



KOREA DEVELOPMENT BANK (KDB) 2025 GREEN BOND IMPACT REPORT PERIODIC REVIEW



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This statement is valid until the 2025 Green Bond Impact Report provided in March 2025 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'S INDEPENDENT ASSESSMENT

Scope and Objectives

Korea Development Bank (hereinafter "KDB" or the "Bank") issued green bonds as follows:

No	Issue Year	Maturity	Size	Use of Proceeds	ISIN
1	2021	2031	CHF 200mn	Renewable Energy	CH1121837228
2	2021	2051	USD20mn	Renewable Energy & Clean Transportation	XS2395577674
3	2021	2025	USD 700mn	Renewable Energy & Clean Transportation	US500630DM73
4	2022	2032	USD 40mn	Clean Transportation	XS2458348294
5	2022	2027	CHF 225mn	Renewable Energy & Clean Transportation	CH1179184424
6	2022	2029	HKD 390mn	Renewable Energy & Clean Transportation	XS2476745430
7	2022	2029	HKD 169mn	Renewable Energy & Clean Transportation	XS2478301380
8	2022	2032	HKD 349mn	Renewable Energy & Clean Transportation	XS2496446845
9	2022	2026	MXN 3,500mn	Renewable Energy & Clean Transportation	MXCDKD000007
10	2024	2025	BRL 250mn	Renewable Energy & Clean Transportation	XS2926260618
Total			USD 1,549mn		

DNV has been commissioned by KDB to provide the review of KDB's 2025 Green Bond Impact 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 KDB 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 report, no assurance is provided regarding the financial performance of the Issuer, the value of any investments of the Bonds, or the long-term environmental benefits arising from the nominated projects. Our main objective of these reviews has been to provide an assessment that the Bonds have met the criteria established on the basis set out below.

Responsibilities of the Management of KDB and DNV

The management of KDB 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 KDB management and other interested stakeholders in the Bonds 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 KDB. 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 KDB 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 Bonds 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 Bonds should outline the process it follows when determining eligibility of an investment using the Bonds 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 the Bonds 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 Sustainability Reporting to the bond investors should be made of the use of the Bonds 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 KDB 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 KDB and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by KDB and KDB's website;
- Discussions with KDB'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.** KDB has reported use of the proceeds of the Bonds to finance and refinance projects and assets including:

Green Projects

- Renewable Energy (Onshore and offshore wind power, solar power)
- Clean Transportation (Electric Car Parts and EV battery)

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 Bonds were used in accordance with the Framework.

2. **Principle Two: Process for Project Evaluation and Selection.** The bonds' proceeds have been allocated to finance and refinance the assets as defined in Schedule 1. DNV has reviewed evidence that demonstrates that KDB regularly assesses opportunities for improvement and devises action plans and initiatives to mitigate negative environmental impact from its operations. In order to strengthen eligible project selection process, credit committee reviewed environmental review report of the projects. Then the treasury department allocated the proceeds to the eligible projects.
3. **Principle Three: Management of Proceeds.** DNV has reviewed evidence showing how KDB traced the proceeds from the bonds, from the time of issuance to the time of disbursement. The full amount of the proceeds will be managed within its existing accounting system, and thereafter disbursed in accordance with its financing schedule. The details of the disbursement and the outstanding value will be tracked using KDB's internal financial reporting system. At the end of each financial period, KDB reviews the outstanding balance of the bonds. As stated above, DNV provides no assurance regarding the financial performance of the bonds, the value of any investments in the bond, or the effects of the transaction.
4. **Principle Four: Reporting.** KDB has confirmed that it will upload its impact report in its website. This 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 KDB and the work undertaken, it is DNV's opinion that the bonds meets the criteria established in the Protocol and that it is aligned with the Green Bond Principles, 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 / 1 April 2025



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Schedule 1. Nominated Projects & the Proceeds Allocation

- Total amount of ESG Bonds: USD 1.5 billion
- Allocated Amount: 100% is allocated out of the total amount
- Refinanced Ratio (%): 38.6%

Green Bond Series	Sector	Total Project Size (USD mn)	KDB Share (USD mn)			Status of Projects	
			Total share size	Disbursed Outstanding Amount	To be Disbursed	Operation	Construction
6 th Green Bond (CH1121837228)	Solar	1,043	198	68	-		
	Onshore Wind	629	84	59	-		
	Offshore Wind	6,829	184	133	6		
	Sub Total	8,501	465	260	6	58%	42%
7 th Green Bond (XS2395577674)	Electric Car Parts	92	20	20	-		
	Sub Total	92	20	20	-	100%	0%
8 th Green Bond (US500630DM73)	EV Batteries	3,031	504	470	-		
	Offshore Wind	3,311	80	67	6		
	Onshore Wind	405	25	91	-		
	Solar	1,494	234	153	2		
	Sub Total	8,240	943	781	8	91%	9%
10 th Green Bond (XS2458348294)	EV Battery	500	40	40	-		
	Sub Total	500	40	40	-	100%	0%
11 th Green Bond (CH1178184424)	Offshore Wind	7,858	172	113	24		
	Onshore Wind	465	85	85	-		
	Solar	186	92	43	-		
	Sub Total	8,508	349	242	24	16%	84%
12 th Green Bond	Offshore Wind	6,217	103	70	4		
13 th Green Bond	Electric Car Parts	205	75	75	-		
14 th Green Bond	Sub Total	6,422	178	145	4	100%	0%
15 th Green Bond (MXCDKD000007)	Electric Car Parts	115	30	30	-		
	EV Battery	2,700	300	14	286		
	Offshore Wind	3,277	127	75	41		
	Solar	960	67	61	-		
	Sub Total	7,052	524	179	327	18%	82%
16 th Green Bond (XS2926260618)	Electric Car Parts	118	40	40	-		
	Offshore Wind	557	44	33	8		
	Sub Total	675	84	73	8	49%	51%
Grand Total		39,992	2,602	1,740	377		

Schedule 2. Impact Reporting

Breakdown of CO₂e Avoided from green portfolio

Portfolio category	KDB Share (USD mn)	Estimated CO ₂ e Avoided: (tCO ₂ /Year)	CO ₂ e Avoided* (tCO ₂ /USD 1.0mn)
Renewable Energy	1,594	1,063,652	667
Clean Transportation	1,009	3,414,692	3,383
Total	2,603	4,478,343	1,720

Breakdown of CO₂e Avoided from Renewable Energies

Green Bond Series	Total Project		KDB Share		
	Expected Energy Production (GWh/Year)	Estimated CO ₂ e Avoided (tCO ₂ /Year)	Expected Energy Production (GWh/Year)	Estimated CO ₂ e Avoided (tCO ₂ /Year)	CO ₂ e Avoided (tCO ₂ /USD 1.0mn)
6	7,406	2,540,237	542	195,687	421
8	7,061	3,525,830	1,021	548,710	1,250
11	9,035	2,889,370	370	119,364	342
12-14	6,325	2,194,146	109	37,151	361
15	6,272	2,319,928	310	121,061	624
16	1,018	532,185	80	41,679	947
Total	37,117	14,001,697	2,432	1,063,652	667

Breakdown of Clean Transportation

Green Bond Series	Total project		KDB Share		
	Annual Production of Electric Vehicles	Annual CO ₂ e Avoided	Annual Production of Electric Vehicles	Annual CO ₂ e Avoided	CO ₂ e Avoided per USD mn
7	620,000	2,419,810	134,783	526,046	26,302
8	950,000	3,707,773	151,457	591,123	1,172
10	340,000	1,326,993	27,200	106,159	2,654
12-14	540,000	2,107,576	333,315	1,300,903	17,345
15	580,000	2,263,693	109,508	427,402	1,295
16	350,000	1,366,022	118,644	463,058	11,576
Total	3,380,000	13,191,867	874,907	3,414,692	3,383

Schedule 3. KDB-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"> 2017 Green Bond Framework 2019 Sustainable Bond Framework 2025 Green Bond Impact Report <p>Discussion with KDB (or a delegated entity)</p>	<p>The reviewed evidence confirms that the BONDS fall in 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 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"> 2017 Green Bond Framework 2019 Sustainable Bond Framework Sub Project Performance and Financial Documentation 2025 Green Bond Impact Report <p>Discussion with KDB (or a delegated entity)</p>	<p>The proceeds of the BONDS were used to finance and refinance projects falling under the following categories:</p> <p>Green Category</p> <ol style="list-style-type: none"> Renewable Energy <ul style="list-style-type: none"> Wind Power Project Solar Power Project Clean Transportation <ul style="list-style-type: none"> Electric Vehicle Battery Electric Vehicle Parts

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"> 2017 Green Bond Framework 2019 Sustainable Bond Framework Environmental impact verification related documents 2025 Green Bond Impact Report Discussion with KDB (or a delegated entity)	<p>DNV reviewed the data provided by KDB to verify the impacts and nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level and that the assumptions used were inappropriate.</p> <ul style="list-style-type: none"> The calculation was verified by the DNV Business Assurance Korea's GHG verification team. <ul style="list-style-type: none"> Renewable Energy: the European Investment Bank (EIB) Carbon Footprint Methodologies² and International Renewable Energy Agency (IRENA) Energy Profile. Clean Transportation: Electric Vehicle Database³, US Department of Transportation⁴, and EIB Carbon Footprint Methodologies⁵ <p>DNV's assessment concluded that the above-mentioned investment fall into eligible green categories, thus leading to positive environmental outcomes.</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.	Review of: <ul style="list-style-type: none"> 2025 Green Bond Impact Report Sub Project Performance and Financial Documentation Discussion with KDB (or a delegated entity)	<p>DNV confirms that the proceeds of the Bonds were allocated to the eligible projects as follows:</p> <ul style="list-style-type: none"> Total amount of Green Bonds: USD 1.5bn Refinanced Ratio (%): 38.6%

² https://www.eib.org/attachments/lucalli/eib_project_carbon_footprint_methodologies_2023_en.pdf

³ <https://ev-database.org/cheatsheet/useable-battery-capacity-electric-car>

⁴ <https://www.fhwa.dot.gov/ohim/onh00/bar8.htm>

⁵ The avoided amount of CO₂e was estimated under the assumption that KDB's invested EV battery and electric car parts were fully used for producing EV. However, since the invested projects correspond to part of entire EV production, the actual avoided amount could be less than that of this report.

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 The environmental sustainability objectives, and the social objectivities 	<p>Review of:</p> <ul style="list-style-type: none"> 2017 Green Bond Framework 2019 Sustainable Bond Framework 2025 Green Bond Impact Report ERP snapshot (showing E&S screening process is observed) <p>Discussion with KDB (or a delegated entity)</p>	<p>KDB has confirmed to DNV that the project evaluation and selection process has been conducted in accordance with the Framework.</p> <p>Credit committee reviewed environmental review report of the projects for strengthening evaluation and selection process. Then the treasury department allocated the proceeds to the eligible projects.</p>
2b	Issuer/borrower's environmental and social and governance framework	<p>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>	<p>Review of:</p> <ul style="list-style-type: none"> KDB Financial Group Sustainability Report 2023 2017 Green Bond Framework 2019 Sustainable Bond Framework 2025 Green Bond Impact Report <p>Discussion with KDB (or a delegated entity)</p>	<p>KDB is committed to placing sustainability at the core in its loan providing activities. Its website discloses related activities with the Bank's commitments, corporate social responsibility, and E&S risk management.</p> <p>https://www.kdb.co.kr/CHGLIR05N00.act? mnuld=IHIHEN0028&JEX_LANG=EN</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.	Review of: <ul style="list-style-type: none"> 2017 Green Bond Framework 2019 Sustainable Bond Framework 2025 Green Bond Impact Report ERP snapshot Discussion with KDB (or a delegated entity)	<p>The evidence reviewed shows how KDB has tracked the bonds' proceeds appropriately, from the time of issuance to the time of disbursement. The details of the disbursement and the outstanding value have been tracked by KDB's internal financial system.</p> <p>DNV confirmed that KDB's internal process can manage and track the outstanding balance of the Green Bonds.</p>
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 investments or loan disbursements made during that period.	Review of: <ul style="list-style-type: none"> 2017 Green Bond Framework 2019 Sustainable Bond Framework Sustainable Financing Register (provided in summarized excel sheet) ERP snapshot 2025 Green Bond Impact Report Discussion with KDB (or a delegated entity)	<p>The evidence reviewed shows that KDB has traced the proceeds from the bonds, from the time of issuance to the time of disbursement, and reduced the net balance of proceeds by amounts in line with its financing schedule. At the end of each financial period, 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 instruments for the balance of unallocated proceeds.	Review of: <ul style="list-style-type: none"> 2017 Green Bond Framework 2019 Sustainable Bond Framework 2025 Green Bond Impact Report Discussion with KDB (or a delegated entity)	<p>KDB has communicated with DNV that unused proceeds are managed as cash in the main deposit account with risk-free deposit rate.</p>

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"> KDB Website KDB's 2025 Green Bond Impact Report <p>Discussion with KDB (or a delegated entity)</p>	<p>KDB will upload this Investor Newsletter on its website https://www.kdb.co.kr/index.jsp.</p> <p>As of the end of 2024, total proceeds of the Bonds were fully allocated.</p>



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