



WHEN TRUST MATTERS



INCHEON INTERNATIONAL AIRPORT CORPORATION SUSTAINABILITY FINANCE FRAMEWORK



Incheon Airport

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This statement is valid until the Framework provided on 9th April 2021 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.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. 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.

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

DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

Incheon International Airport Corporation ("IIAC")² is a Korean public enterprise established with the aim of facilitating air transportation through efficient construction, management and operation of Incheon International Airport. IIAC was established on February 1, 1999 in accordance with the Incheon International Airport Corporation Act (Act No. 5689).

IIAC has developed the Sustainability Finance Framework (the "Framework") under which it issues the Green, Social, and Sustainability Bonds as defined in the Green Bond Principles 2018 ("GBP")³, Social Bond Principles 2020 ("SBP")⁴ and Sustainability Bond Guidelines 2018 ("SBG")⁵ set forth by International Capital Market Association ("ICMA").

DNV Business Assurance Korea Ltd. ("DNV")⁶ has been commissioned by IIAC to review the Sustainability Finance Framework and provide a Second Party Opinion on the Framework. Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of instruments issued via the IIAC's Framework, the value of any investments, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of IIAC and DNV

The management of IIAC 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 IIAC management and other interested stakeholders in the Framework as to whether the Framework is aligned with GBP, SBP and SBG. In our work we have relied on the information and the facts presented to us by IIAC. 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 IIAC's management and used as a basis for this assessment were not correct or complete.

² <https://www.airport.kr/co/en/index.do>

³ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

⁴ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

⁵ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

⁶ <https://www.dnvgl.co.kr/assurance/index.html>

Basis of DNV's opinion

We have adapted our assessment methodology to create the IIAC-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 Framework has been reviewed are grouped under the four core components:

1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond/a borrower of a loan must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental and social benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond/a borrower of a loan should outline the process it follows when determining eligibility of an investment using Green, social & Sustainability Bond/Loan proceeds, and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a bond/a loan should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.

4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of 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 IIAC 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 Framework, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by IIAC on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by IIAC and IIAC's websites;
- Discussions with IIAC's management, 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. Use of Proceeds

IIAC intends to use the proceeds from the bond issued under the Framework to finance or refinance, in whole or in part, Eligible Green Project Categories and Eligible Social Project Categories. The framework defines the following eligible project categories.

Eligible Green Project Categories

- Renewable Energy
- Energy Efficiency
- Green Buildings
- Clean Transportation
- Pollution Prevention and Control
- Terrestrial and aquatic biodiversity conservation

Eligible Social Project Categories

- Employment Generation
- Affordable basic infrastructure
- Socioeconomic advancement and empowerment

DNV undertook an analysis of the associated project type to determine the eligibility as "Green" and "Socially Beneficial" in line with the GBP and SBP. IIAC has provided tables mapping its Eligible Green and Social Categories and the United Nations Sustainable Development Goals ("UN SDGs"). The outlined types of project within each category and associated selection criteria is provided in the Framework in order to determine eligibility. DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the GBP and SBP.

2. Process for Project Evaluation and Selection

The Framework describes the process for project evaluation and selection. Potential project to which proceeds is used under the Framework will be identified and assessed by Green, Social and Sustainability Bond Working Group ("GSSBWG") to ensure the project meets the eligibility criteria, and IIAC's Finance department has final approval authority. The allocation of proceeds will be reviewed annually by the GSSBWG to determine if any changes or updates to the allocations would be necessary.

DNV concludes that IIAC's Sustainability Finance Framework describes the process of project evaluation and selection.

3. Management of Proceeds

IIAC will maintain a GSS Register to record the allocation and track the net proceeds for each GSS bond. The proceeds of each GSS bond will be earmarked for allocation against the eligible projects. Details on issuing terms of GSS bond and the details of the use of proceeds will be recorded in the Register. IACC plans to allocate all proceeds from the GSS bond to Eligible Project in accordance with the evaluation and process set out in the Framework and will review the budget execution status on a quarterly basis.

Pending allocation, or unallocated proceeds will be held in accordance with IIAC's general liquidity management policies and will be invested in cash or cash equivalents, investment grade securities or other marketable securities.

DNV concludes that the process addressed in the Framework meets the market practice.

4. Reporting

IIAC intends to report on the use of proceeds annually on its website or in its Annual Report or Sustainability Report. IIAC' reporting will include;

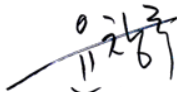
- Eligible Project Lists, allocation amount, expected impacts from Eligible Projects
- Remaining balance amount of unallocated proceeds

Impact reporting will be made with indicators for environmental and social impacts resulting from eligible projects.

On the basis of the information provided by IIAC and the work undertaken, it is DNV's opinion that the IIAC's Sustainability Management Framework meets the criteria established in the Protocol and is aligned with the four core components of the GBP and SBP. Please refer to Schedule 4. Sustainability Bond/Sustainability Bond Programme External Review Form for detailed information.

for DNV Business Assurance Korea Ltd.

Seoul, Republic of Korea / 13 April 2021



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Schedule 1. Description of Categories to be financed or refinanced through IIAC's GSS Bonds

Eligible Green Project Categories		Eligible Criteria and Description	DNV Findings
Eco-friendly Conversion of Airport's Operation Energy	Renewable energy Energy efficiency	<ol style="list-style-type: none"> Supply of Renewable Energy <ul style="list-style-type: none"> Development of renewable power generation facilities (solar and fuel cells, etc.) Self-generating electricity for airport operation and direct purchase of power generation Enhancements of energy efficiency for airport operation <ul style="list-style-type: none"> Adopt high-efficiency equipment and facilities (LED lighting, freezers, pumps, etc.) Establish energy management and assessment system 	<p>Production of electricity from solar and geothermal are eligible for Climate Bond Initiative ("CBI").</p> <p>Fuel cell power generation is defined as new energy in accordance with the 'Act on the promotion of the development, use and diffusion of new and renewable energy'⁷ in Korea, and is also classified as renewable in various standards.</p> <p>DNV confirmed that the supply of new and renewable energy will be implemented in accordance with the standards set out in the RE100 Initiative promoted by CDP.</p> <p>DNV confirmed that the freezer and pump certified as high-efficiency equipment will be used. The certification refers to high-efficiency certified equipment by the Korea Energy Agency⁸ or equivalent certification.</p> <p>The establishment of the Energy Management System (EMS) is considered eligible based on the EU Taxonomy⁹.</p>
Development of Green Mobility Operating System	Clean transportation	<ol style="list-style-type: none"> Construct hydrogen / EV charging stations Implementation of specialized, eco-friendly airport vehicles (Hydrogen/Electric charging stations) Eco-friendly conversion of vehicles (hydrogen / electric ground support vehicle and airport shuttle bus) operating within the airport area 	<p>Zero tailpipe emission vehicles including Battery Electric Vehicles (BEV), hydrogen powered vehicles are eligible for EU Taxonomy, and it is also eligible for both Climate Bond Initiative ("CBI"), and International Energy Agency 2 Degree Scenario ("IEA 2DS").</p> <p>DNV confirmed that it means converting diesel operating equipment to 100% electric/hydrogen operating equipment, and hybrids are excluded.</p>
Activities on Reducing Aircrafts' Fine Dust and Exhaust Gas	Clean transportation Energy efficiency	<ol style="list-style-type: none"> Development of aviation biofuel (SAF) supply infrastructure (logistics, refueling) Reform in infrastructure for improving aircrafts' fuel efficiency <ul style="list-style-type: none"> Renewal of airdrome (minimizing aircraft's taxiway) Construct infrastructure for improving the fuel efficiency of parked aircrafts (AC-GPS and PC-Air) Development of Korean Urban Air Mobility (K-UAM) infrastructure (Terminal and charging stations) 	<p>Sustainable aviation fuels (SAF) are one element of the International Civil Aviation Organization (ICAO) basket of measures to reduce aviation emissions, which also includes technology and standards, operational improvements, and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). SAF produces up to 80% less CO₂ over its lifecycle, compared to conventional jet fuel.¹⁰</p> <p>AC-GPS and PC-Air can be considered as contributing to the reduction of carbon emissions by not operating engines when</p>

⁷ https://elaw.klri.re.kr/kor_service/lawView.do?hseq=50819&lang=ENG

⁸ https://eep.energy.or.kr/business_introduction/high_summary.aspx

⁹ 8.3 Individual measures and professional services, Taxonomy Report: Technical Annex, Mar 2020

¹⁰ <https://www.iata.org/en/programs/environment/sustainable-aviation-fuels/>

Eligible Green Project Categories		Eligible Criteria and Description	DNV Findings
			<p>mooring the aircraft.</p> <p>DNV confirmed that the UAM terminal and charging infrastructure are planned based on electric powered (or hydrogen-powered in long-term perspective) vertical takeoff and landing (eVTOL) aircraft, and hybrid-powered are not considered as an alternative option.</p> <p>DNV concluded that the eligible project category meets the eligible Green Project Categories in Green Bond Principles 2018.</p>
<p>Activities for Green Airport Environment</p>	<p>Green buildings</p> <p>Pollution prevention and control</p> <p>Terrestrial and aquatic biodiversity conservation</p>	<ol style="list-style-type: none"> Construction of eco-friendly airport <ul style="list-style-type: none"> Improve energy efficiency of airport facilities <ul style="list-style-type: none"> * New Facilities: Accreditation for Green Building / Zero Energy ** Current Facilities: Green Remodelling Development of resource recycling system and preservation of ecological environment <ul style="list-style-type: none"> Apply resource recovery for water and waste Restore ecosystem within and near the airport and form natural environment Create forest area within and near the airport <ul style="list-style-type: none"> Implant CO2 reducing plantation to create CO2 absorbing forest Reduce fine dust (increase tree planting density near the roads) 	<p>DNV has confirmed that both new and existing buildings achieve energy efficiency improvement through official certification as below, and these are considered to be a green building of eligible green project.</p> <ul style="list-style-type: none"> New building: Green building certification or Korea Energy Agency's zero energy building certification¹¹ Existing building: Green building certification through green remodelling¹² Any other green building label (i.e. LEED, BREEAM, etc.), that is an equivalent standard of the above <p>DNV confirmed that water and waste resource recovery and utilization can be considered as a project related to Pollution prevention and control and restoration of surrounding ecosystems and creation of natural environments as projects on terrestrial and aquatic biodiversity conservation, which aligned with GBP.</p> <p>DNV considered it contributes to the reduction of fine dust by planting trees around the road, and guidelines for forest creation to reduce fine dust¹³ have been presented at the level of local governments including Seoul.</p>

Eligible Social Project Categories		Eligible Criteria and Description	DNV Findings
<p>Employment Generation</p>	<p>Employment generation</p> <p>Socioeconomic advancement and empowerment</p>	<ol style="list-style-type: none"> Create high-quality jobs <ul style="list-style-type: none"> Provide and match on/off-line airport employment information (Online recruiting center, career center, and job fair and support tenant companies' online job interview) Support employment stability for tenant companies' employees (Youth/Women employment longevity support, Re- 	<p>DNV is of the opinion that IIAC's employment support program for resident companies can contribute to job creation or prevention/mitigation of unemployment.</p> <p>IIAC will contribute to job creation through support for fostering start-ups and social enterprises.</p> <p>DNV concluded that the eligible project category meets the eligible Social Project Categories in Social Bond Principles</p>

¹¹ https://zeb.energy.or.kr/BC/BC03/BC03_05_001.do

¹² <https://www.gbc.re.kr/app/info/qualificationStandard.do>

¹³ https://news.seoul.go.kr/env/square/tree_planting_project/guideline

Eligible Social Project Categories		Eligible Criteria and Description	DNV Findings
		<p>employment support for middle-aged employees, SMEs payroll support, Job training and education on job transfer for employees with leave of absence)</p> <p>2. Foster innovative companies</p> <ul style="list-style-type: none"> Foster startups and social enterprises, etc. (Areas of support: Finance, Business Model elaboration, IR, Marketing, Opportunities for Terminal operation and Sales channel development) 	2020.
Social Integration	<p>Affordable basic infrastructure</p> <p>Socioeconomic advancement and empowerment</p>	<p>1. Provide services for mobility disadvantaged</p> <ul style="list-style-type: none"> Mobility disadvantaged: persons with disabilities, the aged, pregnant women, persons accompanied by infant Expand modes of mobility assistance (Autonomous vehicle / Cart robot / Baby carriage, etc.) 	<p>The mobility disadvantaged persons defined by IIAC are consistent with the definition of the Act on promotion of the transportation convenience of mobility disadvantaged persons in Korea.</p> <p>The self-reliance support project on vulnerable group is considered to contribute to socioeconomic advancement and empowerment which is eligible project proposed by SBP. Living below the poverty line, multicultural family, aging populations are included in the target populations of this project.</p>
Mutual Cooperation & Regional Development	Socioeconomic advancement and empowerment	<p>1. Mutual growth with SMEs</p> <ul style="list-style-type: none"> Operate "Tech Market" for SMEs with new aviation/airport related technologies Finance support for SMEs Hiring support for SMEs Sales channel expansion support for SMEs Education/Consulting support for SMEs <p>2. Revitalization of local economy</p> <ul style="list-style-type: none"> Local community economic cooperation projects Increase procurement of products/services from local companies 	DNV is of the opinion that IIAC will contribute to socioeconomic advancement and empowerment through support for SMEs. In addition, DNV considered that IIAC's regional economic revitalization projects can help resolve imbalances between regions and contribute to solving various local social issues.

Schedule 2. Contributions to UN SDGs

DNV is of the opinion that eligible category outlined in the Framework contributes to the achievement of the UN SDGs.

Eligible Green Project Categories		UN SDGs
Eco-friendly Conversion of Airport's Operation Energy	Renewable energy Energy efficiency	SDG 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix SDG 7.3 By 2030, double the global rate of improvement in energy efficiency
Development of Green Mobility Operating System	Clean transportation	SDG 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services
Activities on Reducing Aircrafts' Fine Dust and Exhaust Gas	Clean transportation Energy efficiency	SDG 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix SDG 7.3 By 2030, double the global rate of improvement in energy efficiency SDG 7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology
Activities for Green Airport Environment	Green buildings Pollution prevention and control Terrestrial and aquatic biodiversity conservation	SDG 7.3 By 2030, double the global rate of improvement in energy efficiency SDG 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycle and reuse SDG 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

Eligible Social Project Categories		UN SDGs
Employment Generation	Employment generation Socioeconomic advancement and empowerment	SDG 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training SDG 8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products
Social Integration	Access to essential services Socioeconomic advancement and empowerment	SDG 11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons SDG 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
Mutual Cooperation & Regional Development	Socioeconomic advancement and empowerment	SDG 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services SDG 11.a Support positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning

Schedule 3. Eligibility Assessment Protocol

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of bond / loan	<p>The bond 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 exclusively for Green project (Green use of loan proceeds) 	<p>The reviewed evidence confirms that the BOND fall in the category: Sustainable Use of Proceeds Bond.</p> <p>IIAC states that GSS bonds issued under this Framework will be aligned with Green Bond Principles 2018, Social Bond Principles 2020, and Sustainability Bond Guidelines 2018.</p> <p>From the Framework <i>IIAC plans to use the net proceeds from issuance of GSS Bonds to finance and/or refinance, in whole or part, the combination of new or existing projects ("Eligible Projects") that fall under the Eligible Project Categories as defined below: Eligible projects will be designated in accordance with the ICMA's GBP, SBP and SBG.</i></p>
1b	Sustainable Project Categories	<p>The cornerstone of a Sustainability Bond is the utilization of the proceeds of the bond which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible project categories are as follows.</p> <p>[Eligible Green Project Categories]</p> <ul style="list-style-type: none"> Renewable Energy Energy Efficiency Green Buildings Clean Transportation Pollution Prevention and Control Terrestrial and aquatic biodiversity conservation <p>[Eligible Social Project Categories]</p> <ul style="list-style-type: none"> Employment Generation Affordable basic infrastructure Socioeconomic advancement and empowerment <p>The project categories listed above are meet the eligible Green/Social Project Categories in Green Bond Principles 2018 and Social Bond Principles 2020.</p>
1c	Environmental 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>Eligible green project categories are aligned with GBP and detailed opinions are provided in Schedule 1.</p>
1c	Social benefits	<p>All designated Social Project categories should provide clear social benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<p>Eligible social project categories are aligned with SBP and detailed opinions are provided in Schedule 1.</p>
1d	Refinancing Share	<p>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>	<p>As per the Framework, it seems that the net proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Project Categories and Eligible Social Project Categories ("Eligible Project Categories") in 2.1 Use of Proceeds.</p> <p>From the Framework <i>[Eligible Project Categories for allocation of the</i></p>


Ref.	Criteria	Requirements	DNV Findings
			<p><i>GSS Bonds proceeds]</i></p> <ol style="list-style-type: none"> <i>Eligible projects that had received investments during the 3 years period prior to issuance of the GSS Bonds</i> <i>Eligible projects that have been committed to prior to issuance, with investment expected to be made after the issuance date</i> <i>Eligible projects that are expected to be committed to and invested after the issuance date</i> <p>DNV confirmed that if the proceeds are to be used for refinancing purposes, IIAC will report this separately.</p>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Sustainability Bond should outline the decision-making process it follows to determine the eligibility of projects using Sustainability Bond 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 Loan Principles; The criteria making the projects eligible for using the Sustainability Bond proceeds; and The environmental sustainability objectives, and the social objectives 	<p>As per the Framework, IIAC has set out the following for project selection:</p> <p>From the Framework</p> <p><i>IIAC's project teams conduct initial review of the projects that meet the principles of the GSS Bonds, and the Green, Social and Sustainability Bond Working Group ("GSSBWG") assesses the eligibility of the projects based on the GSS Bonds' stated use of proceeds and carries out the review and approval process for the eligible project.</i></p> <p>According to the Framework, IIAC's Finance department, the department responsible for issuance of GSS Bonds will review and select eligible projects.</p> <p>From the Framework</p> <p><i>IIAC's Finance department, the department responsible for issuance of GSS Bonds finally selects the projects to be supported based on a comprehensive consideration of the environmental and social impact and current status of unused proceeds from the issuance.</i></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 investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.</p>	<p>As a Korean public company, IIAC operates Incheon International Airport which is the global top 5 and the 3rd largest international cargo handling in the world.¹⁴ IIAC has established its vision 2030 and set out the vision of 'Global Airport Industry Leading Value Creator.'¹⁵ IIAC has set 6 goals, 5 major strategies and 15 strategic tasks.</p>

¹⁴ Leading the future as a first mover, IIAC Promotional Brochure 2020

¹⁵ IIAC Corporate Sustainability Report 2020

Ref.	Criteria	Requirements	DNV Findings
			 <p>IIAC has been disclosing its sustainability performances in the Corporate Sustainability Report¹⁶ which is published annually.</p>

3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure	<p>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> <ul style="list-style-type: none"> The proceeds of a green loan should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product. Where a green loan takes the form of one or more tranches of a loan facility, each green tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner. 	<p>The evidence reviewed shows how IIAC plans to trace the GSS Bond proceeds, from the time of issuance to the time of disbursement.</p> <p>IIAC plans to establish a GSS Register to record the allocations and track the use of GSS bond proceeds.</p> <p>From the Framework</p> <p><i>The project teams responsible for the selected recipient companies (or projects) request for funding support via the internal information system. IIAC's Finance department allocates the resources across the sectors and will track the net proceeds through a separate GSS Register that includes details on issuing terms of GSS and amount allocated to Eligible Projects.</i></p>
3b	Tracking procedure	<p>So long as the Sustainability Bonds 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>	<p>IIAC's Finance department will be responsible for maintain and review for any re-allocation, repayments or drawings on the eligible projects and expenditures within the pool.</p>
3c	Temporary	<p>Pending such investments or</p>	<p>The net proceeds of the GSS Bond will be held in</p>

¹⁶ https://www.airport.kr/co_cnt/en/cyberpr/publicat/sorere/sorere.do

	holdings	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.	<p>accordance with the IIAC's internal fund management regulations. The unallocated proceeds can be used as cash or cash equivalents, beneficiary certificates until they are allocated to eligible Use of Proceeds.</p> <p>From the Framework</p> <p><i>Pending the full allocation of the net proceeds, all or a portion of the net proceeds will be held in accordance with IIAC's general liquidity management policies. The unallocated proceeds can be invested in cash, cash equivalents, investment grade securities or other marketable securities and short-term instruments or other capital management activities.</i></p>
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4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical reporting	<p>Borrowers should make and keep readily available up to date information on the use of proceeds to be renewed annually until fully drawn, and as necessary thereafter in the event of material developments. This should include a list of the Green projects to which the green loan proceeds have been allocated and a brief description of the projects and the amounts allocated and their expected impact. Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the information is presented in generic terms or on an aggregated project portfolio basis.</p> <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 - 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>	<p>IIAC has confirmed that it will report on the allocation of net proceeds and associated impact metrics of its BOND proceeds. And annual reporting will be made publicly available on IIAC website¹⁷.</p> <p>From the Framework</p> <p><i>The reporting will include allocation reporting and impact reporting and will be publicly available on IIAC's internet website. IIAC plans to annually provide the "notice to investors" including below details via its internet website until the bond proceeds have been fully allocated.</i></p> <p>IIAC states in the Framework that below information is to be reported annually.</p> <p>From the Framework</p> <p><i>Allocation Report</i></p> <ul style="list-style-type: none"> - Eligible Project Lists, Allocation amount, Expected impacts from Eligible Projects - The balance amount of unallocated net proceeds <p><i>Impact Report</i></p> <ul style="list-style-type: none"> - IIAC derived impact indicators based on the categories of Eligible Projects

¹⁷ www.airport.kr/co_cnt/ko/cyberpr/publicat/prbroc/prbroc.do

Schedule 4. Sustainability Bond / Sustainability Bond Programme External Review Form

Section 1. Basic Information

Issuer name:

Incheon International Airport Corporation ("IIAC")

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:

IIAC Sustainability Finance Framework, April 2021

Independent External Review provider's name:

DNV Business Assurance Korea Ltd.

Completion date of this form:

13 April 2021

Publication date of review publication:

23 April 2021

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|---|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

On the basis of the information provided by IIAC and the work undertaken, it is DNV's opinion that the IIAC's Sustainability Finance Framework meet the criteria established in the Protocol and are aligned with the stated definition of green and social bonds within the Green Bond Principles 2018 and Social Bond Principles 2020.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS**Overall comment on section (if applicable):**

IIAC intends to use the proceeds of GSS Bond issued under the Sustainability Finance Framework to finance or refinance, in whole or in part, new or existing Eligible Green Project Categories and Eligible Social Project Categories. DNV concludes that the IIAC's Framework are aligned with the GBP and SBP.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input checked="" type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBPs: N/A

Use of proceeds categories as per SBP:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Affordable basic infrastructure | <input type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input checked="" type="checkbox"/> Employment generation / programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises |
| <input type="checkbox"/> Food security and sustainable food systems | <input checked="" type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the social taxonomy, if other than SBPs: N/A

Target populations:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Living below the poverty line | <input type="checkbox"/> Excluded and/or marginalised populations and /or communities |
| <input checked="" type="checkbox"/> People with disabilities | <input type="checkbox"/> Migrants and /or displaced persons |
| <input type="checkbox"/> Undereducated | <input type="checkbox"/> Underserved, owing to a lack of quality access to essential goods and services |
| <input type="checkbox"/> Unemployed | <input type="checkbox"/> Women and/or sexual and gender minorities |
| <input checked="" type="checkbox"/> Aging populations and vulnerable youth | <input type="checkbox"/> Other vulnerable groups, including as a result of natural disasters |
| <input checked="" type="checkbox"/> Other (please specify): multicultural family | |

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):
 The GSS Bond proceeds will be allocated to finance and refinance the assets as defined in Schedule 1. DNV reviewed the Framework which describes the process through which projects are evaluated and selected. DNV can confirm the GSS Bond proceeds at IIAC go through a strict internal process for evaluation and selection. Potentially eligible projects for the Use of Proceeds of each GSS Bond issued under the Framework will be identified and assessed by IIAC's Green, Social and Sustainability Bond Working Group ("GSSBWG"). GSSBWG will review and select eligible projects according to the criteria outlined in Sections 2.1 in the Framework. The shortlisted projects will be presented to the Finance Department for final approval.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

The proceeds from GSS Bond issued under this Framework will be managed by the IIAC's Finance Department. A GSS Register will be created to record the allocations and track the use of proceeds. Pending allocation, the unallocated proceeds can be invested in cash, cash equivalents, investment grade securities or other marketable securities and short-term instruments or other capital management activities. DNV has reviewed the evidence presented and can confirm that the proceeds arising from future issuances will be appropriately managed.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

IIAC has confirmed it plans to report on the use of proceeds and impacts annually. IIAC has confirmed that it will report on its website the following:

- Eligible Project Lists, Allocation amount, Expected impacts from Eligible Projects
- The balance amount of unallocated net proceeds
- IIAC derived impact indicators based on the categories of Eligible Projects

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Sustainability Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |
| <input checked="" type="checkbox"/> Target populations | <input checked="" type="checkbox"/> Other ESG indicators (please specify):
% of green area in the airport, etc. |

Means of Disclosure

- | | |
|---|--|
| <input checked="" type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input type="checkbox"/> Other (please specify): |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

https://www.airport.kr/co_cnt/en/cyberpr/publicat/prbroc/prbroc.do

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

DNV Business Assurance Korea Ltd.

Date of publication:

13 April 2021

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

- 1. Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- 2. Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- 3. Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 4. Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.



About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

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