation: USD 334.8 million)

Project Description	Amount Allocated1) (USD million)			
	2019	2020	2021	2022
Domestic Fuel Cell Projects	115.6	16.8	51.6	41.8
Wind Power Projects				
Domestic	1.9	2.0	37.7	4.6
Overseas	-	14.6	5.3	2.2
Domestic Solar Power Projects	7.9	13.5	6.1	9.9
Domestic Small Hydro Projects	-	0.5	2.7	0.1
Total Allocation	**125.4**	**47.4**	**103.4**	**58.6**

Note: 1) USDKRW = 1,103.00 (as of 27th Jan 2021)

2019 – 2022 Impact Reporting

Impact Highlights



Impact Breakdown (2019 – 2022 Total)

Project	Capacity (MW)	New & renewable energy production (MWh/year)	Avoided GHG emissions (ton CO_2 equiv.)
New and Renewable Energy			
Domestic Fuel Cell Projects	79.2	638,273	73,401
Wind Power Projects			
Domestic	165.1	332,643	82,946
Overseas	51.8	181,332	42,976
Domestic Solar Power Projects	141.5	185,912	44,691
Domestic Small Hydro Projects	2.0	11,131	3,729
Total	**439.6**	**1,349,291**	**247,743**

Calculation Methodologies

Following the EIB guidelines, the GHG emissions avoided have been calculated as the product of the energy production in MWh by the country specific baseline for the carbon intensity of the national grid for intermittent and firm electricity generation.

(https://www.eib.org/attachments/strategies/eib_project_carbon_footprint_methodologies_en.pdf).

Case Study

Projects Supporting the Korea Government's 2050 Carbon Neutrality Plan

Shin Incheon Fuel Cell Project

- **Capacity:** **79.20MW**
- **Description:** Building a hydrogen fuel cell power plant in Shin Incheon Complex
- **Project Objective:** To build **the largest fuel cell plant in the world** and to lead the hydrogen economy in Korea
- **Share Structure:** 100% owned by KOSPO
- **(E) Annual CO2 avoided[1]:** 73,401 tCO2/year

Busan Newport Photovoltaics

- **Capacity:** **2.12MW**
- **Description:** Installing rooftop photovoltaic panels in the Busan Newport
- **Project Objective:** To build **the largest Green Port in the world** and to create jobs for local economic development
- **Share Structure:** 100% owned by KOSPO
- **Expected Annual CO2 avoided[2]:** 1,315 tCO_2/year

KOSPO's Mandatory New and Renewable Energy Supply
(% of Total Korea New and Renewable Energy Supply)

Year	2021	2022(E)	2023(E)	2024(E)	2025(E)	2026(E)	2027(E)
New and Renewable Energy (%)	9.0	12.5	14.5	17.0	20.5	25.0	25.0

Note: 1) Including Shin Incheon Fuel Cell Phase Ⅱ LTSA, Ⅲ, Ⅲ LTSA, and Ⅳ
2) Including Busan Newport Photovoltaics Phase Ⅰ of which the project size is 2.00MW