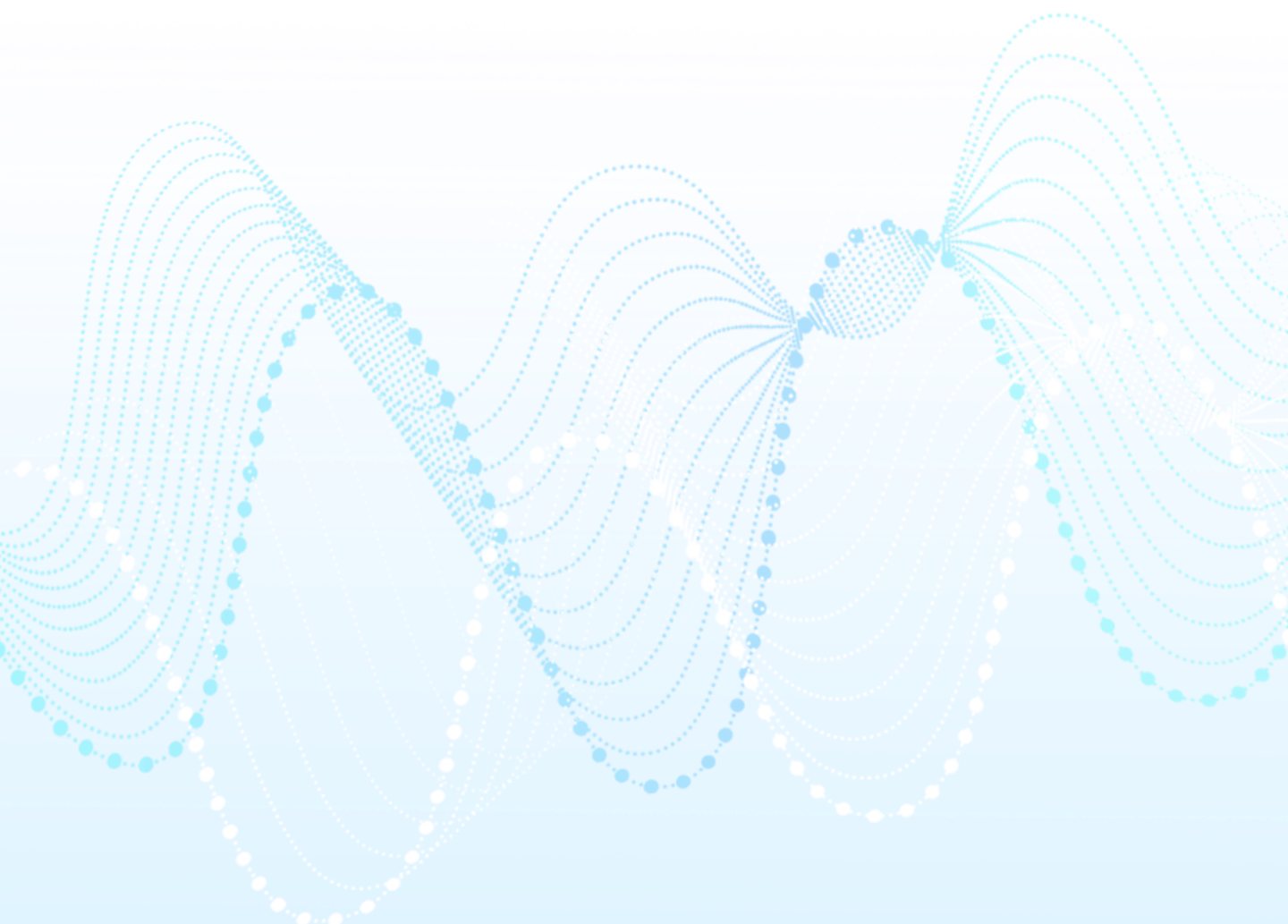


K-water

Annual Green Bond Report





October 2023



K-water ESG Management Strategy

Water-specialized ESG Management

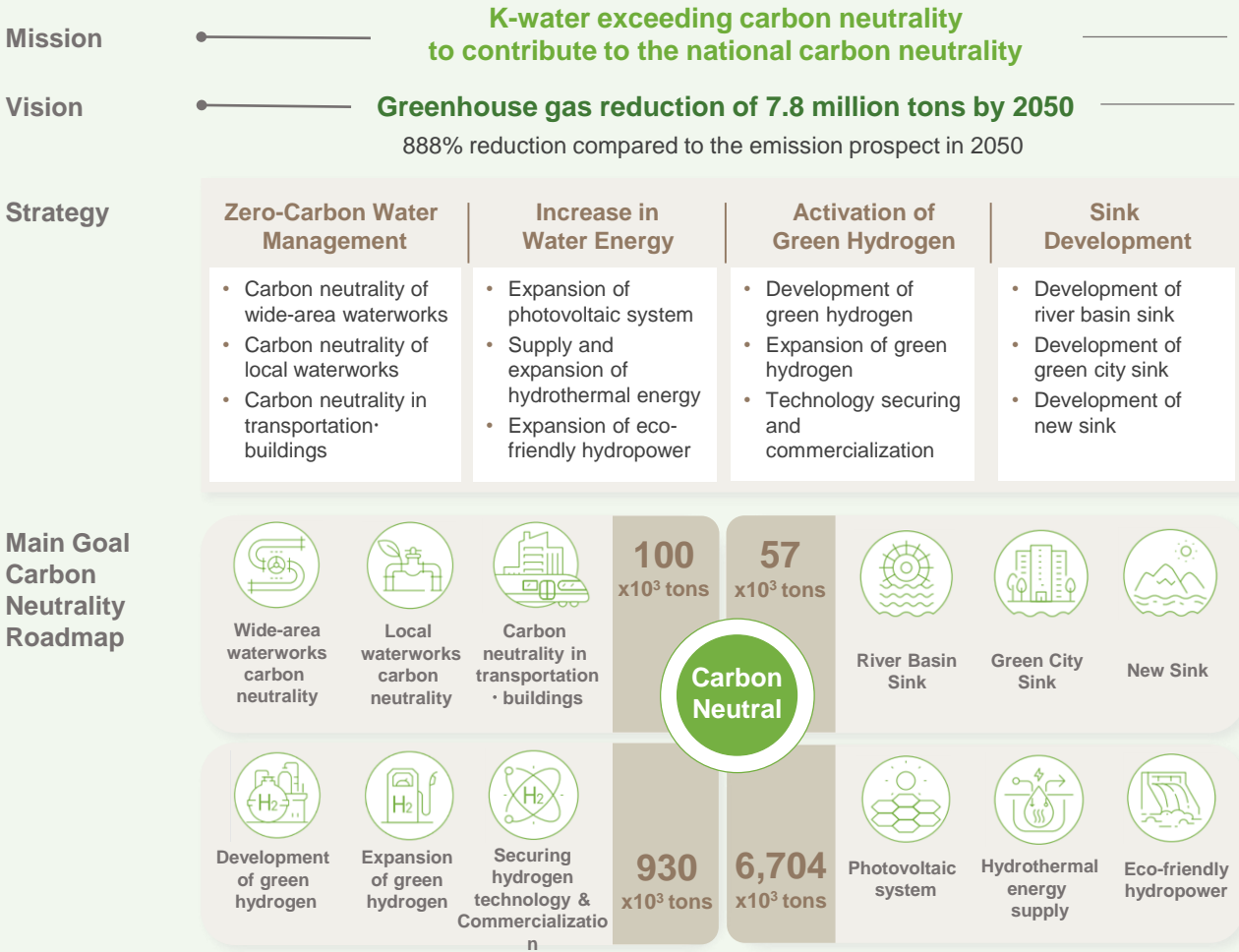
In March, 2021, K-water declared the mantra of 'Water-centered ESG management' as a solution to nationwide public water safety and welfare to emerge as a leader in ESG management. In achieving the water-centered ESG management, it is essential to adopt management policies and ESG performance management in terms of 'strengthening sustainable management capacity' and 'expanding social value'.

Mission	Future opened with water; happiness shared with water		
Vision	The world's best integrated water platform company		
Core Value	Embracemen 	Safety 	Trust  Challenge 
ESG Management Principles	E	Sustainable coexistence of human and nature is pursued	Environmental
	S	Public good for society is targeted via win-win partnership	Social
	G	Transparent decision-making based on communication	Governance
Strategic Direction	1	Realization of integrated water management that is safe to climate change	
	2	Secure supply water that everyone can trust and drink	
	3	Realization of world-leading water value nexus	
	4	Dynamic innovative communication creating value	
2026 Strategic Target	Safe Water Project (Water Environment)		Water Sharing Project (Metropolitan)
	<ul style="list-style-type: none"> Achieve water quality goal of Grade (34 dams) Diversify water intake sources (Secure 90.31mn-m³/year) ZERO Water Disasters 8 linked projects between water resources 100% construction of digital twin (Smart safety management on 27 Dams / Water management platform on 5 River Basins) 		<ul style="list-style-type: none"> Achieve water welfare benefiting 28,600 ppl Achieve 100% prevention on water supply outage Achieve 70% in tap water drinking rate (including indirect drinking) Establishing integrated information support system on 161 water works nation wide 100% construction of smart infrastructure
	Water Convergence Project (Green Infrastructure·Global)		Functional Strategy
	<ul style="list-style-type: none"> Participate in 14 MDB cooperation projects Supply 3.3GW/year on floating photovoltaic·hydrotheramal 2.66tons/year of green hydrogen Constructing 10 climate resilient eco-city Developing 10 preliminary unicorns for the water industry Operating and expanding 40 digital water platforms 		<ul style="list-style-type: none"> Trust Index: Achievement of 85 points Agile Organization: 30EA Serious Disasters: ZERO (A) grade in ESG: Achieved / Maintained Cloud: Enterprise-wide expansion (Approx. 8,000EA)

K-water 2050 Carbon Neutrality Roadmap

Roadmap and Main Goal of K-water’s 2050 Carbon Neutrality

As the agency specializing in water management, K-water established the “K-water 2050 Carbon Neutrality Road Map” for the preemptive implementation of carbon neutrality. According to the direction of zero-carbon water management, energy conversion, and sink, 4 strategic directions and 12 detailed tasks were established including carbon reduction in the overall process of water management, increase in water energy, activation of green hydrogen, and development of sink, with the carbon-neutrality planning department and green energy division established in the carbon neutrality control tower of the green transition division to convey the strong will for achieving the goal of carbon neutrality



First Public Corporation for Subscription to Global RE100

K-water declared “Climate Crisis Management” in 2020 and joined as a member of “Global RE100” in April 2021 for the first time among public corporations. Efforts are continued for the early achievement of RE100 by developing new energy resources and utilizing the REC on the existing renewable energy owned such as energy saving through low-energy water management, introduction of photovoltaic and hydrothermal energy for self-consumption by utilizing idle site in the water purification plant, floating photovoltaic energy generation, etc.

K-water Green Bond Summary

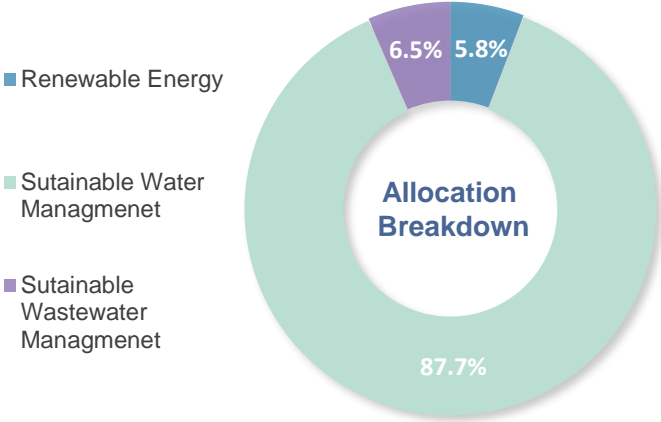
Key Issuance Metrics

Key Issuance Metrics	
Issuer	Korea Water Resources Corporation (“K-water”)
Issuer Ratings	Aa2 (Stable) by Moody’s / AA (Stable) by S&P
Bond Format/ Type	RegS/ Fixed Rate, Senior Unsecured
Pricing Date	20 April 2022
Currency/ Size	USD 350m
Maturity Date	27 April 2025 (3-year)
Coupon	3.500%
Use of Proceeds	Net proceeds will be allocated to new and existing projects from any of the eligible project categories in accordance with K-water’s Green Bond Framework.
ISIN	XS2465969132



Allocation Reporting Summary

Allocation Summary



USD 350m
Allocated to
10 projects
under
3 Eligible Categories

Allocation Breakdown (refinancing ratio: 51.6%)

Eligible Green Categories	Project Description	Amount Allocated (USDm) ¹
Renewable Energy	Development of Gunwi Dam Floating Solar Power Plant	3.43
	Development of Soyang River Hydropower Plant	1.17
	Improvement and Maintenance of Sihwa Tidal Power Plant	4.28
	Development of Onshore Solar Power Plant	6.27
	Development of Chungju Dam Floating Solar Power Plant	3.06
	Construction of Chungju Jojungji Hydropwer Plant	2.11
Sustainable Water Management	Establishment of Water Supply Ecosystem at Han River Downstream Areas IV	14.34
	Establishment of Water Supply Ecosystem at Geumgang River	3.18
	Maintenance of Wide-area Waterworks to Secure Water Supply	289.45
Sustainable Wastewater Management	Construction and Maintenance of Wastewater Treatment Facilities	22.71
Total		350.00

Note: 1) USDKRW Currency: 1312.8 (as of 30 Jun 2023)

Impact Reporting Summary

Impact Breakdown

Eligible Green Project Categories	Sub Category	Impact Indicators
Renewable Energy	Solar (Onshore + Floating)	<ul style="list-style-type: none"> Installed capacity: 20MW Annual power generation: 26,280 MWh/ year Reduction of GHG emission: 12,430 tons/ year
	Hydro	<ul style="list-style-type: none"> Installed capacity: 5.68MW Annual power generation: 15,610 MWh/ year Reduction of GHG emission: 7,384 tons/ year
	Tidal	<ul style="list-style-type: none"> Annual power generation: 3,961 MWh/ year Reduction of GHG emission: 1,874 tons/ year
Sustainable Water Management	Water Supply System	<ul style="list-style-type: none"> Avoided water leakage : 564,130m3 per day Number of people and cities served: 1,867,980 ppl
Sustainable Wastewater Management	Wastewater System	<ul style="list-style-type: none"> Amount of wastewater treated : 1,470 m3 per day Number of people and cities served: 9,655 ppl

Project: Renewable Energy

1) Development of Gunwi Dam Floating Solar Power Plant

✓ Installed capacity: 3MW



2) Development of Soyang River Hydropower Plant

✓ Installed capacity: 680kW



3) Improvement and Maintenance of Sihwa Tidal Power Plant



Project: Renewable Energy

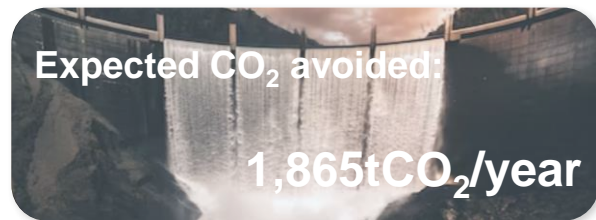
4) Development of Onshore Solar Power Plant

✓ Installed capacity: 14MW



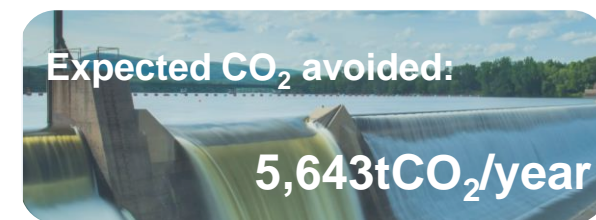
5) Development of Chungju Dam Floating Solar Power Plant

✓ Installed capacity: 3MW



6) Construction of Chungju Jojungji Hydropower Plant

✓ Installed capacity: 5MW



Project:
Sustainable Water Supply

1) Establishment of Water Supply Ecosystem at Han River Downstream Areas IV

- ✓ Purifying facilities: 2 (Goyang & Paju)
- ✓ Booster station: 4
- ✓ Water pipe: 32.6km
- ✓ Amount of water supply: **130,000m³ per day**
- ✓ Number of people and cities served: **430,464**

2) Establishment of Water Supply Ecosystem at Geumgang River

- ✓ Water pipe: 7.0km
- ✓ Booster station: 2
- ✓ Amount of water supply: **23,000m³ per day**
- ✓ Number of people and cities served: **76,159**

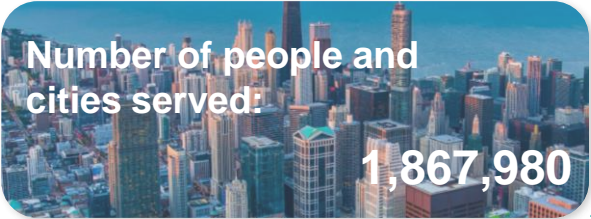
3) Maintenance of Wide-area Waterworks to Secure Water Supply

- ✓ Improvement in water supply : **411,130m³ per day**
- ✓ Number of people and cities served: **1,361,358**

Total Impact



Water supply improvement:
564,130/m³ per day



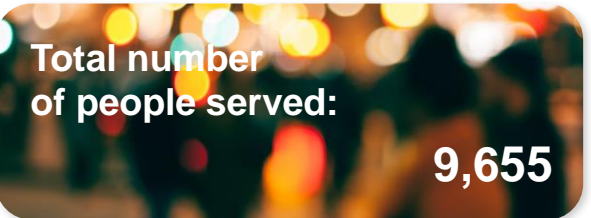
Number of people and cities served:
1,867,980

Project:
Sustainable Wastewater Supply

Construction and Maintenance of Wastewater Treatment Facilities



Quantity of wastewater treated:
1,470m³ per day









Total number of people served:
9,655

K-water Green Financing Framework

Overview of K-water Green Financing Framework

K-water updated its previous Green Bond Framework and renamed to Green Financing Framework (the “Framework”) in 2022. The Framework got SPO from S&P Global Ratings, and Sustainalytics. The Framework is aligned with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2021.

Eligible Green Project Categories	Eligible Criteria and Description	Main Environmental Objectives	Main Alignment to UNSDG
Renewable Energy	<ul style="list-style-type: none"> Acquisition, construction, development, deployment, operation, maintenance and upgrade of infrastructure related to renewable energy including: <ul style="list-style-type: none"> ✓ Solar energy ✓ Tidal energy ✓ Hydropower ✓ Hydrothermal energy ✓ Green Hydrogen 	Climate Change Mitigation	
Sustainable Wastewater Management	<ul style="list-style-type: none"> Wastewater treatment facilities or pumping stations, subject to the relevant net energy consumption levels for new plants Renovation or upgrade work for wastewater treatment facilities achieving an expected 20% reduction in energy consumption 	Pollution Prevention and Control; Climate Change Mitigation	 
Sustainable Water Management	<ul style="list-style-type: none"> Construction, development, operation, maintenance, renovation and upgrade of water supply infrastructure to increase efficiency, accessibility and management of water delivery systems subject to the certain criteria 	Natural resource Conservation	 
Climate Change Adaptation	<ul style="list-style-type: none"> Development of nature-based waterways and adjoining waterfront areas to achieve flood prevention and control, and preservation of aquatic biodiversity for flood mitigation Research and development of climate change adaptation technology 	Climate Change Adaptation; Biodiversity conservation	

Project Selection and Evaluation	Management of Proceeds	Reporting	External Review
<ul style="list-style-type: none"> Refinancing of Eligible Projects will have a look-back period of no longer than 24 months from the time of issuance. 	<ul style="list-style-type: none"> The Ledger will contain: <ul style="list-style-type: none"> ✓ Maturity date ✓ Coupon/ Interest rate ✓ Currency ✓ Amount ✓ ISIN (for Green Bonds) 	<ul style="list-style-type: none"> The % of allocated proceeds vs. the total amount of proceeds The % of proceed allocation by Eligible Categories Remaining balance of unallocated proceeds The refinancing ratio Case studies 	