

GLOBAL TOP 5 POWER EPC LEADER

LEADING GREEN POWER FOR A CLEANER TOMORROW

2010 KEPSCO E&C SUSTAINABILITY REPORT



REPORT OVERVIEW

PURPOSE

- This is the second Sustainability Report of KEPCO Engineering & Construction Company, Inc (hereinafter referred to as "KEPCO E&C"). The report contains progress and achievements KEPCO E&C has made so far in terms of economic, social and environmental responsibilities. In particular, a new chapter, "KEPCO E&C Highlight" is added to this report to reflect key concerns of interested parties and shareholders. Great efforts have been made to improve reliability of this report compared with its previous report through third parties' verification.

GUIDELINES

- This report is based on the G3 Guidelines of GRI (Global Reporting Initiative) and the GRI Index table is appendix.

PERIOD AND SCOPE

- The reporting period spans from January 1 2008 to December 31 2010 based on fiscal years, and the data is presented sequentially for the last three years for easy comparison on the three year's achievements. For some non-measurement achievements, the report covers some progress that has been made when the 2011 report is published. This report is mostly based on the data of KEPCO E&C headquarters in Youngin (including annex building) and NSSS Division in Daejeon. Currency units used in this report are both "Korean won (₩)" and "American dollar (US \$)". For measurement units, the metric system which encompasses kW, MW, Ton, m³, m² and kg is used. This report is published every other year.

METHOD AND VERIFICATION

- This report was developed by allowing major insiders of entire areas to gather important information, and to be involved in its development process. The report is approved by the management. More importantly, third party's verification was made in a bid to improve this report's fairness and reliability, and the verification results are attached as an appendix.

DISTRIBUTION AND CONTACTS

- Opinions and feedback about this report from all kinds of interested parties can reach us in various channels such as website, postal service, email, mobile phone and so on. For further information or comments, please contact us through one of the following ways.

- **Homepage:** www.kepc0-enc.com
- **Department:** Management Planning Team of Management Planning Division
- **Tel:** 82-31-289-3103
- **Fax:** 82-31-289-4419
- **E-mail:** yumee0@kepc0-enc.com

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GLOBAL TOP 5 POWER EPC LEADER

LEADING GREEN POWER FOR A CLEANER TOMORROW

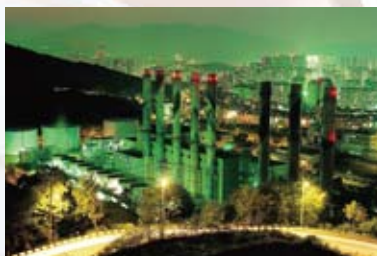
2010 KEPCO E&C SUSTAINABILITY REPORT

Let us share a cleaner and purer world along with our customers and interested parties.

KEPCO E&C is willing to carry out our responsibility to the fullest from the economic, environmental and social perspectives by taking a sustainable management mechanism, while at the same time becoming a Global Top 5 Power EPC Leader taking the lead in a global energy market on the basis of superior technical skills.

KEPCO E&C IS THE FUTURE OF THE GLOBAL ENERGY MARKET

KEPCO E&C WILL RAISE ITS CORPORATE VALUES THROUGH TECHNOLOGY DEVELOPMENT AND EXPLORATION OF NEW MARKETS, RANGING FROM NUCLEAR POWER PLANTS TO THERMAL POWER PLANTS AND ECO-FRIENDLY & RENEWABLE BUSINESS, TAKING THE LEAD IN PURSUING TECHNOLOGICAL DEVELOPMENT BOTH IN KOREA AND ABROAD, AND LAYING THE FOUNDATION FOR CREATING AN IDEAL PLACE WHERE THE PRESENT GENERATION AND THE NEXT GENERATION CAN PROSPER IN HARMONY.





EXCELLENCE

KEPCO E&C'S SUSTAINABLE GROWTH STANDS SHOULDER TO SHOULDER WITH ALL STAKEHOLDERS

KEPCO E&C WILL CONTINUOUSLY PURSUE A STAKEHOLDER-ORIENTED, SUSTAINABLE MANAGEMENT TO GIVE THE GREATEST SATISFACTION TO OUR CUSTOMERS, THE DEEPEST RELIABILITY TO OUR EMPLOYEES, QUALITY INNOVATION AND DEVELOPMENT TO OUR PARTNERS, AND CHARITY AND CARING TO OUR COMMUNITY.





SUSTAINABLE MANAGEMENT WILL BE BASED ON A CORPORATE IDEOLOGY OF HUMANEERING, HARMONY OF "HUMANITY, THE ENVIRONMENT AND ENGINEERING"

KEPCO E&C WILL BE A GLOBAL TOP 5 POWER EPC LEADER THAT PURSUES A PROGRESSIVE CORPORATE PHILOSOPHY BY DEVELOPING ECO-FRIENDLY TECHNOLOGIES THAT ENHANCE OUR ECONOMIC, SOCIAL, AND ENVIRONMENTAL VALUES AND BY SINCERELY FULFILLING OUR RESPONSIBILITIES AS CORPORATE CITIZENS.





CEO'S MESSAGE

We will take the lead in sustainable growth of human beings by meeting customer values with the best technology.



Distinguished families of KEPCO E&C!

We would like to express our deepest appreciation for your continuous support and encouragement shown to KEPCO E&C. We are very happy to be able to present the second report of 2010 Sustainability Management Report.

The past two years have been a stepping stone for KEPCO E&C to take off. To prepare for another ten years, KEPCO E&C is establishing mid-and-long term management plans based on its strategic directions for 2020, and setting up its 2020 NEW VISION as a "Global Top 5 Power EPC Leader" to become a world-class enterprise. And, KEPCO E&C's excellent technologies, stability and price competitiveness have been recognized in the global market by winning a contract for the UAE nuclear power plants. In addition, KEPCO E&C was awarded the grand prize of the Most Admired Corporation in Korea, with record high sales of KRW 580 billion. All of which lay the foundation for a driving engine to becoming an internationally-recognized company.

The world economy's response to climate change has become the talk of the town and is pursuing sustainable growth for human beings, and efforts to fulfill companies' social responsibility are being made.

To live up to global expectations, KEPCO E&C, on the basis of our corporate philosophy of **Humaneering , Harmony of "Humanity, the Environment and Engineering"**, will do its part to comply with the ten principles of the UN Global Compact and become a world-class enterprise.

First of all, we will do our utmost to improve the quality and safety of the design of our nuclear and thermal power plants.

Catastrophic natural disasters such as earthquakes and tsunamis continuously occur all over the world. It is true that people cannot perfectly respond to such calamities. In that regard, KEPCO E&C, as a company responsible for designing nuclear power plants, will endeavor to put high quality and safety of plant design as its top priority, and encourage all interested parties and stakeholders to do their parts when it comes to the company's recognition of excellent technology from all around the world.

Second, we will enhance corporate values by securing our own driving force based on sustained reform and innovation.

KEPCO E&C has made great progress on its management level, for example, by winning the UAE nuclear power plant contract, accomplishing record high sales; by strengthening management efficiency based on encouragement from company-wide innovation activities such as cost management; by TDR (Tear-Down & Redesign), etc. Most important of all, KEPCO E&C will definitely commit to increasing global sales by enhancing the capability of executives and the company's structural system itself, and by strategically focusing on the export of technology for the Korean Standardized Nuclear Plant, EPC Business Projects and so on.

Third, we will take the lead in resolving environmental issues by developing eco-friendly technologies.

KEPCO E&C is putting the wheels in motion to develop eco-friendly technologies in order to enrich human's future lives with a corporate belief of **'Humaneering, Harmony of "Humanity, the Environment and Engineering"'**. Particularly, we spent 3 years developing a Hybrid SCR deNOx system, and applied the system to Unit 6 of Ulsan Thermal Power Plant, thereby bringing about an import substitution effect of KRW 200 billion; an economic saving of about KRW 330 billion per year; and a reduction in green house gas emissions of 5,600 tons. KEPCO E&C will never stop making efforts to pursue activities for environmental protection; and will join global efforts to protect the environment as a leader in eco-friendly management.

Fourth, we will become a reliable company that all interested parties and stakeholders can rely on by sincerely fulfilling social responsibilities.

Being awarded the Grand Prize of "The Most Admired Corporation" for two consecutive years shows that KEPCO E&C has lived up to its ideal of customer satisfaction and respect for humans as a responsible member of the society. Furthermore, we will do our part to become a reliable company respected by all interested parties and stakeholders by improving the quality of life of all employees. This is one of the core values a company should pursue by building cooperative labor relations based on solid trust; by cooperating with partners and suppliers; and by contributing to the development of local communities and national economic growth.

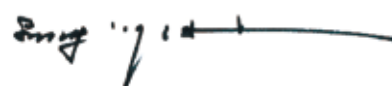
KEPCO E&C is open to opinions and comments from all interested parties and people concerned, and will become a leading company in the world, while at the same time sustaining growth. We look forward to your continuous interest, support and encouragement.

Thank you very much.

JULY, 2011

KEPCO E&C President & CEO

An, Seung-Kyoo



KEPCO E&C HIGHLIGHTS



1. 2020 NEW VISION Declaration

- In commemoration of the 34th anniversary of KEPCO E&C's foundation on October 2009, KEPCO E&C declared its 2020 NEW VISION of a "Global Power EPC Company realizing customer values based on top-notch technology." KEPCO E&C established mid and long term strategies for becoming one of the 5 major companies in the power plant sector in the world targeting a sales objective of KRW 5 trillion by 2020. In addition, KEPCO E&C presented its clear management objectives and strategies to executives and employees.



2. IPO on KOSPI Market

- KEPCO E&C was listed in the KOSPI market on December 2009 in order to secure core technologies earlier than others and to improve management transparency by allowing private and nongovernmental bodies to participate in KEPCO E&C's management process in accordance with the public institution advancement plan. KEPCO's shares of 20%, the largest shareholder, were sold in the KOSPI market. With nuclear power becoming one of the most reasonable alternatives as oil prices and environmental problems are on the rise, domestic institutional investors forecast bright views on the IPO. And first and most importantly, thanks to the news about scheduled plans for construction of as many as 300 nuclear power plants over the next 20 years, its initial public offering price was set at KRW 21,600 as soon as the market was opened, and the price has since been increasing continuously.



3. UAE Nuclear Power Plant Contract

- As KEPCO won the project for nuclear power plants ordered by UAE (United Arab Emirates) on December 2009, KEPCO and KEPCO E&C, who participated as one of the members of the consortium, have signed a contract for UAE Nuclear Power Plant's Architecture Engineering, and KEPCO E&C has signed a contract for provision of UAE Reactor System Design with Doosan Heavy Industries and Construction Co. Therefore, their total worth of the contracts regarding the UAE Nuclear Power Plants amounts to approximately KRW 831.2 billion. This project is about the construction of four Advance Power Reactors (APR 1400), and their expected schedule for completion of the construction is by 2020.



4. Development of 'Hybrid SCR deNOx System'

- 'Hybrid SCR (Selective Catalytic Reduction) deNOx System' developed by KEPCO E&C was applied to Unit 6 of the Ulsan Thermal Power Plant, and as a result, on July 2010, a completion ceremony was held in the headquarters of Ulsan Thermal Power Plant of Korea East-West Power Co., LTD. The system, an R&D project for power generation led by the Ministry of Knowledge and Economy, was a great accomplishment by spending KRW 10.5 billion over the past 3 years since August 2007 in order to supplement facilities in accordance with tightened regulations on the discharge of nitrogen oxides and to resolve problems raised during low-load operation of the SCR system.



5. New CI Declaration

- On July 2010, the company name in English was changed to KEPCO E&C during a general meeting of stockholders, and a new CI was declared. Its previous English company name of 'KOPEC (Korea Power Engineering Company, Inc.)' used since 1982 was changed to 'KEPCO E&C (KEPCO Engineering & Construction Company, Inc.)' while the company name in Korean will remain unchanged. The name change aims to reaffirm its commitment in the aspect of visualization for strong commitment to EPC business' facilitation, enhancement of reputation at home and abroad, giving motivation to employees, and strengthening global competitiveness through integration of all brands engaged in generation and power plants in accordance with its NEW VISION of a 'Global Top 5 Power EPC Leader' declared in October 2010.



6. Completion of Research Project for Verification of Korean Standardized Desulfurization Plant for Boryeong Units 1 & 2

This research project for verification of Korean standardized desulfurization plant was one of the national initiatives led by the Korean government in an effort to gain independent technologies for facilities to prevent environment pollution. Its capability was great. Dust and sulfates (SOX) which are the major atmospheric pollutants of coal-fired power plants were significantly reduced by 95% or more as a result of performance tests conducted before the completion ceremony was held. Therefore, our desulfurization technologies could stand shoulder to shoulder other advanced countries. By taking this critical opportunity, we will make contributions to strengthening national competitiveness based on strict willingness for environment preservation and gradually-increasing exports. For such an accomplishment, we will put our every effort into exploring sophisticated technologies.



7. Award of Grand Prize for the Most Admired Corporation in '2010 Korea Management Grand Prize'

'Korea Management Grand Prize', a great award presented by national authority, is awarded to companies that are considered to be reliable and respectful on society-wide level by satisfying customers based on excellent quality and productivity, respecting people, and fulfilling social responsibilities as corporate citizens. In particular, 'Grand Prize for The Most Admired Corporation' is the most honorable award which is presented to special companies who highly enhance values of interested parties and stakeholders through continuous activities when it comes to management innovation. KEPCO E&C will put its shoulder to the wheel to be a respectful company by getting global competitiveness through sustainable management innovation and quality enhancement, and by putting corporate social responsibilities into practice through social contribution, win-win management and eco-management.



8. Award of Grand Prize for Project of This Year 2010

KEPCO E&C was awarded a grand prize for 'Project of This Year' in its area of "Development and Support for Implementation Program for Maintenance Regulations" in the 2010 Regular Symposium organized by Korea Project Management Association (KPMA). The 'Project of This Year' is awarded to companies who made great accomplishments and progress through proactive, systematic project management (PM) after developing project management systems that are commensurate with the organization. This award is one of the internationally-renowned prizes along with 'Project of the Year Award' presented by Project Management Institute, USA.



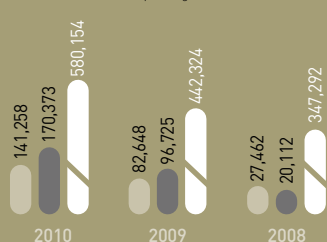
9. Agreement for Project of the Biggest Offshore Wind Power Pilot Project with Jeju Island

KEPCO E&C agreed on specific details about the Offshore Wind Power Pilot Project including feasibility study, commencement of basic study, financing, and utilization of the site in the signing ceremony held in Jeju Provincial Government Office on December 2010. When this project is completed, 298,000 MWh can be generated per year, which accounts for approximately 9% of total electricity consumption. And it is expected that sales revenue of KRW 64.9 billion can be made. In addition, KEPCO E&C plans to obtain greenhouse gas credits of 207,210 tons per year by reporting the reduction effect to the Clean Development Mechanism (CDM) of the United Nations.

Management Performance

(Unit: KRW 1million)

Net Income Operating Income Sales



10. Accomplishment of Record High Management Performance 2010

KEPCO E&C has made record high performance in 2010 since its foundation thanks to winning contracts worth of KRW 1.2 trillion, total sales of KRW 580.154 billion which is a 31.2% increase year-on-year, operating income of KRW 170.373 billion which is a 76.1% increase year-on-year, and net profit of the year of KRW 141.258 billion which is a 70.9% increase compared to the previous year. To achieve these integrated results, many factors were combined such as a sales increase in design business for nuclear power plants, and newly-initiated projects as well as reduction in business costs. Without any delay, KEPCO E&C will exert every effort to speed up global business initiatives from a sustainable growth perspective to demonstrate the superiority of our technical capability.

COMPANY OVERVIEW

GENERAL

KEPCO E&C, was founded in 1975 for the purpose of obtaining independent plant engineering technologies, mostly focusing on business with regard to construction of nuclear plants, thermal plants, environment & new renewable energy business, O&M for in-service plants, and Project Management/Construction Management (PN/CM). For engineering projects for domestic power plants and project management & construction management, KEPCO E&C has independently conducted design engineering works ordered by Korea Hydro Nuclear Power (KHNP). For overseas nuclear power plants, KEPCO E&C engages in projects in the form of technological support. When it comes to thermal power plant design, KEPCO E&C concentrates on design and engineering for thermal and combined-cycle power plants. It also participates in the design process organized by not only KEPCO E&C's subsidiaries but also private companies. As for overseas business regarding thermal power plants, KEPCO E&C either signs exclusive contracts or comes to an agreement by cooperating with major companies in Korea and Korea Electric Power Corporation Group. Sales from design business for nuclear and thermal power plants account for the vast majority of KEPCO E&C's revenue. According to the public institution advancement plan on December 2009 by the Korean government, KEPCO E&C was listed in the KOSPI market in a bid to secure core technologies earlier than others, and to strengthen management transparency, 20% of KEPCO's shares were sold. Additionally, KEPCO E&C was declared the new vision of a 'Global Top 5 Power EPC Leader'. And in 2010, it changed its company name in English from KOPEC (Korea Power Engineering Company, Inc.) to KEPCO E&C (KEPCO Engineering & Construction Company, Inc.) for the first time in 28 years for the purpose of raising reputation and global recognition, and to boost competitiveness to expand into overseas markets. As of late of December 2010, record high performance has been accomplished ever since its foundation with total assets of KRW 587.8 billion and net profit for the year of KRW 141.2 billion.



KEPCO E&C'S HISTORY

1970s

1975

Founded Korea Atomic Burns & Roe (A joint venture between KAERI and Burns & Roe)

1980s

1982

Reorganized into Korea Power Engineering Co., Ltd.

Founded R & D Center for Electric Technology

1987

Selected as Prime Contractor for Architect Engineering of Youngkwang Units 3 & 4

1990s

1995

1995 Completion of new headquarters in Youngin, and relocation to Youngin

Awarded "The World Best Project" by Power Engineering, USA (Youngkwang Units 3 & 4)

1996

Awarded "The World Excellent Power Plant" by Electric Power International, USA (Boryeong Units 3 & 4)

Awarded "The World Best Project" by Power Engineering, USA (Taean Units 1 & 2)

1997

Acquisition of Nuclear Steam Supply System (NSSS) business area from Korea Atomic Energy Research Institute

1999

Acquired certificate for ISO 9001 Quality Management System

2000s

2000

Awarded "CNS John S. Hewitt Team Achievement Award" in Canada (Wolsong Units 2 - 4)

Obtained the patent for Low Temperature NeNOx Catalyst technology

2001

Awarded "The World Best Project" by Power Engineering, USA (Dangjin Units 1 - 4)

2003

Received government-issued certificate of New Technology (NT) for Low Temperature NeNOx Catalyst technology

Ranked the first in the evaluation of execution of construction management (CM)

Selected Low Temperature NeNOx Catalyst technology as "The World Best Next Generation"

2005

Acquired Nuclear Safety Mark of SAREX®

2006

Registered patent for source technology of Low Temperature NeNOx Catalyst

(As of December 31, 2010)

Company Name	KEPCO Engineering & Construction Company, INC.
President & CEO	An, Seung-Kyoo
Foundation	October 2, 1975
Address	2354, Yonggudaero, Guheung-gu, Youngin-si, Gyeonggi-do
Main Business	Design Engineering of nuclear · thermal power plants/Environment & Renewable Energy Plants in operation's O&M/Project and Construction Management (PM · CM)
Total Assets	KRW 587,798 million
Total Sales	KRW 580,154 million
Net Income for the Year	KRW 141.258 million
Workforce	2,041 Persons
Shareholder	KEPCO (77.94%), Korea Atomic Energy Research Institute (2.06%), Employee Stock Ownership Association (3.23%) Others (16.77%)
IPO	KOSPI (2009, KRX)
Credit Rating	AA (Korea Ratings Corporation)

KEPCO E&C'S ROLE

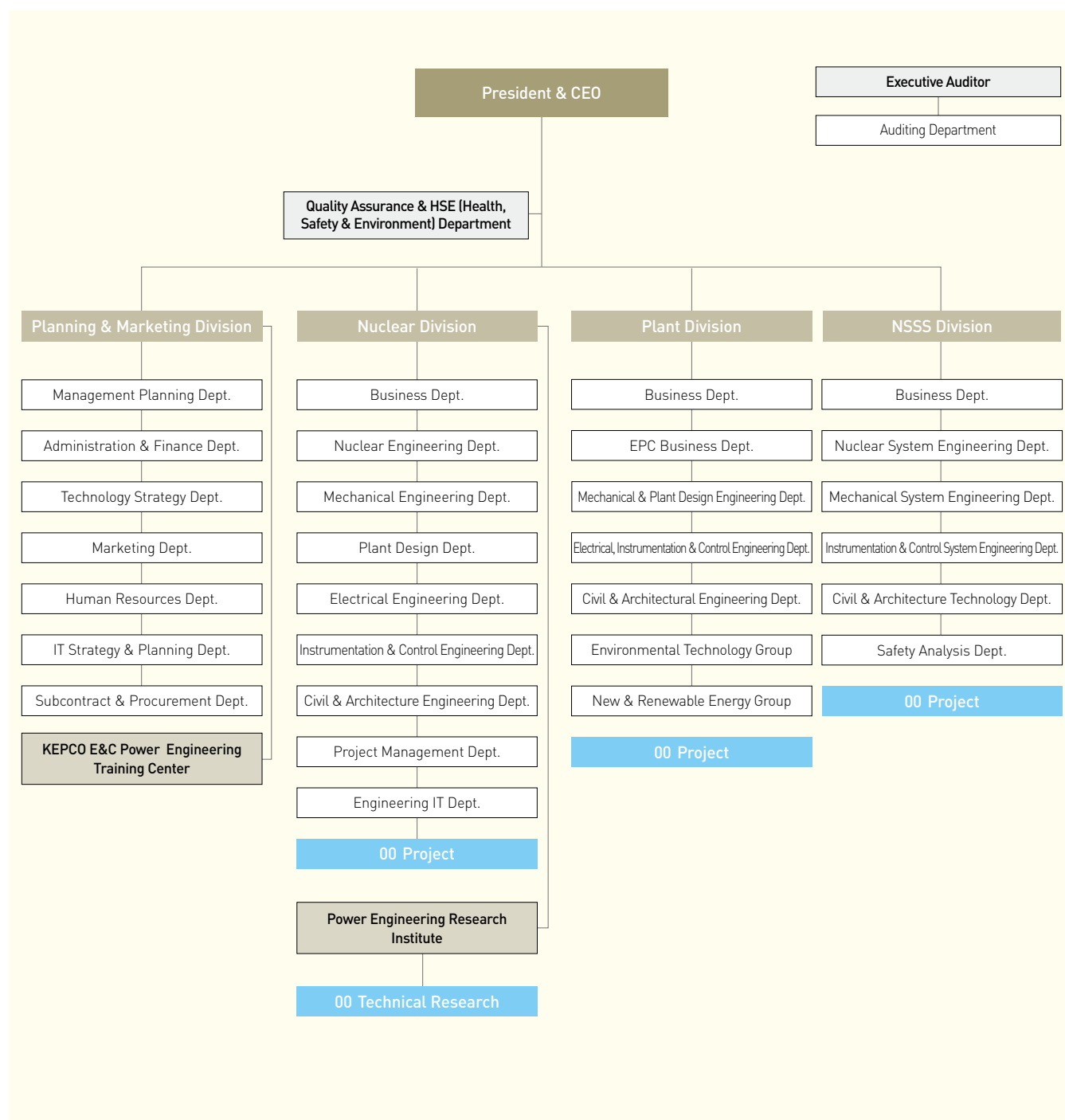
KEPCO E&C has undertaken, based on the efforts and passion of our employees over a period of 36 years, the core business of domestic power plants by conducting activities including design of nuclear · hydroelectric · thermal power plants, development of new engineering technologies, and technical support for plants in operation. Moreover, KEPCO E&C specializes in both Architect/Engineering (A/E) and Nuclear Steam Supply System (NSSS) design for nuclear power plants, making it the first such enterprise in the world. Based on its accumulated design and engineering technologies and years of experience in the power sector, KEPCO E&C is expanding into such diverse areas of new business as green projects like Energy Service Company (ESCO) as well as government-led construction management projects including high-speed railroad and new airports.

Awarded Grand Prize for "Corporate Social Responsibility"	category of Research and Development	Completed development of Hybrid De-Nox SCR System
Acquired ISO 14001 Environment Management System Certificate	Awarded Grand Prize for "Customer Satisfaction Management" and "Productivity" in Korea Management	Acquired certificated for OHSAS 18001 Safety Health Management System
2007 Joined UN Global Compact	Awarded Grand Prize for "Corporate Social Responsibility" (in the area of Volunteering)	2010 Awarded Grand Prize for "The Most Admired Enterprise"
Awarded Grand Prize in the category of Management Innovation of Vision 2007 Korea Innovative Enterprise	2009 Selected as Best Enterprise for 2009 Quality Competitiveness	2010 Selected as Best Enterprise for Quality Competitiveness
Awarded Grand Prize in the category of Productivity	Declared '2020 New Vision'	2010 Awarded Grand Prize for "This Year's Best Project" in the category of Research and Development
Selected as Best Enterprise in the category of Quality Competitiveness	Awarded Grand Prize for "The Most Admired Enterprise" in Korea Management	Commenced Test Bed Project for Korea Standardized Flue Gas Desulfurization Facility (Boryeong Units 1 & 2)
Awarded Grand Prize for "Corporate Social Responsibility" (Volunteering)	Completed building of NeNOx Catalyst Plant in Gangneung	Signed a contract on Architect Engineering Service for UAE Nuclear Power Plant
Awarded Grand Prize for Labor-Management Culture	Listed on KOSPI	Signed a supply contract of NSSS for UAE Nuclear Power Plant
2008 Registered as New Renewable Energy Enterprise	Won contract for UAE nuclear power plant	Changed company name in English to KEPCO E&C
Awarded Grand Prize in National Environment Management presented by the Minister of Environment Ministry	2010 2010 Opened KEPCO E&C Human Resources Development Institute	
Selected as Best Enterprise for Quality Competitiveness	Completed construction of ESCO Project for thermal power plant in Youngdong and Combined-cycle power plant in Ilsan	
Awarded Grand Prize for "This Year Best Project" in the		

COMPANY OVERVIEW

ORGANIZATION

Headquartered in Youngin, KEPCO E&C has 3 functional divisions with their respective senior executives, as well as 1 NSSS Division located in Daejeon.



BUSINESS AREA

Domestic

Name	Address
Headquarters	2354, Yonggudaero, Guheung-gu, Youngin-si, Gyeonggi-do, 446-713
Bundang Office	Bundang M-Tower, , 8 Gumi-ro, Seongnam-si, Gyeonggi-do, 463-870
Jukjeon Office	3rd and 4th Floor, Daou Digital Square, 23-7, Jukjeon-dong, Sugi-gu, Youngin-si, Gyeonggi-do, 448-160
NSSS Division	989-113, Daedeokdae-ro, Yuseong-gu, Daejeon, 305-353

Overseas

Category	Name	Address
Representative Office	KEPCO E&C Representative Office	3905 National DR STE 410 Brutonsville, MD 20866, U.S.A
Branch Office	KEPCO E&C UAE BRANCH	Emirates Tower Building 1st floor-wing A, The Avenue Business Centre, PO Box 33763, Hamdan Street, Abu Dhabi, U.A.E
Branch Office	KEPCO E&C Saudi Arabia Branch	Acaria Plaza Building #305, Olaya Street, Riyadh, Kingdom of Saudi Arabia
Affiliate	KEPCO Asia International Ltd.	28 Floor, Three Pacific Place, 1 Queen's Road East, Hong Kong

ASSOCIATED COMPANY

Company Name	Main Business	Homepage Address	Remarks
Korea Electric Power Corporation	Electricity Supply	www.kepc.co.kr	Listed
Korea Hydro and Nuclear Power Co., Ltd.	Power Development and Power Generation	www.khnp.co.kr	Unlisted
Korea South-East Power Co., Ltd.	Power Development and Power Generation	www.kosep.co.kr	Unlisted
Korea Midland Power Co., Ltd.	Power Development and Power Generation	www.komipo.co.kr	Unlisted
Korea Western Power Co., Ltd.	Power Development and Power Generation	www.westernpower.co.kr	Unlisted
Korea Southern Power Co., Ltd.	Power Development and Power Generation	www.kospo.co.kr	Unlisted
Korea East-West Power Co., Ltd.	Power Development and Power Generation	www.ewp.co.kr	Unlisted
KEPCO Plant Service & Engineering Co., Ltd.	Operation and Maintenance	www.kps.co.kr	Listed
KEPCO Nuclear Fuel	Nuclear Fuel Design and Manufacturing	www.knfc.co.kr	Unlisted
KEPCO Knowledge, Data & Network Co., Ltd.	Electric Power IT Services	www.kdn.com	Unlisted

COMPANY OVERVIEW

MAIN BUSINESS

BUSINESS 1

NUCLEAR POWER PLANT

KEPCO E&C holds core technologies for Architect Engineering (A/E) and Nuclear Steam Supply System (NSSS) design based on independent design techniques

and abundant experience, and provides design and engineering services that are proven to be safe and economical for a variety of customers at home and abroad with sophisticated skills and know how about world-class design of nuclear power plants.

For Kori Units 1 & 2, which are the first nuclear power plants in Korea, KEPCO E&C participated in a limited area by depending on foreign design technologies. However, Korean standardized nuclear power plant of OPR 1000 was developed in 1995 through strenuous efforts to get independent design technology. OPR 1000 design has been applied to Ulchin Units 3 through 6 and Yonggwang Units 5 & 6, and they are still being operated. Afterwards, Korean standardized nuclear power plant of OPR+ was developed with improved safety and economical efficiency. Currently Shin-Kori Units 1 & 2 and Shin-Wolsong Units 1 & 2 are being built using the OPR+ design. In addition, Advanced Power Reactor of APR 1400, which is regarded as the next-generation reactor that can contribute to national competitiveness, was developed in 2002, and Shin-Kori Units 3 & 4 and Shin-Ulchin Units 1 & 2 are under construction using the APR 1400. APR 1400 also was exported to UAE's first nuclear power plant. KEPCO E&C is fully committed to develop APR+ (Improved APR 1400).



BUSINESS 2 OPERATION & MAINTENANCE

upgraded for 21 units currently in operation in Korea. As part of such a vast task, KEPCO-E&C carries out evaluation of Probabilistic Safety Assessment (PSA), a method of assessing the total safety of nuclear power plants on the probabilistic mechanism, for the nuclear units to ensure safety and to provide cost-benefit analysis on life extension of the units.

KEPCO E&C has dedicated itself to providing comprehensive technological support in order to improve safety and capability, operability and maintainability have been up-



BUSINESS 3 THERMAL POWER PLANT

power plants, as a result of combined efforts of development of various design technologies about thermal power plants and systemization of power generation business based on differently-applicable customizing structure. In 1987, KEPCO E&C developed architect technology for Korean standardized coal-fired thermal plant of 500 MW through which 34 standard coal-fired power plants are in operation. Its next, the 800MW model, was developed, followed by ultra-super-critical architect engineering technology for thermal power plants of 1000MW in 2007, units of which are now being designed in Dangjin Thermal Power Plant Units 9 & 10, Shin-Boryeong Units 1 & 2, and Samcheok Thermal Power Plant Units 1 & 2.

KEPCO E&C has managed to hold world-class design and engineering technologies in the field of coal-fired thermal power, combined cycle power and cogeneration



COAL-FIRED PLANT	200MW	<ul style="list-style-type: none"> • CFBC Boiler • Improved Compatibility of Fuel Use (Used Korean Anthracite) 	Donghae 1 & 2
			Yeongwol 3
KOREA STANDARD COAL-FIRED PLANT	500MW	<ul style="list-style-type: none"> • Ultra Super Critical Steam & High-Efficiency Operation • Eco-Friendly Design & Engineering 	Boryeong 3 - 8
			Taeon 1 - 8
			Dangjin 1 - 8
KOREA STANDARD COAL-FIRED PLANT	800MW	<ul style="list-style-type: none"> • Use of Advanced Super-Critical Steam • Enhanced Fuel Efficiency with higher Steam Temperature • Designed with 3D CAD Model 	Yonghung 1 - 4
KOREA STANDARD COAL-FIRED PLANT	1000MW	<ul style="list-style-type: none"> • High Efficiency of Ultra Super-Critical Pressure • Large Capacity of 1000MW • Completed its Development in 2007 	Dangjin 9 & 10
			Shin-Boryeong 1 & 2
			Sancheok 1 & 2

KEPCO E&C has been involved in construction of cogeneration power plants in new cities of metropolitan areas with an aim of minimizing negative impact on the environment, making contributions to national economic development and upgrading benefits for citizens. As such, KEPCO E&C has participated in the construction of a total of about 30 Cogeneration and Combined-Cycle Power Plants, starting from the Seoincheon Combined-Cycle Power Plant. When it comes to expanding into overseas markets, big strides are still being made by providing services; technical support toward owner's engineering of the Illijan Combined Cycle Power Plant in the Philippines; and design and engineering services in the electrical area for the Fujairah Water and Power Plant in UAE; AFAM VI (650MW Combined Cycle Power Plant), Nigeria; Misurata & Benghazi Power Plants, Libya and so forth.

COMPANY OVERVIEW

BUSINESS 4

ECO-FRIENDLY AND NEW & RENEWABLE ENERGY

KEPCO E&C is sincerely setting in motion conservation of the environment. In particular, KEPCO E&C holds world-renowned technologies, particularly in the area of air pollution control facilities. It also designs and constructs innovative facilities such as 'Flue Gas Denitrification System', which is designed to remove sulfur oxides (this is one of the main causes of acid rain and respiratory-related diseases) from the atmosphere, and 'Flue Gas Denitrification System', which removes nitric oxide (this is one of main causes of photochemistic smog). Those systems have been applied to thermal power plants in Korea. On the one hand, Low Denitrification Systems of KoNox[®] was developed and its patent registration process has been initiated. On the other hand, KEPCO E&C has never stopped investing in doing environmental protection activities including conducting environmental impact assessment, installation of water pollution control facilities and waste treatment facilities, and pursuit of business for greenhouse gas emissions reduction, while in turn accumulating millions of hours of execution and experience. All of these endeavors are part of the company's response to a global market expansion



with regard to environmental changes, specifically in preparation for the Climate Change Convention, Carbon Emission Credits, and so on.

It is also essentially to recognize that KEPCO E&C, as one of leading enterprises specialized in new recycling energy, is moving forward to do research on how to manage energy efficiency especially in line with wind, solar, water, and waste energy sectors, and to do business in a strategic manner. All of such efforts are being done from a broad perspective in order to actively respond to an ever-changing paradigm in the international energy industry. Therefore, when new & renewable energy expands, KEPCO E&C's engagement in the market will be expanded.

BUSINESS 5

PROJECT AND CONSTRUCTION MANAGEMENT (PM·CM)

KEPCO E&C has expanded its business areas since early 1990's ranging from general construction (civil engineering, architecture, etc.), electrical works, and environmental pollution controlling activities (air and water quality, etc.) to new & renewable energy sectors. To do that, it acquired business licenses and has successfully been conducting its business in such areas. In particular, KEPCO E&C participated, as a project management consultant, in the Seoul-Busan High Speed Railway Project and Incheon International Airport Project, the largest and biggest infrastructure projects ever in Korea. By carrying out such huge national projects, in particular, in the area of construction management, procurement control, and supervision, KEPCO E&C accumulates its own technologies to secure every resource and capability to enhance international competitiveness, and earns widespread global recognition at the same time.



*PM: Program/Project Management

*CM: Construction Management

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SUSTAINABLE PERFORMANCE WILL BE CARRIED OUT IN THE AREAS OF ECONOMY, ENVIRON- MENT AND SOCIETY BY PURSUING DEVELOPMENT ALONG WITH OUR SHAREHOLDERS.



KEPCO E&C WILL PUT AN IMPROVEMENT OF CORPORATE VALUES IN PLACE, AND LIVE UP TO A SUSTAINABLE MANAGEMENT WHICH IS ONE OF NEW STANDARDS IN INTERNATIONAL SOCIETY TO BECOME A WORLD-CLASS POWER PLANT MAJOR ENTERPRISE COMBINING THE CONCEPTS OF HUMANITY, ENVIRONMENT AND TECHNOLOGY.

KEPCO E&C WILL REDEFINE OUR CORPORATE VALUES AND WE WILL TRY TO IMPLEMENT A SUSTAINABLE MANAGEMENT PRACTICE TO BE IN LINE WITH THE NEW INTERNATIONAL STANDARDS. BY COMBINING THE VALUES OF HUMANITY, ENVIRONMENT AND TECHNOLOGY, WE HOPE TO BECOME A WORLD-CLASS POWER PLANT ENTERPRISE.



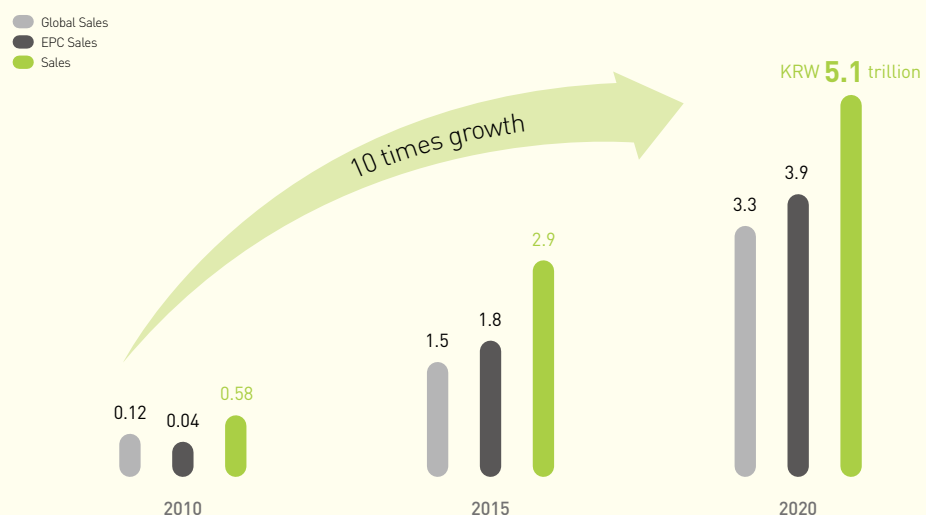
KEPCO E&C'S VISION AND STRUCTURE

- KEPCO E&C declared "2020 NEW Vision" on October 1, 2009 as a steppingstone on its way to become a world-class power plant EPC enterprise. To realize this goal, KEPCO E&C set up three major mid-long term plans; "Strengthening Total Solution Business"; Business Expansion to Global Markets; and Sustainable Technology Development. "KEPCO E&C, by pursuing such strategical plans, will take the lead in becoming one of the world five major power EPC companies for which it has specific objectives of total sales of KRW 5 trillion, sales in EPC of KRW 4 trillion, and overseas sales of KRW 3 trillion by 2020.

2020 NEW VISION and Strategy

2010 VISION	GLOBAL TOP5 POWER EPC LEADER		
Strategic Goal	Sales of KRW 5 trillion		
	EPC Sales of KRW 4 trillion		
	Overseas Sales of KRW 3 trillion		
Strategic Directions	Strengthening Total Solution Business	Expansion into Global Market	Sustainable Technology Development

2020 Roadmap for Management Goal in Mid-Long Term (Unit: KRW 1 trillion)



RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT SYSTEM (ERM)

ENTERPRISE RISK MANAGEMENT(ERM) SYSTEM

- KEPCO E&C has established ERM (Enterprise Risk Management) system in 2010 in the face of ever-changing global economic circumstances since the financial crisis in 1997 aiming at achieving two objectives; one is to enhance stability and transparency; the other is to strengthen capacity for company-wide risk management as part of a successful takeoff to become an EPC company in the future. The ERM provides a framework for company-wide risk management, which typically involves identifying particular events or circumstances relevant to the organization's activities (for the purpose of managing risks), job description, risk management policies and its procedure, a framework for project risk management which involves securing projects and guiding how to pursue such projects, and a framework for operational risk management in terms of determination of response strategies, and monitoring progress on the company's ordinary affairs.

SYSTEMIZATION OF ERM

- KEPCO E&C has institutionalized regulations and procedures for risk management to facilitate activities related to its company-wide risk management. Regulations and rules about risk management are added to the company's internal policies. A Risk Management Committee is formed to review policies regarding company-wide risk management, and regulations about the policies are made by the Committee. In addition, procedures for project risk management and operational risk management are included in the regulations for risk management. Job descriptions and work process are clearly defined between the general risk management department and its relevant departments.

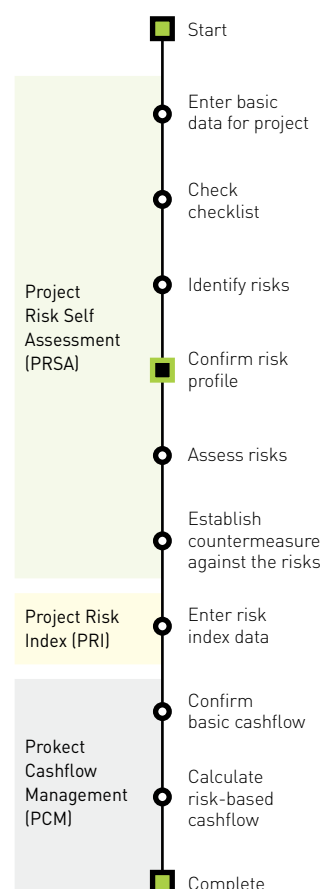
PROJECT RISK MANAGEMENT

- KEPCO E&C, with regard to expected problems with contract, technology, client/country, stakeholder and fund risks with execution of projects including EPC project, investment business, and company-led important initiative, minimizes possible risks by identifying internal and external potential risks; evaluating them; and bringing about response plans. Project Risk Management is executed in two stages; ordering stage and project's implementation stage. These processes are conducted by specifically categorizing into Project Risk Self Assessment (PRSA), Project Risk Index (PRI) Management, Project Cash Flow Management (PCM) and Project Loss Management (PLM), respectively.

CORPORATE RISK MANAGEMENT

- The scope of risk management covers 10 areas; Audit, Legal, Marketing, Human Resources, IT, Contract, Technology, Strategic Planning, General Affairs, and Financial Accounting. A person responsible for operational risk indicators sets up the risk indicators for each area and monitors the indicators on a regular basis to come up with appropriate countermeasures in case risk warnings on certain indicators occur. As such, the operational risk management based on indicator monitoring process is done.

Work Flow of Project Risk Management

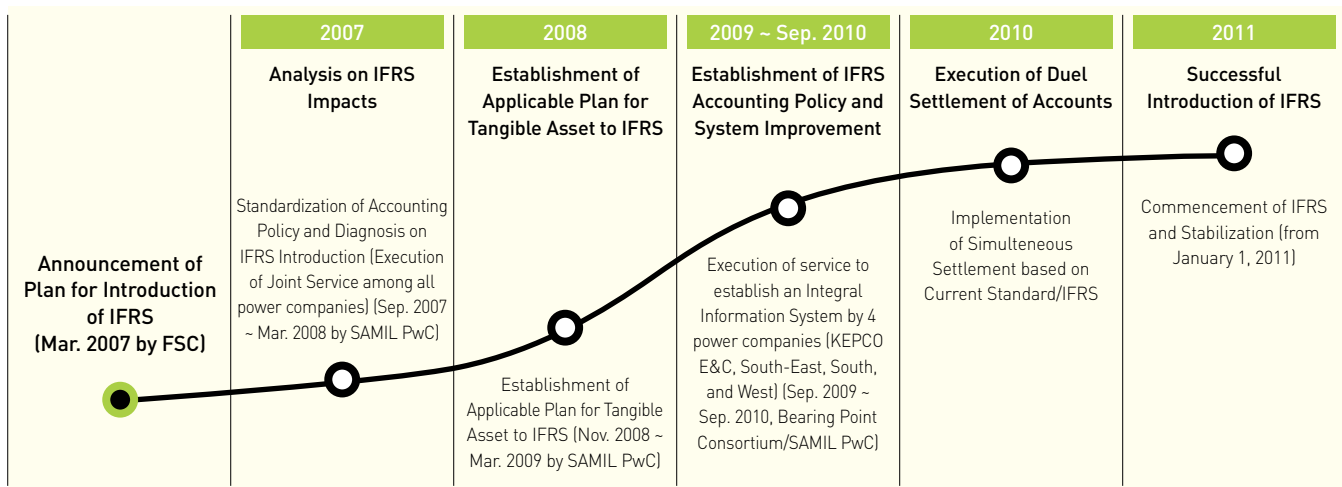




INTRODUCTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

PROGRESS AND STRATEGY OF IFRS INTRODUCTION

- The world is introducing IFRS (International Financial Reporting Standards) initially because of a dramatic change in international financial environment triggered by the most serious accounting scandals ever by Enron and WorldCom in the US. Therefore, as a means of protecting investors and strengthening transparency of financial information, it is generally expected that IFRS adoption worldwide will be beneficial to investors and other users of financial statements. In line with the international trend, KEPCO E&C fully established IFRS reporting over a four year long period to introduce an IFRS-based financial system to the power generation of KEPCO. KEPCO E&C will become a company that can give more satisfaction and create new values to all stakeholders around the world by preventing potential risk factors that could cause distortion of financial information in advance and by providing transparent financial statements for investors.



CORRUPTION RISK PRE-CONTROL SYSTEM: E-AUDIT SYSTEM



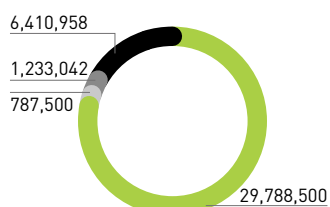
- KEPCO E&C runs a corruption control system to remove corruption/absurdity-related risk elements which could lead to problems in internal and external management activities. The E-Audit System, an IT-based real-time monitoring system, which was introduced in 2010, is designed to monitor indicators of business projects with high risks, and other management activities. Once risk factors are detected using real-time surveillance, all audit capability is focused on vulnerabilities to prevent them from becoming problems. It is naturally expected that occurrence of corruption risks will be minimized by monitoring countermeasures that are taken based on the previously accumulated audit data.

Establishment of IT-based integral audit system for practical internal controlling

Category	Main Features
Audit General	<ul style="list-style-type: none"> Systematic management of audit DB Tracking unsolved items to be measured
Regular Audit	<ul style="list-style-type: none"> Continuous monitoring in vulnerable areas Constant sharing system about audit information
Ethics and Integrity	<ul style="list-style-type: none"> Constant data on integrity and ethics Voluntary system about report/monitoring

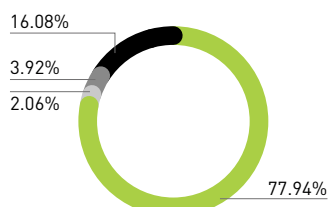
TRANSPARENT GOVERNANCE

No. of Shares Outstanding



● KEPCO
 ● Korea Atomic Energy Research Institute
 ● Employee Stock Ownership Association
 ● Others

Shares



● KEPCO
 ● Korea Atomic Energy Research Institute
 ● Employee Stock Ownership Association
 ● Others

SHAREHOLDERS

- KEPCO E&C has been classified into the category of other public agencies in accordance with Act on the Management of Public Institutions. Twenty percent of stock owned by KEPCO, the largest shareholder, was listed on KOSPI on December 2009, and an extra 20% of its shares will also be sold by 2012. As of December 31, 2010, the number of share outstanding is 38,220,000, and 77.94% of them are owned by KEPCO.

BOARD OF DIRECTORS

- KEPCO E&C's board of directors is the highest decision-making body that examines and determines vital matters related to corporate management.

The board of directors consists of executive directors and non-executive directors. Among them four executive directors are inside directors including the CEO while the number of non-executive directors who have special knowledge of their own special area is 6 persons. The chairman of the board is the CEO who takes charge of authorization to convene a general meeting. Profiles of each director and minutes about the general meeting are open to KEPCO E&C's homepage at www.kepco-enc.com.

APPOINTMENT OF EXECUTIVE DIRECTORS & REMUNERATION

- In line with electing qualified directors through transparent and fair procedures, the CEO is selected during the General Meeting of shareholders on the recommendation of the President Nomination Committee, while executive and non-executive directors are drawn from the ranks of government officials in the fields of nuclear power plant industry and its policies along with KEPCO's executives and consultants on business administration, and experts who are expected to make contributions to the company's managerial development with the aim of enhancing professionalism of decision-making process.

- Remuneration for directors includes basic annual salary, performance-based salary, and severance pay. It can be paid in connection with the company's managerial performance within the maximum limits of compensation that was approved in shareholder meeting. The CEO needs to accomplish annual goals that are described in his managerial contract in accordance with the Article 39 of the Article of Incorporation, and his performance is subject to evaluation on which the CEO's performance-based salary is paid. Compensation for executive directors is also paid depending on the company's managerial performance in accordance with Article 43 of the Article of Incorporation. In other words, goals to be attained are set every year, and managerial contracts are signed based on the goals, and additional salary is paid accordingly. For non-executive directors, a pre-determined amount of money allotted for official activities is paid every month.



OPERATION OF BOARD OF DIRECTORS

- KEPCO E&C's board of directors meetings are held with a majority of directors in attendance and decisions are made with the approval of the majority. In addition, the number of non-executives among directors is more than that of the majority to prevent management level executives from making sole decisions on matters in their own area of responsibility. Furthermore, special regulations are made in the Article of Incorporation so that directors who are interested in agendas do not participate in the voting process, basically to prevent conflicts of interest among directors. Consequently, a Self-Evaluation System for an efficient operation of each director was established to gather information and diagnose its operational status and vulnerabilities so that the board of director's reputation is substantially recognized.

SELF-EVALUATION SYSTEM FOR BOARD OF DIRECTOR'S OPERATION

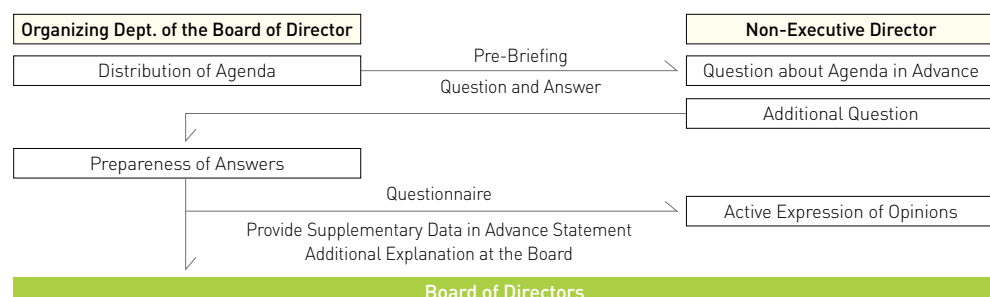
Category	Criteria	Result
Measurement	<ul style="list-style-type: none"> Directors' attendance and number of agenda raised in the board Notice of the meeting date Frequency of non-executives' remarks 	<ul style="list-style-type: none"> High attendance rate and increased numbers of agenda Faithful compliance on the meeting date (on average 11 days) Dramatic increase compared with its previous year (on average 19 times, 90% ↑)
Non-measurement	<ul style="list-style-type: none"> Strengthening roles of the board of director Managerial specialty and check & balance 	<ul style="list-style-type: none"> Strengthening roles due to specific guidelines on proposed decisions Increased number of agenda items proposed by non-executive directors

EFFORTS TO STRENGTHEN ROLE OF BOARD OF DIRECTORS

- In a bid to facilitate the operation of the board in an independent and practical fashion such as feedback-based opinion expression, KEPCO E&C's board runs a 'Pre-Clarification System' through which non-executive directors can get supplemental information on the agenda in advance, and ask questions. The agenda that is reported to the board includes matters about economic, environmental, and social performance. Efforts are being made in various ways, such as extension of time for examination on agenda items and a diversified range of agenda, to strengthen the roles of the board as a decision-making body.

Category	Frequency	Examination time per agenda	Notification to convene	No. of Agenda		
				Report (Increase Rate)	Resolution (Increase Rate)	Total (Increase Rate)
2008	9	14 minutes	Before 7 days	10	24	34
2009	10	17 minutes	Before 8 days	11 (10%)	29 (20%)	40 (17%)
2010	8	19 minutes	Before 11 days	13 (18.22%)	32 (10.3%)	45 (12.5%)

Pre-Clarification System



EFFORT TO PRACTICE TRANSPARENT MANAGEMENT

CORPORATE DISCLOSURE

- KEPCO E&C, as one of the public institutions by 'Act on the Management of Public Institutions', publicizes its wide range of information through ALIO System, which is a public institution management information system. And 'Management Disclosure' and 'Information Disclosure System' are published on KEPCO E&C's homepage. Periodic disclosure like DART (Data Analysis, Retrieval and Transfer System) business disclosure and timely disclosure on managerial status published to provide investors and the public with useful financial/non-financial information, and more importantly to allow them to enjoy their right to know. All of such efforts are for the sake of making a transparent management possible.

Category	Disclosure Items	Performance
ALIO Integral Disclosure	<ul style="list-style-type: none"> • Main business and managerial performance • Salary and remuneration • Research report and recruiting information A total of 27 items	Since 2006 Periodic Disclosure (Quarterly), Timely Disclosure (If necessary)
Business Disclosure	<ul style="list-style-type: none"> • Management objective • Executive and operational personnel • Budget for labor budget and its execution A total of 28 items	Since 2004 Periodic Disclosure (Quarterly), Timely Disclosure (If necessary)
DART Business Group Status Disclosure (Fair Trade Commission)	<ul style="list-style-type: none"> • Shareholders • Transaction with subsidiaries A total of 21 items	Since 2009 Periodic Disclosure (Quarterly), Timely Disclosure (If necessary)
DART Business Disclosure (The Financial Supervisory Service)	<ul style="list-style-type: none"> • Financial information (including financial statement) • Non-financial information on company overview and projects 	Quarterly submission of report since listed on December 14, 2009
Information Disclosure System	<ul style="list-style-type: none"> • Individual requests through bulletin board at the homepage • Official requests from government agencies and bodies (excluding non-public information) 	Operated since 2008, information disclosure rate of 89% (8 cases for disclosure/a total of 9 cases)



IMPLEMENTATION OF REGULAR JOB ROTATION

- With regard to official positions and official duties with high possibilities of corruption and irregularities, KEPCO E&C prevents such possibilities in advance by implementing a 'Regular Job Rotation' system. In particular, the system of job rotation has been institutionalized since 2009 in order for office employees to maximize productivity; not to allow personnel for financial/accounting affairs to get involved in corruption. By comprising a pool of human resources by position, 30 persons (three of them from finance/accounting) in 2009; 38 persons (two of them from finance/accounting) in 2010 have worked in the job rotation, which in turn has contributed to giving vitalization and transparency to the organization.

INTERNAL ACCOUNTING CONTROL SYSTEM

ITEM	COMPLIANCE	RISK	SCORE
1. ACCOUNTING SYSTEM	100	100	100
2. ACCOUNTING INFORMATION	100	100	100
3. ACCOUNTING CONTROL	100	100	100
4. ACCOUNTING MONITORING	100	100	100
5. ACCOUNTING EVALUATION	100	100	100
6. ACCOUNTING IMPROVEMENT	100	100	100
7. ACCOUNTING REPORTING	100	100	100
8. ACCOUNTING TRANSPARENCY	100	100	100
9. ACCOUNTING INTEGRITY	100	100	100
10. ACCOUNTING ETHICS	100	100	100

- KEPCO E&C, in accordance with requirements from society and laws towards a transparent management, has established an internal accounting control system and allowed employees to report crucial matters to its board of directors and audit committee every fiscal year. By operating the internal accounting control system, efforts to find potential risks and to

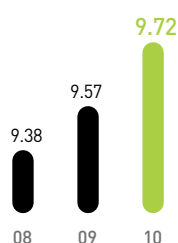
prevent intentional distortion of accounting information are being made. According to the evaluation result in 2010, good scores have been made to all 449 items, which means no deficiencies and vulnerabilities have been found in accordance with standard regulations of the internal accounting control system.

E-BIDDING SYSTEM

- KEPCO E&C is implementing an E-Bidding System for all contracts except some private contracts when it comes to purchasing/construction/outsourcing services. The portion of contracts (based on the number of cases) won through the E-Bidding System is approximately 80% for the recent 2 years. Likewise, KEPCO E&C is committed to securing transparency across the company by minimizing person-to-person contact, especially with regard to huge projects that could cause corruption risks, but also implementing the E-Bidding System in a transparent and fair way.

ETHICS MANAGEMENT

Result of Survey on Integrity by KEPCO



ETHICS MANAGEMENT SYSTEM

- KEPCO E&C is implementing the Code of Ethics and the Code of Conduct for Employees (enacted in 2003) to use as a judgment criteria on behaviors of executives and employees and responsibility to customers and society, company and job position. In particular, KEPCO E&C has joined the UN Global Compact in 2007 to completely align its operations with the ten principles including Human Rights, Labor Standards, Environment, and Anti-Corruption. More importantly, KEPCO E&C puts together resources and energy to create a transparent corporate culture through internal/external evaluation on integrity, and self-inspection on ethics management.

System for Ethics Management



CODE OF ETHICS

KEPCO E&C espouses a philosophy based on ethics and has established a culture of fairness, and transparent ethics in a bid to become a world-class company that puts customer values first. To that end, KEPCO E&C implements the Code of Ethics for Employees.

EMPLOYEES' BASIC ETHICS

- Based on trust and sincerity, we shall establish the right job ethics and values, perform jobs honestly and fairly, and fulfill duties and responsibilities.

RESPONSIBILITY FOR CUSTOMERS

- On the understanding that the company's value lies in creating customer values, we shall respect the morality of business, observe the relevant laws and regulations, and do our best to satisfy customers.
- We shall refrain from accepting entertainment and gifts from partners when making business deals with them, make fair and transparent deals, establish mutual trust to pursue mutual development.

RESPONSIBILITY FOR THE COMPANY AND JOBS

- We shall respect all members of the company, evaluate and treat them fairly according to their competence and achievements and do our best to exercise creativity.
- Based on continual self-development and a challenging spirit, we shall abolish all inefficient or irrational work practices.
- We shall observe all the laws and regulations, establish good work etiquette and work discipline, strictly distinguish between official and private affairs, and promote a culture of honor and dignity.
- Based on trust and reconciliation between labor and management, we shall pursue mutual prosperity and develop partnership afresh.

RESPONSIBILITY FOR SOCIETY

- We shall continuously innovate technologies, and grow into a world-class technology company, thereby contributing to the conservation of the environment and development of society.
- We shall create jobs, and do our best to play a corporate citizen's role in serving the nation and communities.



COMMITTEE FOR ETHICS MANAGEMENT

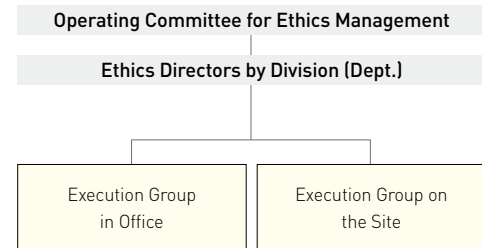
- KEPCO E&C advocates 'BEST Ethics Management' as one practical strategy to realize a sustainable management, and performs diverse activities for pursuing good ethics management. In that regard, the Committee for Ethics Management was formed with the CEO acting as its Chairman, and heads of each division/department as members of the committee. Executives' aggressive commitment to ethics management and ethical leadership were established, and strong drive engines for employing the ethics management have been secured; for example, in terms of resolution of pending issues about ethics management and setting policy directions. Additionally, efforts are being made to internalize a corporate culture of ethics management by assigning Ethics Directors to each division and department; and by identifying assignments that can be carried out by each individual without any enforcement so that the basic foundation for the ethics management can be laid.

Organization of Company-Wide Ethics Management



Consideration of main agenda on ethics management including establishment of strategies and selection of progressive measures

Support Committee for Ethics Management by Division (Dept.)



Headquarters: Planning Marketing/Nuclear Power/Plant/NSSS
Site: Plant construction sites including Kori/Wolsong/Ulchin/Yeonggwang

PRACTICE AND EFFORT FOR ETHICS MANAGEMENT



- KEPCO E&C makes efforts to embed an ethical mind across the company; by designating "Integrity · Ethics Campaign Day" and "Integrity Day"; and by operating ethical contents at the company's portal sites. It also runs programs for company-wide ethical education and self-assessment ethics management; and carries out a survey on integrity levels towards suppliers, thereby obtaining their assessment of the processes of each department. KEPCO E&C also encourages employees to voluntarily execute activities and to freely give feedback. Based on their engagement and participation, praise and rewards are given.



- KEPCO E&C has, since 2005, provided a wide range of ethics education opportunities for the sake of enriching the ethics management mind for all employees. For instance, cyber ethics education, which is a required course for all employees, has been taken by each employee 1.97 times on a 3-year average.

CAMPAIGN FOR AWARENESS OF CORRUPTION

- As interested parties and stakeholders, including executives and partners' employees, recognize the importance of ethics management, KEPCO E&C designated the 1st day of each month as "Integrity Day" to put in an integrity-based mindset in place. Therefore, employees voluntarily practice various activities with campaigns such as "Don't Give and Take Presents and Flowers", "Sharing the Message about Ethical Integrity", etc. In addition, the "Internal Auditor for Ethical Integrity", in charge of promoting ethical integrity in the company and of re-establishing official discipline, was assigned so that control over cracking down on corruption and irregularities is continually performed. Feedback about such activities is periodically checked through a survey on self-integrity. Thanks to a series of efforts, the survey on integrity index from 2008 to 2010 conducted by an external organization showed that the index has increased 3 years in a row.

KEPCO E&C has an Integrity Reporting System, a reporting channel, in which executives and interested parties can easily have access to the system in the event of non-ethical behavior or corrupt practices occur. Once irregularities happen, no one then can get out of a strict punishment.

INTEGRITY REPORTING SYSTEM

- The Integrity Reporting System, as part of the company's ethics management, is designed to allow all interested parties including executives and employees to offer constructive suggestions and to report improper and unfair practices, such as demands for bribes, gifts, and favors. Corruption-related complaints reported in the Integrity Reporting System are investigated and deliberated through strict and fair procedures by the Audit Team and the Personnel Committee determines whether to make discipline punishment against the person about whom the complaint was made. Whistle blowers and external reporters are completely protected by keeping their privacy confidential except when their legal statements are needed. In that case, the reporters' identification opens to only relevant organizations so as not to impose on them.

DISCIPLINARY PUNISHMENT SYSTEM

- KEPCO E&C has established a code of conduct for ethical management and operational rules about occupational integrity agreement of executives to regulate the practice of integrity ethics by means of rules and regulations. Those who violate such rules and regulations get punished on the basis of disciplinary standards such as dismissal, suspension, salary reduction and reprimand. For the sake of awareness of prevention against corruption, and enhancement of integrity, statute of limitation for the punishment against acts of fraud and corruption and such as money and valuables, bribery or favors was extended from two years to five years in 2009. Thanks to such efforts, no disciplinary actions or dismissal punishment due to corruptive behaviors has occurred from 2008 till now, 2011.



ADVANCEMENT OF MANAGEMENT

TDR

INNOVATIVE MANAGEMENT

- KEPCO E&C is actively improving management efficiency by pursuing changes and innovative strategies living up to a rapidly changing management environment.
- In line with the following policies proposed by the government to overcome the global financial crisis in late 2008, and to recover from the economic slowdown, KEPCO E&C has pushed forward plans for the advancement of management to improve management efficiency and to focus on its core business activities.

Major Advancement Plan	Progress	Future Plan
[Privatization] Sold shares owned by KEPCO – 20% by 2009, 20% by 2012	[In Progress] Dec. 2009: Listed on KOSPI, sold shares of 20%	Additional 20% will be sold by 2012
[Management Efficiency] Efficiency of Organization	[Introduction] Jan. 2009: 2 divisions, 5 departments and 15 teams were reduced	

- KEPCO E&C, for the sake of widening executives' views and perspectives for radical changes and an innovative way of thinking, has introduced the TDR System that is a tool for the pursuit of management innovation. Through such practice-oriented innovation, KEPCO E&C will not only enhance management performance and productivity, but also reduce costs.

TDR PROGRESS AND STATUS

- Final results from as many as 17 tasks including pilot assignments in 2009 and 2010 were implemented to correct the existing system, thereby showing consistency in pursuing KEPCO E&C's management innovation strategy. As of today, June 2011, four tasks are being carried out.

2009

PILOT TASKS

- Establishment of Performance-Based Remuneration System in HR/Salary System
- Improvement of EPC Execution Capability
- Establishment of Efficient Business Operation System

2010

THE 1st

- Foundation and Operation of Human Resource Development Institute
- Establishment of Plans for Expansion into Overseas Markets and for Securing International Competitiveness
- Establishment of Integral DB for Purchasing Data on Equipment
- Establishment of Plans for Expansion of Subcontractors (1st Stage)

THE 2nd

- Establishment of Foundation for Expansion of Subcontractors (2nd Stage)
- Strengthening Security System to Prevent Information Leakage
- Improvement of Technological Assessment for Equipment and Suppliers
- Establishment of DB for Basic Data for Engineering & Utilization of Design Computerization

THE 3rd

- Enactment of Operation Guidelines on Domestic and Overseas Site Offices
- Reduction in Engineering Period through Bidding Procedure for Engineering
- Development of Standard Modular-Based Programming

THE 4th

- Establishment of Plans for Optimization of How to Use IT Resources
- Automatic EDB Design Data Input System based on 3D Model
- Analysis on Obstacles and Countermeasures regarding NSSS Execution

TECHNOLOGICAL INNOVATION

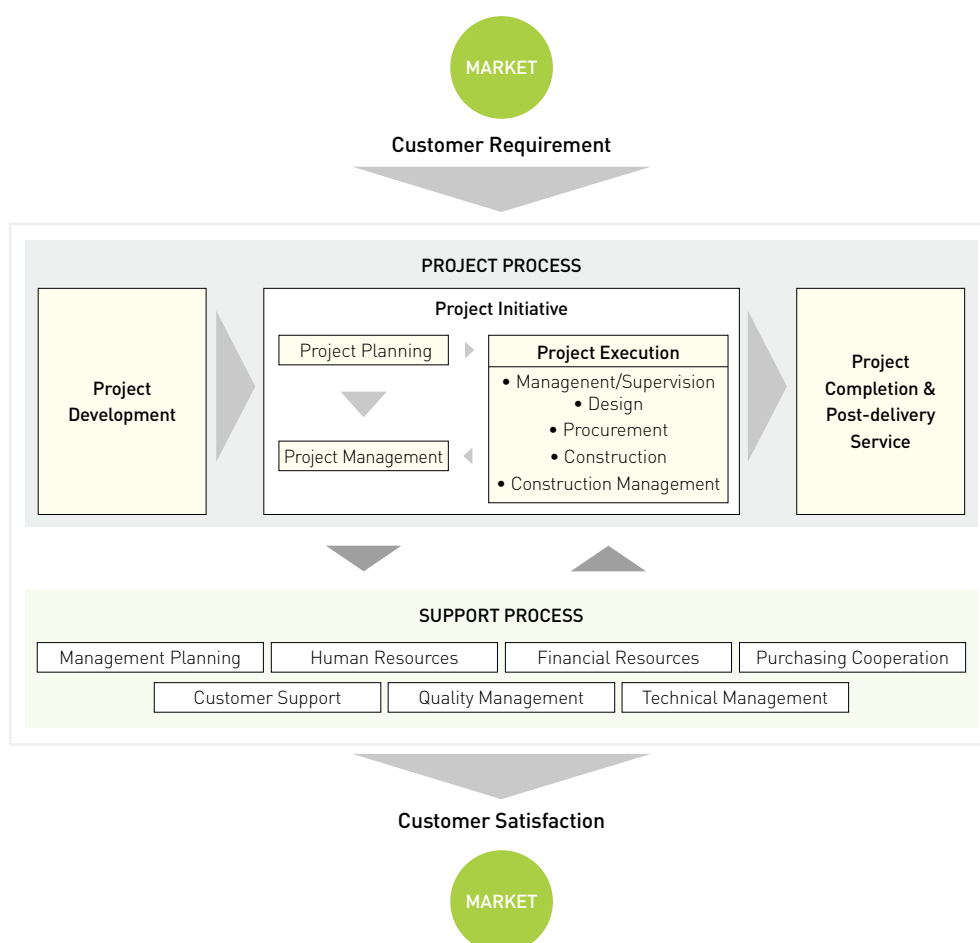
- KEPCO E&C's top priority is to pursue technological innovation by fully striving to explore technologically innovative items while putting improvement of technological competitiveness first to accomplish a goal of "NEW VISION 2020". Specifically, sustainable technology development is being pursued to facilitate the project progress on the export of nuclear power plants and its corresponding technological strategies. To do that, the infrastructure for technological management such as re-arrangement of strategies for technology development has been established to effectively manage invested resources.

QUALITY MANAGEMENT

QUALITY MANAGEMENT SYSTEM

- From its foundation in 1975, KEPCO E&C was the first to introduce and operate nuclear quality systems. The company establishes and operates quality management systems reflecting the nuclear quality requirements as per business sector, based on the requirements of ISO 9001 Quality Management System on a corporate level.

Process of Quality Management System

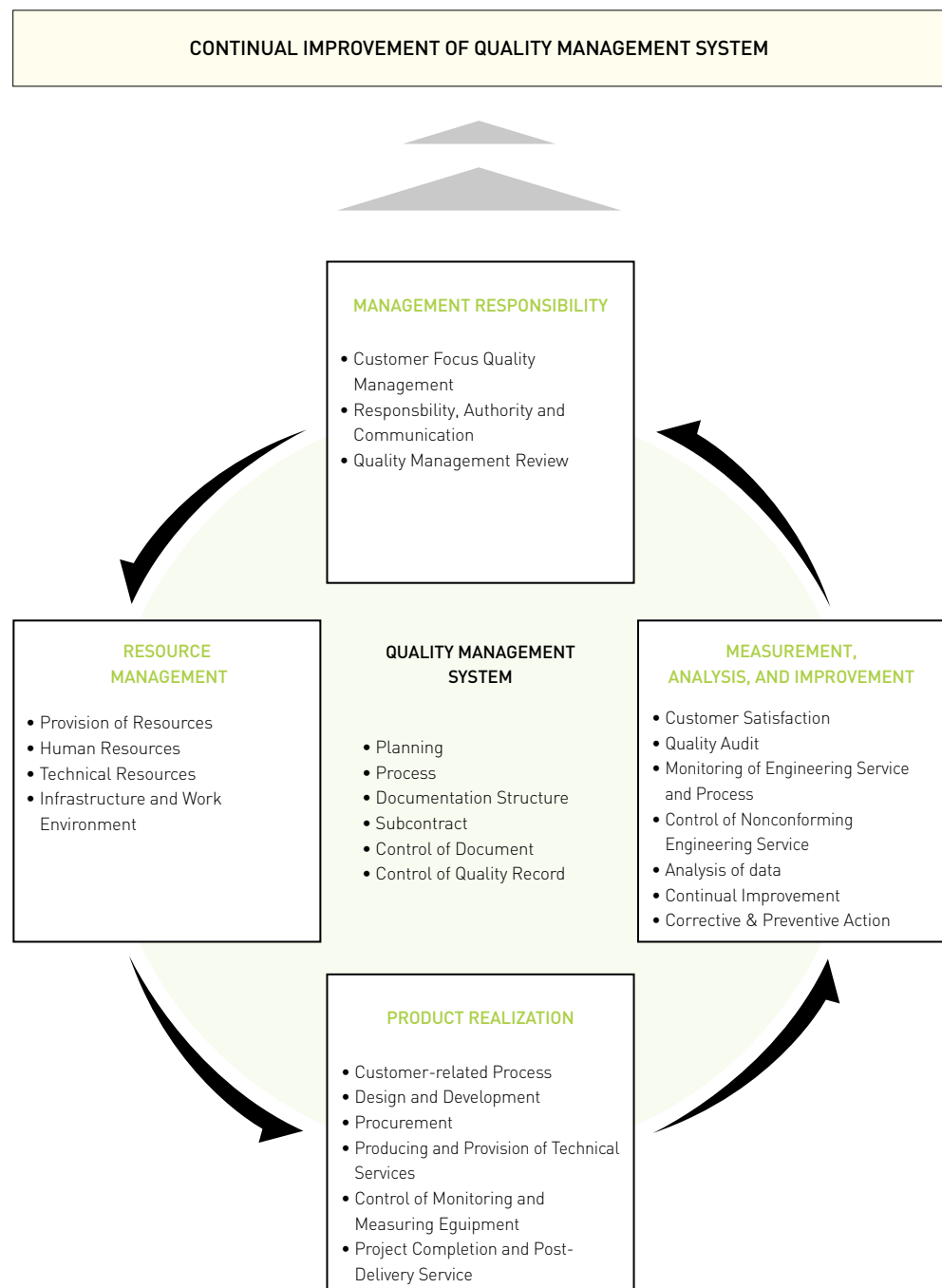




ACTIVITIES FOR QUALITY MANAGEMENT

OPERATION AND IMPROVEMENT OF QUALITY MANAGEMENT SYSTEM

- KEPCO E&C establishes and implements quality policies and quality objectives to meet applicable statutory and regulatory requirements related to quality at home and abroad including customer requirements. Moreover, the company operates and continuously improves quality management systems through corrective and preventive action, and management reviews.



QUALITY ASSURANCE AND TRAINING

- KEPCO E&C is conducting planned and systematic quality assurance activities for entire business areas of design, procurement, and construction by establishing and implementing project quality assurance system to fulfill both quality requirements (ASME NQA, KEPIC QAP, etc) requested by customers of each project and characteristics of them based on the corporate Quality Management System.

Particularly, KEPCO E&C is continuously improving the level of project's quality assurance through operation of Design Improvement Control System (DICS) built with the purpose of overall controlling over both empirical data and efforts to prevent reoccurrence of same problems raised by execution of previous projects in succeeding units.

In addition, KEPCO E&C is providing quality training on its corporate level to bring quality management into practice and raise awareness of quality.

PERFORMANCE OF QUALITY MANAGEMENT

- KEPCO E&C has continuously upgraded the quality system by obtaining an ISO 9001 Certificate in 1996, a KEPIC Certificate in 1999, and an ASME N Certificate in 2009. As a result of such strenuous efforts, KEPCO E&C has been selected as an "Excellent Quality Competitiveness Enterprise" for four consecutive years and won the "National Quality Award" in 2008 in the public sector.

- 01 ISO 9001 Certificate
- 02 ASME N Certificate
- 03 KEPIC Certificate of Nuclear Machinery (MN)
- 04 KEPIC Certificate of Nuclear Structure (SN)



01



02



03



04



COMMUNICATION WITH STAKEHOLDERS

- KEPCO E&C recognizes customers, executives, employees, shareholders, investors, local communities, partners and the government as major interested people and stakeholders, and listens to their opinions and comments about important business issues through diverse channels.

Technology Development and Business Performance

	RESPONSIBILITY	COMMUNICATION CHANNEL
CUSTOMER	<ul style="list-style-type: none"> Quality Management Eco-Friendly Safety Design Transparent & Ethical Management 	<ul style="list-style-type: none"> Survey on Customer Satisfaction Brochure, Homepage and etc. ALIO (Management Information Sharing System for Public Organizations)
EMPLOYEE	<ul style="list-style-type: none"> Balance between Work and Life Fair Performance Assessment and Incentive Improvement of Employee Satisfaction Capacity Building 	<ul style="list-style-type: none"> Survey on Employee Satisfaction Labor Consultation Committee, and Gathering Training Program for Vision Sharing and Communication ALIO (Management Information Sharing System for Public Organizations)
PARTNER	<ul style="list-style-type: none"> Fair and Transparent Transaction Cooperative Management Support for Professional Capability Reliable Relationship 	<ul style="list-style-type: none"> Online Ombudsman Seminars, Workshops and Official Gathering Conference among SMEs and Large Enterprise ALIO (Management Information Sharing System for Public Organizations)
SHAREHOLDER AND INVESTOR	<ul style="list-style-type: none"> Distribution of Management Performance Sustainable Growth and Development Sustaining Financial Soundness 	<ul style="list-style-type: none"> Board of Directors General Meeting of All Shareholders Corporate Presentation Management Assessment Electronic Disclosure System ALIO (Management Information Sharing System for Public Organizations)
COMMUNITY	<ul style="list-style-type: none"> Social Contribution Job Creation Eco-Friendly & Safety Design 	<ul style="list-style-type: none"> Online Ombudsman Volunteering in Community Complaint Handling for Residents Sisterhood Relationship with Local Communities ALIO (Management Information Sharing System for Public Organizations)
GOVERNMENT	<ul style="list-style-type: none"> Transparent Ethics Management Faithful Taxation Eco-Friendly Safety Design Response to Climate Change 	<ul style="list-style-type: none"> Portal sites of the Ministry of Strategic Planning and Finance, and the Ministry of Knowledge-based Economy Seminars, Workshops and Official Gathering ALIO (Management Information Sharing System for Public Organizations)

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AS A DRIVING FORCE OF NATIONAL GROWTH OUR CORE VALUES LIE IN THE DEVELOPMENT OF INNOVATIVE TECHNOLOGY.



KEPCO E&C WILL MAKE CONTRIBUTIONS TO A STRENGTHENED NATIONAL ENERGY COMPETITIVENESS BASED ON THE ADVANTAGES OF INDEPENDENTLY DEVELOPED POWER PLANT TECHNOLOGY, FUTURE-ORIENTED ENVIRONMENT PROJECTS, NEW & RENEWABLE ENERGY INITIATIVES, CUTTING-EDGE TECHNOLOGIES, AND A SPIRIT OF PUTTING CUSTOMER VALUES FIRST, WITH AN ULTIMATE GOAL OF PROTECTING FUTURE GENERATIONS.



KEPCO E&C'S TECHNOLOGY MANAGEMENT

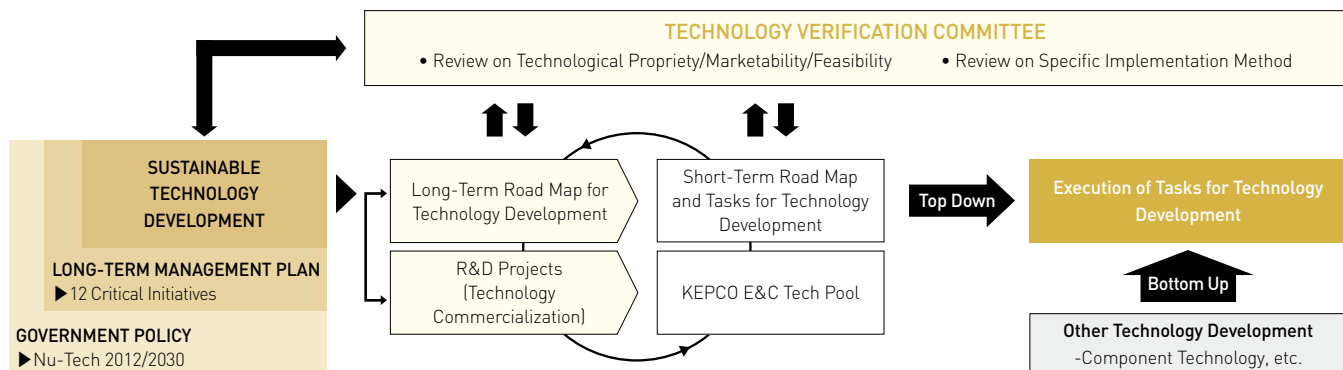
SYSTEM OF TECHNOLOGICAL MANAGEMENT FOR SUSTAINABLE TECHNOLOGY DEVELOPMENT

- KEPCO E&C, in a bid to accomplish a goal of 'NEW VISION 2020' and to strategically develop a sustainable technology as one of its long-term objectives, is striving to secure differentiated technological competitiveness in the global market; to upgrade technological capability through selection and concentration of investment resources for technological development; and commercialization of developed technology based on specific strategies in which the result of technological development brings about practical management performance.

STRATEGY FOR TECHNOLOGICAL DEVELOPMENT

- KEPCO E&C has established its strategic business directions for sustainable technological development by taking a strategy of selection and concentration of resources for investment in core technologies to secure differentiated global competitiveness and original technologies with regard to a 'Low Carbon and Green Growth' and 'Nu-Tech 2012 Policy' pursued by the government. A Long-Term Road Map for technology development and R&D projects for the technological commercialization were sought out in that regard. In particular, a Short-Term Road Map and tasks for scheduled technological development were also created to control the way that the long-term management plan needs to be done based on a Top Down Method. At the same time, a Bottom Up Method is used to keep flexibility of development.

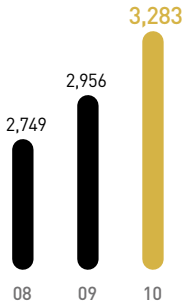
Process of Strategy for Technology Development



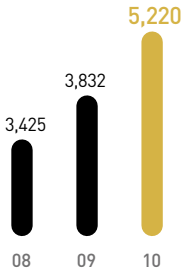
CONTINUOUS INVESTMENT IN TECHNOLOGICAL DEVELOPMENT AND INCREASED APPLICATION OF INTELLECTUAL PROPERTY RIGHTS

- KEPCO E&C has invested more than 7% of sales every year, in research and development to develop design and engineering technologies in export & existing models of nuclear power plants; and to obtain source technologies that have not yet been secured. The amount (upward of 7% of total sales) for the investment in R&D will increase continuously.
- In addition to that, with the government R&D grants, KEPCO E&C is conducting 17 R&D projects aimed at boosting economical efficiency of nuclear power plants and securing safety of the plants, as well as preventing environmental pollution. In this way, KEPCO E&C joins forces with the government's Low Carbon and Green Growth initiatives.

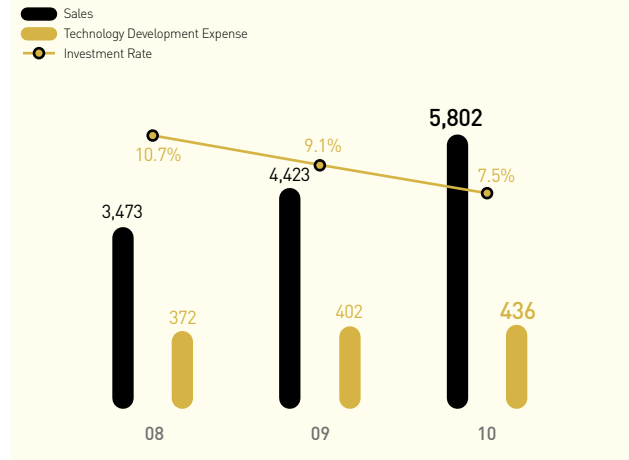
Grants for Technology Development (Unit: KRW 1 million)



Investment in Technology Development for Environment (Unit: KRW 1 million)



2020 Roadmap for Management Goal in Mid-Long Term (Unit: KRW 1 trillion)



REGISTRATION OF PATENT AND STATUS ON APPLICATION

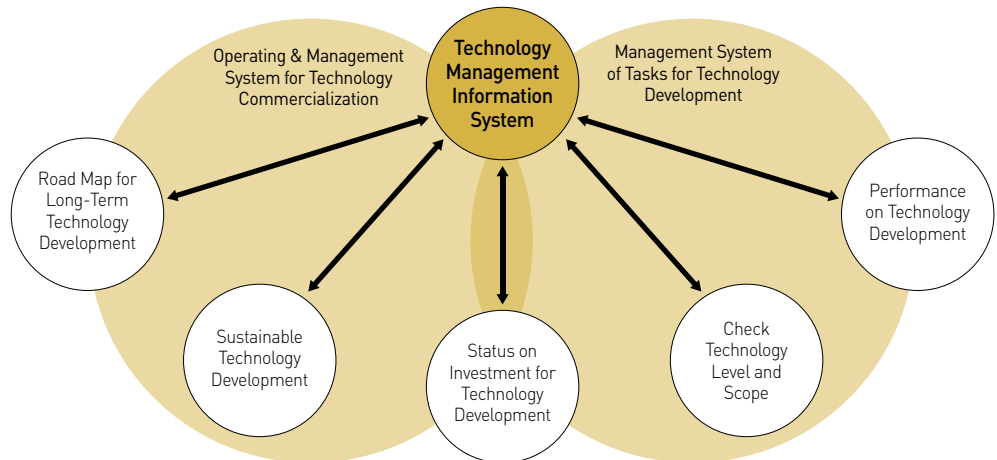
Registration of Patent		
Domestic	Overseas	Sub-total
63	24	87
Patent Application		
Domestic	Overseas	Sub-total
27	33	60
Total		
147		

Remarks
Inventions
• Application of 37 Patents
• Registration of 63 Patents

- As of the end of December 2010, KEPCO E&C held 87 patents and another 60 are in the process of examination.

INFRASTRUCTURE OF TECHNOLOGICAL MANAGEMENT FOR DECISION MAKING

- KEPCO E&C endeavors to manage the whole process of technology exploration in an efficient and systematic way by establishing an infrastructure for technology management including management tools (related to technological management) such as a Technology Development Task Management System, a Technology Commercialization Operation Management System, and a Technology Management Information System as basic data for decision-making on R&D strategies.



Management of Tasks for Technology Development	Operating & Management for Technology Commercialization	Technology Management Information System
A comprehensive management system for evaluation on tasks for technology development and work in process	A comprehensive technology POOL management system (such as technological level of projects about major tasks for technology development)	A system in which understands general factors necessary for decision-making for technology management



TECHNOLOGICAL DEVELOPMENT BASED ON BASIC STRATEGY OF GOVERNMENT AND POWER GROUPS

- KEPCO E&C has the engineering capability to design thermal power plants 100% independently, while the engineering level of nuclear power plants is about 95% when it comes to OPR 1000. In the meantime, KEPCO E&C is trying to secure a technological level for the next-generation nuclear power plant of APR1400 between 90% and 95% compared with advanced nations by 2012. To obtain source technologies that are not yet independent in the area of nuclear power plants, KEPCO E&C was sufficient in terms of technological independence of engineering for nuclear power plants, for example, by participating in the government-led Nu-Tech 2012 Business.

ACQUIRING ORIGINAL TECHNOLOGY FOR NUCLEAR POWER PLANTS

- KEPCO E&C's goal for 2012 is to develop a core code for engineering of nuclear power plants, core technology for Man-Machine Interface System (MMIS), and localization technology of Reactor Coolant Pump (RCP). All of these are source technologies regarding Nu-Tech 2012 through which technological sublicenses of source technologies that are not yet independent are secured. KEPCO E&C is now developing APR+ of 1500MW through which safety and efficiency are dramatically improved based on source technologies that have no restrictions on exports. KEPCO E&C is also focusing on developing basic design technologies about APR1000 to export to developing countries like South-East Asia; and a model of EuAPR1400 to European countries, Africa and the Middle East whose countries follow regulatory conditions about nuclear power plants required by Europe.

ACQUIRING PLANT AND GREEN SOURCE TECHNOLOGY

- KEPCO E&C is striving to secure source technology to improve main steam conditions and the management method of coal-fired power plants through development of engineering of ultra super critical coal-fired power plant (1,000 MW). In addition, KEPCO E&C is focusing on developing green source technology about Wind Power Generation and Integrated Gasification Combined Cycle (IGCC), and also connecting the company's strategic business to new & renewable energy industry by revising its business portfolio reflecting the national energy fundamental plans.



EFFORT AND PERFORMANCE OF ECO-FRIENDLY TECHNOLOGY DEVELOPMENT

38

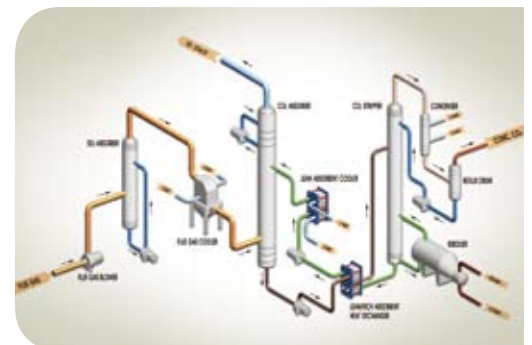
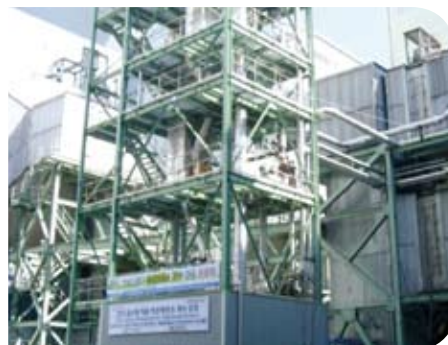
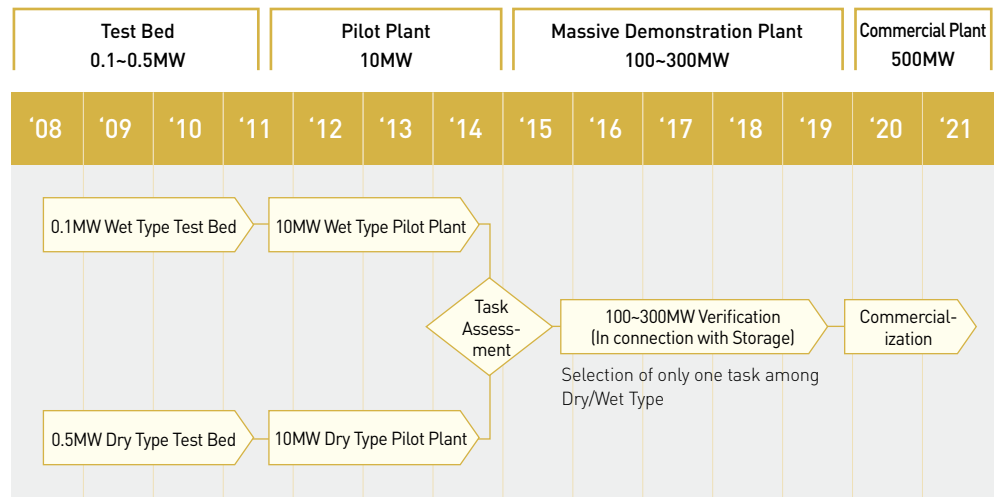
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TECHNOLOGY FOR REDUCTION IN GREENHOUSE GAS

- KEPCO E&C is actively pursuing development of CCS (Carbon Capture and Storage) technology necessary to respond to a global climate change and to accomplish the national goal of reduction in greenhouse gas emissions (30% against BAU). CCS technology consists of CO₂ capture technology, transport technology and storage technology and KEPCO E&C is developing CO₂ capture technology among them applicable to coal-fired power plants based on extensive experiences in the power plants engineering. KEPCO E&C began the development of amine based CO₂ capture technology in 2008. The construction of 0.1MW CO₂ capture plant has been completed and is in operation now. It can remove CO₂ more than 90%, reducing energy consumption of 15% or more as compared to the existing CO₂ capture technologies. Additionally, according to the national CCS initiatives, KEPCO E&C participates in 10MW amine based CO₂ capture plant project in Boryeong power station and in 10MW dry sorbent based CO₂ capture plant project in Hadong power station. KEPCO E&C will complete the demonstration of 300MW CO₂ capture plant by 2018, and the commercialization will be made from 2020.



Road Map for Development of CO₂ Capturing Technology





WATER POLLUTION PREVENTION TECHNOLOGY



[ELECTRO-DIALYSIS REVERSAL & ELECTRO-CHEMICAL TREATMENT PROCESS FOR NITROGEN COMPOUNDS IN WASTEWATER] TECHNOLOGY

- KEPCO E&C has developed a new combined treatment process method which removes nitrogen compounds metric oxides in wastewater using Electro-dialysis Reversal (EDR) & Electro-Chemical Decomposing Wastewater Treatment System. The process removes both Chemical Oxygen Demand (COD) and Total Nitrogen (T-N), which are caused by non-degradable components of ethanolamine (ETA) in wastewater. More importantly, the process separates wastewater containing nitrogen compounds into product water and concentrated water in EDR, and then the COD/T-N accumulated in the concentrated water is decomposed into nitrogen and carbon dioxide in the Electro-Chemical Decomposing System (ECDS). This COD/T-N simultaneous removal process is an eco-friendly method in light of the wastewater treatment process without secondary pollutants. Relevant patents are obtained as a result of KEPCO E&C's independent technology development.

[PHYSICO-CHEMICAL TREATMENT & EDR PROCESS USING INTEGRATED MEMBRANE SEDIMENTATION TANK] TECHNOLOGY

- KEPCO E&C has developed technology for physicochemical treatment & EDR process using an integrated membrane sedimentation tank and applied for a patent. This is an eco-friendly technology, which installs an "Integrated Membrane Sedimentation Tank" by combining each individual process into one (through which physiochemical wastewater is treated in power plants and general industry), which brings about diverse effects such as reduction of installation area, construction period and saving construction costs. Further, it is possible to provide active responses to strengthened environmental criteria while maximizing the extent of improvement of treated water quality at the same time.

[ORGANISM TREATMENT AND EQUIPMENT USING COMPOSITE ELECTROLYTIC METHOD] TECHNOLOGY

Pilot for Organic Processing based on Multiple Electrolytic Method



- KEPCO E&C has developed a technology and applied for a patent for organism treatment and equipment using composite electrolytic method. This is designed to treat organic matters containing recalcitrant organic substances. There are two stages; in the first stage, catalysts accelerating creation of OH-Group in wastewater are injected; and in the second stage, the wastewater containing the catalysts is electrolyzed. This organism treatment system is also eco-friendly technology. As electric current density is selectively controlled depending on density of organism during electrolysis, the treatment rate of the organism against energy consumption is relatively high.



STATUS ON ECO-FRIENDLY AND NEW & RENEWABLE ENERGY BUSINESS

40
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41

- KEPCO E&C has designed eco-friendly power plants with high efficiency, in which it provides diverse services regarding the convention on climate change including development of CO₂ Reduction Technology and businesses of Emission Credit Trading and Clean Development Mechanism (CDM). In particular, when it comes to up-to-date eco-friendly air pollution prevention facilities, Korea Electric Power Absorption Reactor (KEPAR) and De-nitrification Facility (deNO_x System) are designed and constructed by KEPCO E&C to reduce sulfur oxides and nitric oxides that are produced from thermal power plants. Furthermore, KEPCO E&C has years of experience in execution of diverse projects on top of design capability and construction skills for water pollution control facilities, waste treatment facilities, etc.

FLUE GAS DESULFURIZATION BUSINESS



- A flue gas desulfurization technology is designed to remove sulfur oxides in exhaust gas which can cause acid rain, respiratory and skin diseases. KEPCO E&C is equipped with independent techniques and construction capability necessary for building innovative air pollution prevention facilities including the KEPAR FGD System which was independently developed on the basis of extensive experience and technology accumulated in the execution of various projects. KEPCO

E&C has proved its technical capability in recognition of the successful completion of the Turnkey Businesses for as many as 9 power plants, including the FGD facilities in Unit 2 of the Yeongdong Thermal Power Plant (200 MW), which was constructed for the first time in Korea, and Units 1 & 2 of the Boryeong Thermal Power Plant (500 MW). The FGD business for Units 1 & 2 of the Boryeong Thermal Power Plant, which was completed on August 2010, was an R&D project about power generation (Korea Electric Power Absorption Reactor, KEPAR) led by the Ministry of Knowledge and Economy. The KEPAR has highly-efficient capability with more than 95% of sulfur oxides removed from exhaust gas, and its actual emission rate is less than 50ppm. After the completion of the facility, a stable power supply was available thanks to its sustained performance of capability. When demands for even in the winter and summer season peaked, continuous power supply was available in a stable manner.

FLUE GAS DENITROGENIZATION BUSINESS

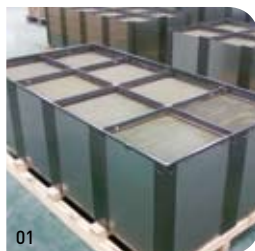
- KEPCO E&C has focused on technology development of deNO_x facilities which can remove nitrogen oxides naturally emitted in the process of combustion of waste and fossil fuel such as coal, petroleum and natural gases. The first operation of the deNO_x facility started in Units 1 & 2 of the Youngheung Thermal Power Plant in 1993. Since then, verification and feasibility studies on deNO_x facilities, of most thermal power plants being operated in Korea, have been successfully performed. In addition to KEPCO E&C's original business area of design and engineering, a deNO_x system (brand name: KoNO_x®) and 'Catalyst', which was basis for the development of the system, have been. The 'Catalyst' developed by KEPCO E&C has proven excellent deNO_x performance even at the temperature of less than 250°C, which is comparable to existing SCR deNO_x catalysts that show optimal ability when temperature of exhaust gas is between 300°C and 400°C. In other words, deNO_x at a lower temperature than that of the existing catalyst is possible so that



amounts of catalysts to be installed can be reduced, and fuel amounts for reheating device of exhaust gas like duct-burner can also be reduced.

Therefore, it goes one step further to upgrade its economic efficiency. KEPCO E&C has successfully developed a deNOx catalyst for very high temperature (more than 500℃) to overcome the existing catalysts' problems partly occurring due to deterioration of catalysts. The technology is expected to apply to a wide range of industrial areas in the future. A hybrid SCR facility installed in Unit 6 of the Ulsan Thermal Power Plant is based on a system where both SCR and SNCR are interfaced. It can solve problems with low deNOx efficiency in SCR due to low temperature of exhaust gas during low load operation. Additionally, KEPCO E&C has performed various projects including a deNOx facility in Unit 6 of the Bundang Combined-Cycle Power Plant developed with Korea's first own deNOx technology; deNOx catalyst business of Incheon Airport; and a SCR facility (Turnkey) in Sithe Co-generation Power Plant. In recognition of its outstanding performance, the deNOx catalyst and its facilities were sold to overseas like Co-op City Power Plant and Helco Power Plant in the USA. KEPCO E&C's overseas business is expanding with the recent signing of a supply contract for deNOx-related equipment with Rabigh Power Plant (4 Units of 700 MW), Saudi Arabia.

01
KoNOx[®] Catalyst
02
Hybrid SCR (Ulsan Thermal Power
Plant Unit 6)
03
Sithe Co-generation Power Plant



WATER POLLUTION CONTROL BUSINESS

- KEPCO E&C has performed design and engineering for water treatment facilities, waste water treatment and water waste recycling systems over 30 years, and has also involved in projects for design and construction for of government-funded excreta & livestock waste water treatment equipment. When it comes to design and engineering, KEPCO E&C is pursuing businesses ranging from nuclear power plants in Korea and abroad including Shin-Kori Units 1 through 4, Shin-Wolsong Units 1 & 2, and UAE BNPP Units 1 & 2 to thermal power plants, specifically with regard to water treatment, waste water treatment and water waste recycling systems. KEPCO E&C has installed advanced treatment facilities of sewage and waste treatment plants in Gwangju, Docheok, Namhansanseong, and Boryeong, and is now installing public treatment facilities for livestock manure in the city of Hwaseong.

01
Installation of Waste Water Recycling Facility
02
Gwangju Sewage Treatment Plant
03
Construction for Installation of Waste Water
Treatment Facility



CLEAN DEVELOPMENT MECHANISM (CDM) BUSINESS

- Clean Development Mechanism (CDM) is one of the Kyoto mechanisms to accomplish a greenhouse gas reduction target in a cost-effective way. KEPCO E&C is also participating in the CDM business. Beginning in 2005, KEPCO E&C has performed the task for technology development to prepare the CDM's commercialization. In 2006, The first CDM consulting service was conducted as a common project with Eco-Frontier Co., Ltd for landfill gas generation pursued by Sudokwon Landfill Site Management Corp. In 2008, KEPCO E&C was awarded the single-handed contract which is the CDM consulting service for new & renewable energy project of Korea Hydro & Nuclear Power Co., Ltd. KEPCO E&C for Yonggwang solar power generation and Kori wind power generation project successfully completed the registration of CDM business and issuance of certified emission reduction by United Nations Framework Convention on Climate Change (UN FCCC). KEPCO E&C was able to establish its capability in the CDM business area. In that regard, KEPCO E&C continuously joins projects for a greenhouse gas reduction, and becomes an internationally-recognized eco-friendly enterprise that contributes to an accomplishment of the national goal of a 'Low Carbon, Green Growth', and to policies on climate change.

01
Bird's-eye View of Kori Wind
Power Plant

02
Yonggwang Photovoltaic
Power Plant



ENVIRONMENTAL ASSESSMENT & SITE SELECTION BUSINESS

- After an environmental impact assessment system was introduced in 1982, KEPCO E&C was the first company to conduct an environmental impact assessment in Korea. KEPCO E&C has performed its environmental impact assessment for hydroelectric · thermal power plants, nuclear power plants, transmission lines, and other industrial facilities. For such activities, KEPCO E&C has professional personnel in areas ranging from meteorology, geology, marine, ecology, environmental engineering and IT. In particular, customer-oriented optimal services are provided using specialized technologies such as a Method of Air Quality Impact Assessment using a 3-D numerical diffusion model, Thermal Plume Analysis using a 3-D numerical model, and 3-D landscape simulation. A ITSS (Interactive Tower Spotting System) program which is registered as New Excellent Technology (NET) in the Ministry of Knowledge and Economy allows designers and engineers to select the location of a transmission tower using high-resolution image data so that selection of work location and technical calculation is possible simultaneously. This has also allowed real-time simulation because it is interfaced with a 3-D landscape simulation program. And, it lays a foundation for improvement of efficiency of design, objective feasibility in terms of routing and construction of eco-friendly transmission line.



RADIOACTIVE WASTEWATER MANAGEMENT BUSINESS



- Project for a disposal facility of low & intermediate level radioactive waste being operated by KEPCO E&C is being pursued to dispose of a total of 800,000 drums in the Ilwon site (approximately 2.1 million m²) of Yangbuk, Gyeongju. Currently, the first stage of the project is in operation based on a Cavern Disposal Method. Six disposable tanks will be constructed at EL. (-) 80 m - (-) 130 m based on sea level, and each tank will handle 16,000 drums. This construction will

be completed in December 2012. Currently, construction of the basement is being carried out. In the foreseeable future, KEPCO E&C will successfully complete the first stage of this project and has plans to make a system for export by securing its national technological power about multiple repositories inside one site for the first time in the world after winning a contract for the second stage of business.

NEW & RENEWABLE ENERGY BUSINESS

- KEPCO E&C, as an energy service company (ESCO), is pushing forward projects for research and technology commercialization in nearly all areas, in particular, areas of new & renewable energy including solar lighting, solar heat, wind power, bio-energy, waste energy, coal gasification and liquid energy. By doing so, KEPCO E&C is able to propose future energy alternatives and respond to paradigm changes in the international energy industry.

WIND POWER BUSINESS

- In 2004, KEPCO E&C gained extensive experience in design and engineering of wind power plants in Jeongseon and Pyeongchang, and Gangwon-do, as well as second stage engineering services for the Jeju Hangeong wind power plant. KEPCO E&C provides useful support for clients and excellent design services to create an economical wind power generation complex with high reliability on the whole process of an integrated completion including building an onshore wind power generation complex, model selection of an optimal wind power generation, basic & detail engineering, design of transmission lines, and support for start-up operation. KEPCO E&C is now carrying out EPC business (based on Build-Transfer-Operate, BTO) for the Jeju Offshore Wind Power Farm. This EPC project is being done on the basis of previous experience in basic engineering of the "Mid-sized Offshore Wind Farm on the Southwest Coast in the Korean Peninsula", which was one of the government led projects.

WASTE TO ENERGY BUSINESS

- With increased interest in strengthened regulations (such as bans on direct land filling of organic waste and ocean disposal), and increasing interest in energy recycling, producing advanced bio-fuels from waste on a commercial scale is revitalizing. KEPCO E&C is striving to do business as a professional energy company and to perform relevant technology development at the same time. KEPCO E&C conducted engineering services for the Wonju Green Co-generation Power Plant by developing a boiler for Refuse Derived Fuel (RDF); and it also performed RDF business for the Iksan Co-generation Power Plant, including conducting feasibility assessment. Excellent business performance and technology knowledge has been obtained in a short time period; KEPCO E&C is now conducting services of technical supports for a wood chip biomass generation project, and a feasibility review on a GS EPS wood chip project working with businesses turning biomass into fuels. Progress has been made when it comes to fuel commercialization of biogases (using methane gas generated when anaerobic decomposition of organic waste is done) and technological development. KEPCO E&C, in a bid to respond to government strategies, for instance, the widespread use of waste energy, proposes profitable business items regarding waste treatment in metropolitan area, and also projects about fuel's commercialization/generation which can be pursued in connection with small or medium-sized cities.

ESCO (ENERGY SERVICE COMPANY) BUSINESS

- KEPCO E&C, listed as an Energy Service Company (ESCO), provides a range of professional services. ESCO project performs energy-related activities; comparison & analysis on operational status of facilities in operation; diagnosis & assessment on energy consumption; research & development of optimal facilities and systems that minimizes wasted energy; and reduction in energy & efficient facility operation for energy consumers. Costs required for such tasks are offset by reduced energy costs in the facility operation, reducing costs energy that consumers need to pay as well. From the energy reduction project perspective, KEPCO E&C's reduced amount of energy is approximately 117,369 TOE per year, and reduced amount of CO₂ is 321,899 TOE per year. KEPCO E&C is carrying out ESCO projects in such various areas as coal-fired power plants, co-generation power plants, combined-cycle power plants, installation of energy economizers in nuclear power plants as well as certain industries where energy saving is required.

*TOE (Tonnage of Oil Equivalent)

01
Waste to Energy Business
02
Wind Power Plant Business



PROGRESS ON MAIN CONSTRUCTION OF NUCLEAR AND THERMAL POWER PLANTS



1. SHIN-KORI UNITS 1 & 2 ARCHITECT ENGINEERING SERVICE

- Business Area: Nuclear Power
- Client: KHNP
- Project Period: Aug. 2002 - Dec. 2011
- Overview: This is an architect engineering service for a nuclear power plant which is composed of two units of a pressurized water reactor (1,000MW) that is constructed in the vicinity of both Gijang-gun, Busan Metropolitan City and Ulju-gun, Ulsan Metropolitan City. This business applied the Optimized Power Reactor 1000 (OPR1000 for the first time in Korea. The OPR1000 was developed by upgrading the quality of technique, constructability and economic efficiency of the Korea Standard Nuclear Power Plant (KSNP). By accomplishing self-supporting technology by 2011, KEPCO E&C will design ungraded nuclear power plants with internationally-recognized higher performance, which in turn will have positive impacts on its expansion into overseas markets.



2. ARCHITECT ENGINEERING SERVICE IN SHIN- WOLSONG UNITS 1 & 2

- Business Area: Nuclear Power
- Client: KHNP
- Project Period: Aug. 2002 - Jan. 2013
- Overview: This is an architecture engineering service for Shin- Wolsong Nuclear Power Plant Units 1 & 2 with the intent of signing a contract for two units of a pressurized water reactor (1,000MWe) that is constructed at Bonggil-ri, Yangbuk-myeon, Gyeongju-si, Gyeongsangbuk-do. The Optimized Power Reactor 1000 (OPR1000) is also applied to this project.



3. ARCHITECT ENGINEERING SERVICE IN SHIN-KORI UNITS 3 & 4

- Business Area: Nuclear Power
- Client: KHNP
- Project Period: Aug. 2006 - Sep. 2014
- Overview: This the first Advanced Power Reactor (APR1400) that was developed by adopting site characteristics, sophisticated engineering techniques, conditions for licensing & permits, and items found to need improvement during the operation of previous units on the basis of standardized design techniques upgraded through a technology development project for a next generation nuclear reactor. KEPCO E&C will put energy into developing new technologies in the future to provide upgraded architect engineering services with guaranteed safety and efficiency.



4. ARCHITECT ENGINEERING SERVICE FOR UAE BNPP

- Business Area: Nuclear Power
- 2nd Client: KEPCO
- 1st Client: ENEC
- Project Period: Mar. 2010 - May. 2020
- Overview: This is the first construction project for nuclear power plants launched in Korea. In this project (about the construction of 4 units of PWR of 1,400 MW), KEPCO E&C will make its high-level design capability known throughout the world. By doing so, many positive aspects are expected; establishment of a task force team for overseas business; improvement of experience and technological strength, and enhancement of project management capability, as well as laying the foundation for execution of overseas projects in the future.



5. DEVELOPMENT SERVICE FOR APR+ STANDARD DETAIL ENGINEERING

- Business Area: Nuclear Power
- Client: KHNP
- Project Period: Aug. 2007 - Dec. 2015
- Overview: APR+ is one of the government-led core projects of Nuclear Reactor Technology Development Initiative (Nu-Tech 2012). It has outstanding engineering factors both at home and abroad based on APR1400 standardized engineering for the purpose of securing original nuclear reactor engineering skills (1500MWe). By 2012, the Approval for Standard Design for domestic area will be completed, and it will be fully optimized by 2015. KEPCO E&C's own technology for an original nuclear reactor (1500MWe) will be obtained and its stabilization level will be upgrade.



6. ARCHITECT ENGINEERING SERVICE FOR SMART

- Business Area: Nuclear Power
- Client: KAERI
- Project Period: Sep. 2009 - Dec. 2011
- Overview: The SMART Reactor is a small to medium size reactor used for multiple purposes such as power generation and supply of energy through sea water desalination using heat generated from the reactor. The SMART Reactor is perfect for nations with a small electrical power grid, and nations that are developing dispersed generation system. KEPCO E&C will obtain an approval for domestic standard design structure; will push forward optimization of design capable of meeting diverse demands and requirements from customers; and will expand the business scope of System-Integrated Modular Reactor.



7. ENGINEERING SERVICE FOR CO-GENERATION POWER PLANT IN MULTIFUNCTIONAL ADMINISTRATIVE CITY

- Business Area: Plant
- Client: KOMIPO
- Project Period: Aug. 2010 - Feb. 2014
- Overview: The purpose of this business is to conduct basic and specific engineering tasks which are able to guarantee load follow capability, Daily Start & Stop Operation, and reliability on long period operation by constructing co-generation power plants based on basic plans and technological data provided by KOMIPO. It is expected that KEPCO E&C will not only contribute to balanced national development and strengthened competitiveness but also will receive recognition of its technological strength around the world.



8. ARCHITECT ENGINEERING TECHNICAL SERVICE FOR CONSTRUCTION OF SHIN-BORYEONG THERMAL POWER PLANT UNIT 1&2

- Business Area: Plant
- Client: KOMIPO
- Project Period: Jan. 2011 - Sep. 2017
- Overview: This project is to provide Architecture Engineering service for the construction of 1,000MW coal-fired thermal power plants in Boryeong, Chungcheongnam-do in Korea. KEPCO E&C will carry out basic and detail design for the plant from site preparation to commercial operation such as procurement support of main and auxiliary equipment, basic and detail design of BOP (Balance of Plant) system, client support for construction and commissioning, etc. This is a project to develop and commercialize the 1,000MW USC thermal Power Plant for the first time in Korea. It has world-class excellent performance with the highest pressure and temperature steam conditions.



9. ARCHITECT ENGINEERING SERVICE FOR SAMCHEOK GREEN POWER UNITS 1 & 2

- Business Area: Plant
- Client: KOSPO
- Project Period: Sep. 2009 - Mar. 2016
- Overview: This project for the construction of the Samcheok Green Power Units 1 & 2 (1,000MW) Hosan-ri, Wondeok-eup, Samcheok-si according to the Fifth Basic Plan for Power Generation from 2010 to 2024 supported by the government. For the preparation for changes in coal markets and climate change in the next 20 years, and construction of low calorie & eco-friendly power plant, Super Critical Circulating Fluidized Bed Combustion (CFBC) is adopted. KEPCO E&C will successfully conduct CFBC operation on a massive scale plant so that preparation for firing low calorie & low cost coal can be possible, while at the same time serving as a good opportunity to be able to secure technological superiority.



10. ENGINEERING TECHNOLOGY SERVICE FOR COAL-FIRED THERMAL POWER PLANT IN JORF LASFAR, MOROCCO

- Business Area: Plant
- 2nd Client: Daewoo Corporation Engineering & Construction
- 1st Client: JLEC
- Project Period: Jun. 2010 - Apr. 2014
- Overview: KEPCO E&C participates in this project as a technical partner of Daewoo Corporation Engineering & Construction, a main contract of Turn Key of construction project for the Coal-Fired Power Plant Units 5 & 6 in Jorf Lasfar, Morocco. Through this, KEPCO E&C will participate in the design process for a coal-fired power plant overseas and also obtain an opportunity to expand its business scope, for instance, EPC project, into overseas markets.



11. ARCHITECT ENGINEERING SERVICE FOR DANGJIN THERMAL POWER UNITS 9 & 10

- Business Area: Plant
- Client: EWP
- Project Period: Oct. 2007 - Sep. 2016
- Overview: This project is designed to perform basic & specific engineering and client supports for Dangjin Thermal Power Plant 9&10 which will be the first Ultra Super Critical Thermal Power Plant (capacity of 1000MW above) in South Korea. Also, Dangjin Thermal Power Plant is constructed according to necessity of massive increasing domestic power demands. KEPCO E&C will be an independent power company and will be capable of more than 98% of engineering technological independence by 2016. Therefore, KEPCO E&C is securing technological strength and global competitiveness necessary for making inroads into foreign markets.

ECONOMIC
VALUE



KEPCO E&C PURSUES HARMONY OF GROWTH AND STABILITY FOR FURTHER DEVELOPMENT.



WE WILL SATISFY CUSTOMERS GREATER VALUES BY RESPONDING TO EVER-CHANGING MARKET TRENDS; ACCOMPLISHING ECONOMIC PERFORMANCE THROUGH ENHANCED FINANCIAL STRUCTURE, AND EFFORTS TO BRING ABOUT CUSTOMER SATISFACTION.



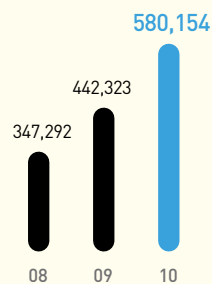
FINANCIAL PERFORMANCE



- KEPCO E&C has made great strides for the past three years from a financial performance perspective. Sales for 2010 were KRW 580 billion, which is an increase of about 67% compared with the year of 2008. Furthermore, as a result of strengthening the internal structuring system, the operating income rate increased to 29.37% in 2010, up from 5.79% in 2008, thereby indicating KEPCO E&C's higher healthy profitability than the standards of about 4 to 5% on average in the same industry. Therefore, KEPCO E&C was successfully able to step forward to accomplish the 2020 NEW VISION of a "2020 Global Top 5 Power EPC Leader". As such, KEPCO E&C's quantitative and qualitative growth is much more valuable because they achieved this at a critical period of a global economic slowdown, which also in turn contributed to national development.

Sales

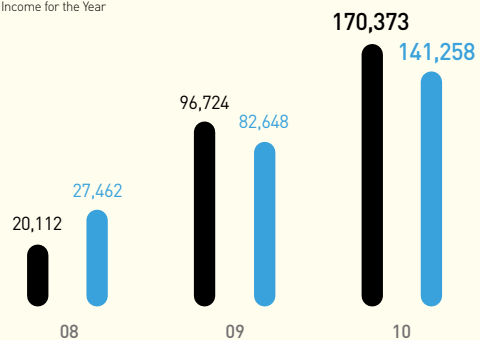
(Unit: KRW 1 million)



Operating Profit and Net Income

(Unit: KRW 1 million)

■ Operating profit
■ Net Income for the Year



INCOME STATEMENT

Unit: KRW 1 million

Category	2008	2009	2010
Sales	347,292	442,324	580,154
Cost of Sales	254,305	274,507	330,150
Gross Profit	92,987	167,817	250,004
Selling, General And Administrative Expenses	72,875	71,092	79,631
Operating Income	20,112	76,725	170,373
Non-Operating Income	19,034	20,136	19,680
Non-Operating Expenses	1,055	7,343	4,573
Income Before Income Tax Expenses	38,091	109,518	185,480
Income Tax Expenses	10,629	26,871	44,223
Net Income	27,462	82,647	141,257

BALANCE SHEET

Unit: KRW 1 million

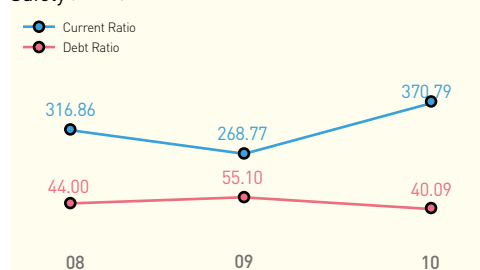
Category	2008	2009	2010
Current Assets	283,225	419,502	480,044
Non-Current Assets	69,920	76,277	107,754
Total Assets	353,145	495,779	587,798
Current Liabilities	89,384	156,084	129,466
Non-Current Liabilities	18,514	20,039	38,735
Total Liabilities	107,898	176,123	168,201
Equity	7,644	7,644	7,644
Retained Earnings	237,603	312,012	411,953
Total Equity	245,247	319,656	419,597
Total Liabilities & Shareholders' Equity	353,145	495,779	587,798

DISTRIBUTION OF
ECONOMIC
PERFORMANCE

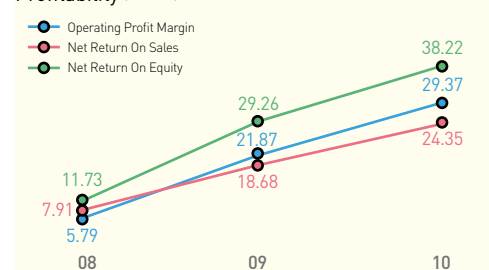
FINANCIAL RATIO

- KEPCO E&C tries to both accomplish an economic growth and to protect rights and interests of shareholders and people concerned. KEPCO E&C secured a current ratio of approximately 370%, reduced the debt ratio to 40.09% in 2010, and achieved this with no borrowing. KEPCO E&C is continuously committed to responding to ever-changing global financial circumstances and to maximizing values for the interested parties and stakeholders so that the company will maintain its financial soundness and will strike a balance between growth and stability at the same time.

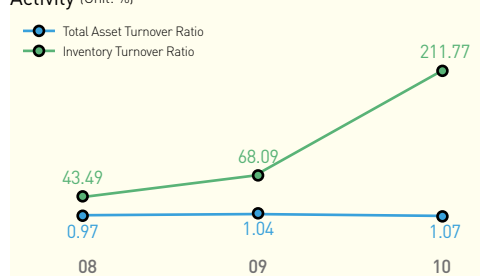
Safety (Unit: %)



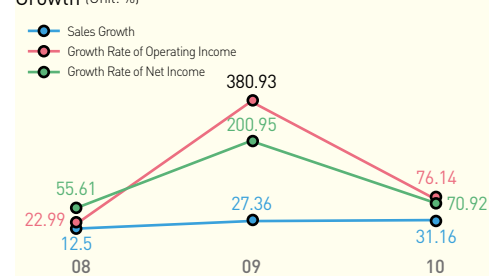
Profitability (Unit: %)



Activity (Unit: %)



Growth (Unit: %)



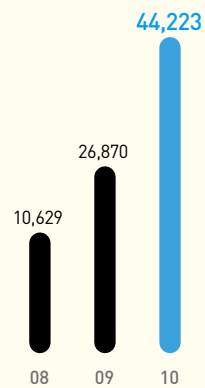


DISTRIBUTION OF FINANCIAL PERFORMANCE

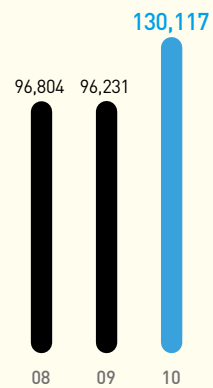
Unit: KRW 1 million

Category		Details	2008	2009	2010
Distributed Economic Value	Government and local authorities	Corporate Tax	9,771	24,372	32,674
		Other Tax	858	2,498	11,549
	Employees	Salary and Benefits	169,729	159,880	192,509
	Investors	Dividend	8,239	41,316	70,592
	Partners	Outsourcing & Purchasing	96,804	96,231	130,117
	Investment in Local Community (Social Contribution)	Donation (for example, The Neediest Cases Campaign)	257	298	330

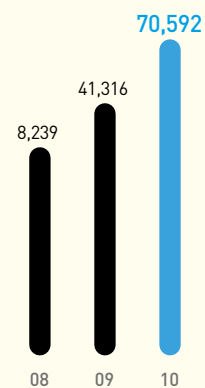
Government and local authorities



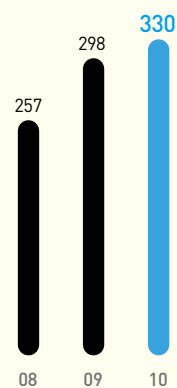
Partner



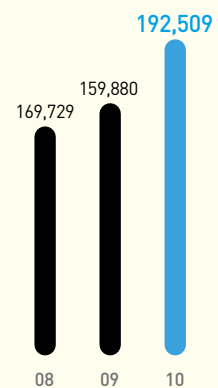
Investor



Community



Employee





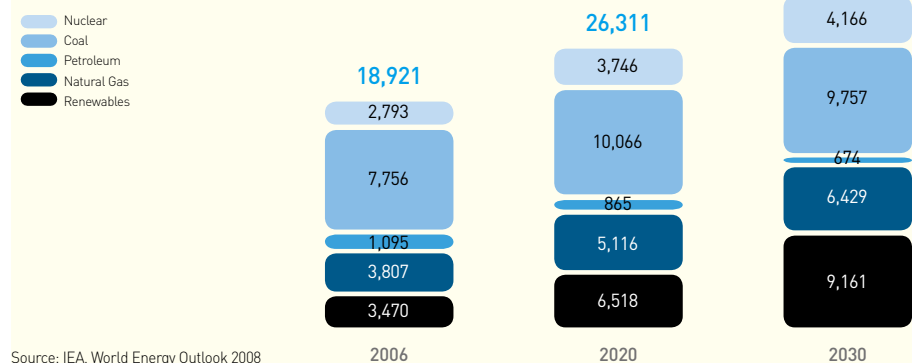
PROSPECT FOR GLOBAL POWER PLANT MARKET & EXPLORATION OF NEW BUSINESS

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PROSPECT FOR GLOBAL POWER PLANT MARKET

- The power plant market in the world is expected to reach an average growth of 1.9% each year by 2030. In line with the composition of the power generation industry around the world, it is likely to increase a proportion of new & renewable energy sources (from 18% to 30%) using solar, wind, and geothermal power generation by 2030 thanks to strengthened carbon restriction and an increase in oil prices. Having said that, nuclear power is also likely to sustainably grow as a source of clean energy resource. The proportion of thermal power plants using fossil fuels such as coal and petroleum, however, is expected to decrease gradually.

Prospect for Global Power Supply by Each Source
(Unit: TWh)



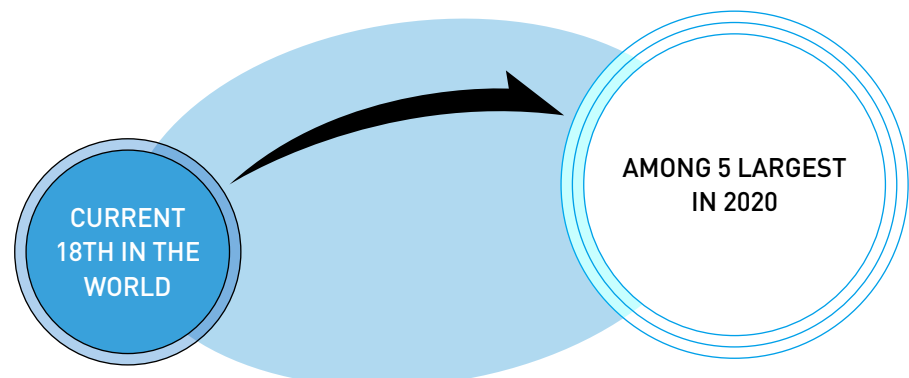
Source: IEA, World Energy Outlook 2008

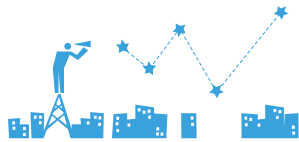
MARKET SHARE

- KEPCO E&C does exclusive business in the domestic design market for nuclear power plants; its market share is 100%. For engineering of thermal power plants, especially for large-scale construction of coal-fired and combined cycle power plants, KEPCO E&C has approximately 80% of the market share. However, for small-sized thermal and combined-cycle power plants in accordance with the government's policies so as to encourage private sectors to enter into the market, KEPCO E&C is inevitable to compete with private companies.

REPUTATION AND RECOGNITION IN GLOBAL MARKET

- KEPCO E&C is considered to be positioned itself as 18th in the world for Power Design and Contractor sectors as a result of calculation on the basis of the total sales in 2009 with reference to data released by a globally-recognised construction magazine of Engineering News Record (ENR). To that end, KEPCO E&C created a vision of being ranked among top 5 largest Power EPC corporations in the world. KEPCO E&C is making great effort to realizing the vision by 2020.





EXPLORATION OF NEW BUSINESS [EPC PROJECT]

- For the purpose of accomplishing the goal of 2020 NEW VISION, KEPCO E&C is thoroughly preparing for expanding into new business areas beyond the current focus on engineering business. An ultimate goal of KEPCO E&C is to successfully transfer its business structure into a new business area called Engineering, Procurement and Construction (EPC) businesses which would cover a broad scope of works for power plant construction ranging from engineering, purchasing, to construction.



PROGRESS

- KEPCO E&C in 2009 started exploring local agents concentrating on countries with high potential for power generation, and has attempted to participate in EPC projects while at the same time it is establishing and maintaining collaborative relations with local companies in order to explore new EPC projects. As a result, KEPCO E&C made a pilot bid for EPC business in the Bahamas and in Thailand in 2009. It handed in bids in earnest in 2010 and 2011 for business in South Africa, Saudi Arabia, and Ghana. Among them, KEPCO E&C was listed as one candidate for the EPC project in South Africa and Ghana, which has various opportunities to show off KEPCO E&C's greatest potential to the world. Along with this, KEPCO E&C has, since 2010, established cooperative relationships as a means for laying a strong foundation for EPC business development; for example, with major equipment manufacturers including AE&E and GE, as well as general trade companies like Marubeni and Mtsui who have abundant experience in EPC business so as to secure concrete eligibility requirements for international bidding.

Region	Nation	Business Name	Co-Participant	Bid Year
North America	Bahamas	New Providence Power Expansion	Doosan Engine (Korea)	2009
	Thailand	Wang Noi CCPP	ITD/ITE (Thailand)	2010
Asia	Thailand	Amata Cogeneration	SK Construction (Korea)	2009
	Thailand	Bang Pa-In SPP	MPS (Japan)	2010
Middle East	Saudi Arabia	Qassim Gas Generation	SSEM (Saudi Arabia)	2010
Africa	South Africa	Lesedi CFBC	Keongnam (Korea)	2010
	Ghana	Takoradi Add-on	Mitsui (Japan)	2011



IMPROVEMENT OF MANAGEMENT EFFICIENCY

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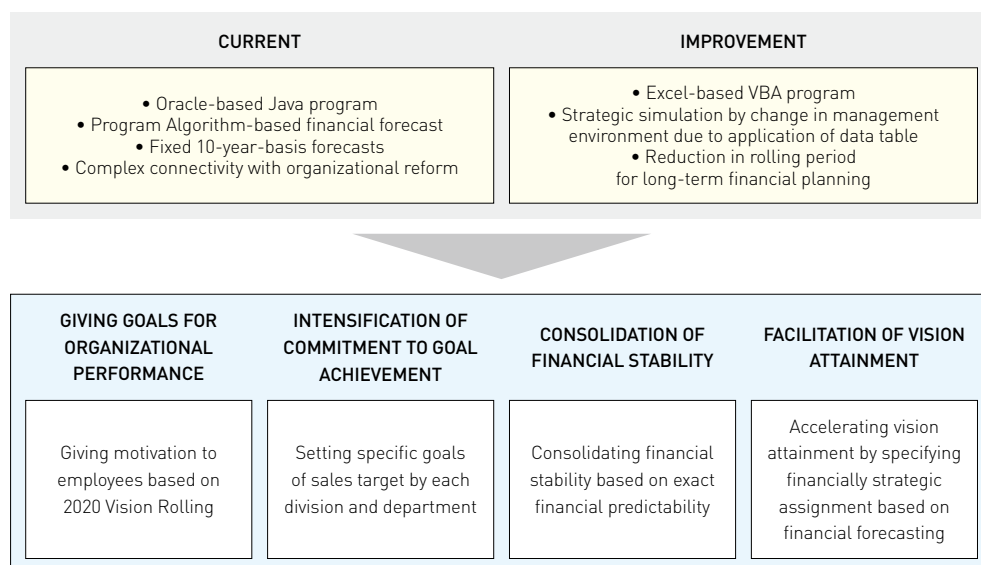
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EFFORT TO SECURE FINANCIAL SOUNDNESS

LONG-TERM FINANCIAL FORECASTING SYSTEM

- KEPCO E&C established in 2008 a financial forecasting system with the help of external experts in accounting and software systems in an attempt to advance its existing system into a more sophisticated mid and long term financial forecasting system. In 2010, KEPCO E&C finally improved the new financial forecasting system as one of the catalysts and stepping stones to accomplish the 2020 NEW VISION.

Improvement of Predictability and Reliability through Rolling of Long-Term Financial Forecasting System



Establishment of Financial Strategy

Establishment of Long-Term Financial Strategy by Specifying Financial Goals and Focusing on their Goal Orientation

- KEPCO E&C, in connection with its Vision 2020 of the 'Global Top 5 Power EPC Leader', establishes and implements its step-by-step financial strategy to prepare for a possible shortage of money in the long run, and to raise funds on time.

Category	Short (2012)	Medium (2015)	Long (2020)
Profit Analysis	Total Sales of KRW 1.3 trillion EPC Sales of KRW 0.6 trillion Operating Income of 9.4%	Total Sales of KRW 2.9 trillion EPC Sales of KRW 1.8 trillion Operating Income of 7.2%	Total Sales of KRW 5.1 trillion EPC Sales of KRW 3.9 trillion Operating Income of 8.5%
Productivity	Per Capita Value Added of KRW 160 million	Per Capita Value Added of KRW 200 million	Per Capita Value Added of KRW 300 million
Financial Flow	Sustaining sound financial structure	Maintaining appropriate debt ratio	Recovery of sound financial structure
Cash Flow	Maintaining stable cash flow	Procuring funds for construction of new headquarters	Maintaining stable cash flow



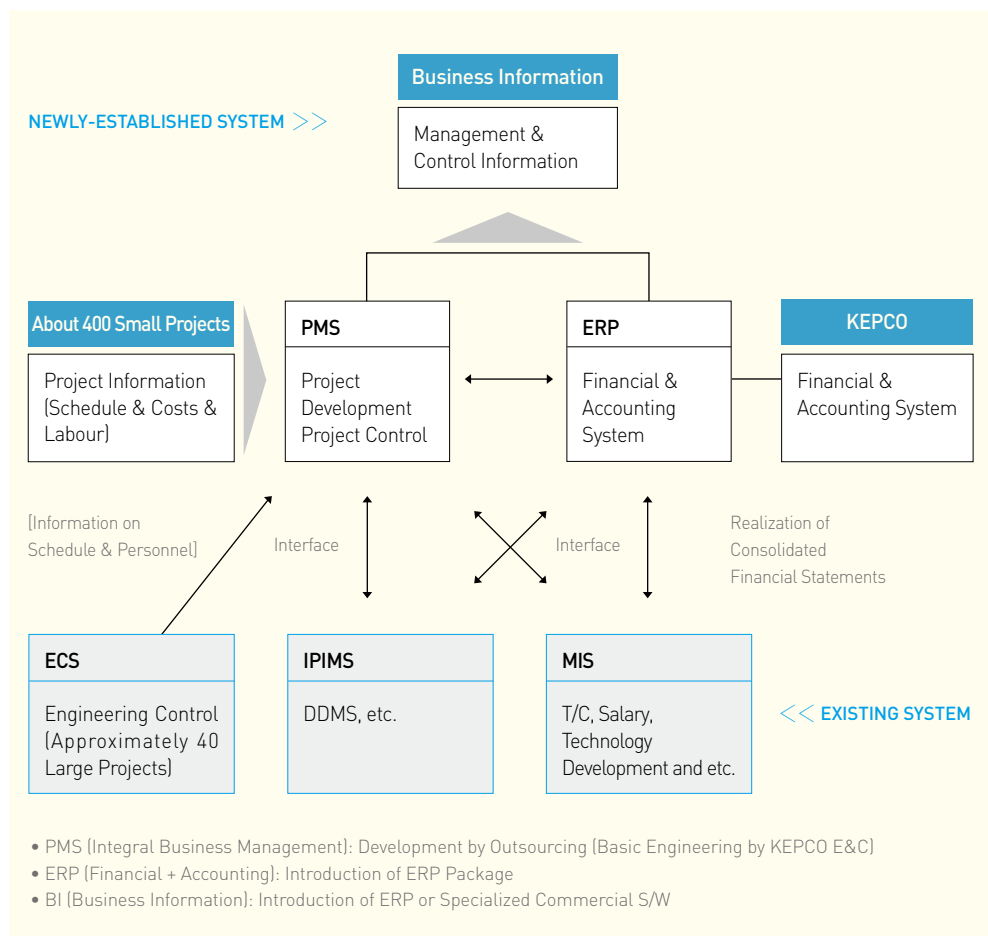
INTRODUCTION OF MANAGEMENT INNOVATION INFORMATION SYSTEM (ERP)

BACKGROUND AND OVERVIEW

- As KEPCO E&C's management environment is expected to change (for example, the introduction of International Financial Reporting Standards (IFRS) in 2011, a sustainable expansion into overseas markets and so on) KEPCO E&C has introduced an Advanced Commercial Accounting System for the purpose of dealing with management information in a prompt, precise and transparent manner. The system will be interfaced with various internal information systems to promptly provide information so that KEPCO E&C will configure into a single comprehensive information system.

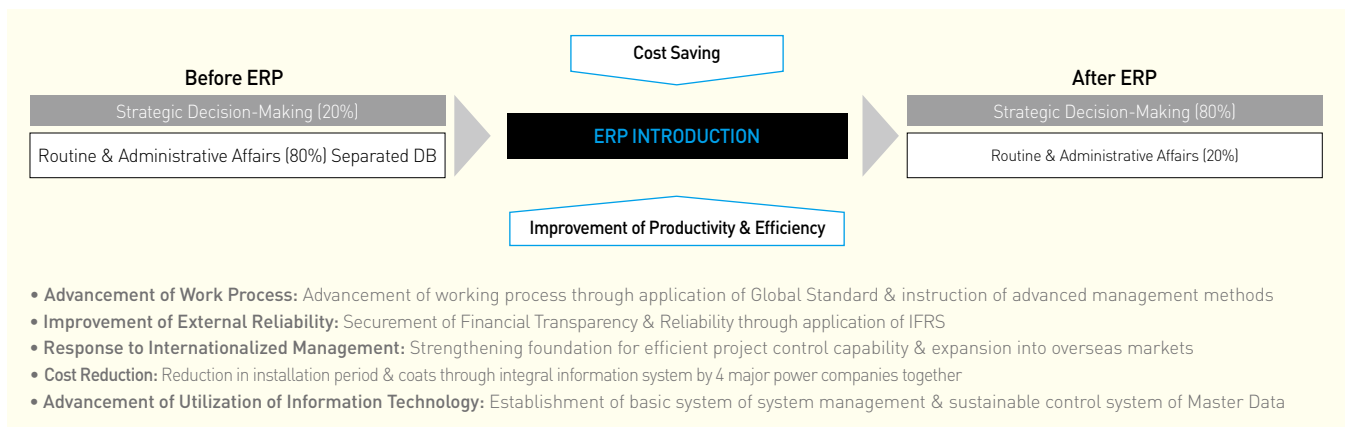
SCOPE

- KEPCO E&C established a financial management accounting system using SAP in 2010 as the first stage of ERP Implementation, and a business development system which manages business development and its execution. Based on such systems, an Executive Information System was developed to provide management-related information on time for executives. Currently, as the second stage of ERP Implementation, KEPCO E&C is establishing a Procurement and Construction Management System in order to implement EPC business.



EXPECTATION

- Company-wide working process' simplification, consolidation and informatization will increase the company's management level, and management resources will be effectively utilized, which will also contribute to KEPCO's sustainable management system.



ASSET MANAGEMENT SYSTEM

- As KEPCO E&C continuously pays attention to controlling the exchange rate with regard to inflow/outflow of foreign currency, it uses strategies for exchange rate management such as Matching, Leading and Lagging. In 2010, for the preparation for inflow of massive amounts of foreign currency resulted from the UAE nuclear power plant contract, KEPCO E&C signed a basic agreement on foreign exchange derivatives trading with financial institutions, while at the same time doing foreign exchange hedge by executing forward transactions. As such, KEPCO E&C will accordingly secure much more operating profits from business which have to deal with foreign currency such as overseas EPC business.

FORWARD TRANSACTION OF UAE NUCLEAR POWER PLANT

Transaction Amounts (Oct. 2010 ~ Dec. 2011)	Converted amounts (KRW) against exchange rate for contract (A)	Received amounts (KRW) through forward transaction (B)	Profit and Loss (B-A)
USD 13,265,951	KRW 14,592	KRW 14,943	KRW 350

*Exchange rate for contract: KRW 1,100.00/USD, Average exchange rate for forward transaction: KRW 1,127.02/USD

UPWARD CREDIT RATING

- KEPCO E&C receives a regular credit rating on unsecured bonds every year from Korea Ratings and NICE Investor Service. According to the 2010 regular credit rating, KEPCO E&C rating was upgraded from AA- to AA, mainly thanks to outstanding financial soundness, sole & exclusive positioning in the engineering sector of nuclear power plants, as well as expansion into overseas markets caused by exportation of nuclear power plants and strategies for entering into EPC business area.

Such good credit rating is used as a reference in an assessment of performance capability (for winning a contract); investment review from institutional investors; credit review from financial institutions; and guarantee waivers in case of subcontract for construction.

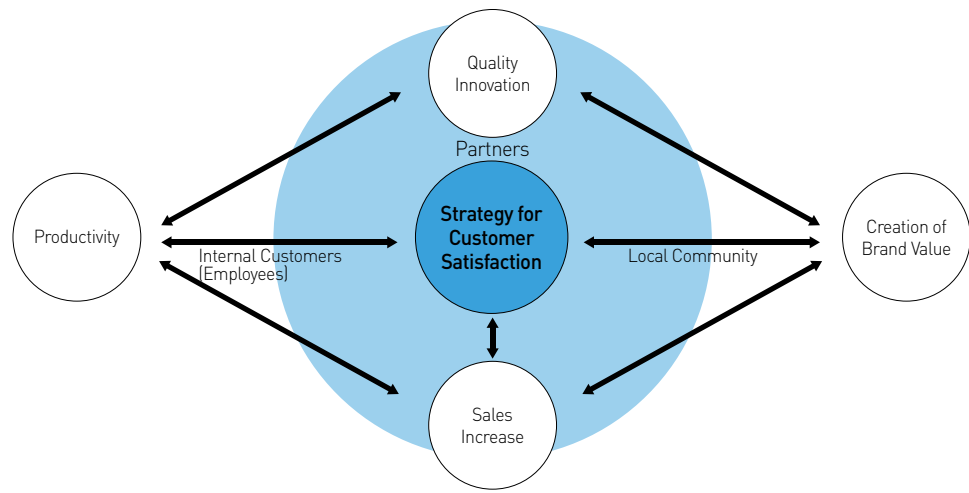




CUSTOMER SATISFACTION

EFFORT TO SATISFY CUSTOMER

- KEPCO E&C classifies its customers into clients, internal customers (employees), local community and partners. Based on such diverse classification, KEPCO E&C conducts customized CS strategies, according to different perspectives of each customer, and is making progress on getting results and visible performance including increase in productivity (internal customers); revenue growth (clients); quality innovation (partners); and brand value creation (local communities).



- Diverse types of effort to realize customer satisfaction management are being made; operation of systems like a customer satisfaction center on site, emergency task force teams and a customer-specific counseling program by each division and a department through which KEPCO E&C listens to voices of customers, and gathers their opinions for KEPCO E&C. Additionally, Technology Transfer Seminars and Site Visit Presentations, which are totally customized for customers, are being held approximately 100 times every year, serving as a channel for us to exchange up-to-date technologies and to collect good suggestions. Furthermore, our customer information project is computerized to establish a Customer Information System. KEPCO E&C is introducing company-wide, a Customer Satisfaction Management System, which will respond to all requests and complaints from customers. A case in point is the VOC System that is operated at our homepage. It is designed to accept questions, comments and complaints in a real time, and then all such matters are handled and shared among project teams.

CUSTOMER SATISFACTION FEEDBACK PROGRAM

- KEPCO E&C internally conducts customer satisfaction surveys for its employees, clients and partners' employees. Based on the results, KEPCO E&C comes up with countermeasures, and the entire process is reviewed by the Customer Satisfaction Management Committee on a quarterly basis, thereby strengthening a feedback system that is aimed at meeting customers' needs. As a result of all such efforts, the customer satisfaction index towards public organizations has gradually shown a higher level on average of 16% or more since the survey was first conducted in 2005. And according to its internal survey on customer satisfaction conducted in 2010, the result was 91.9 points, which is relatively high compared with that of relevant organizations and other public bodies and services.

DESIGN SAFETY



SAFETY OF NUCLEAR POWER PLANT

KEPCO E&C recognizes safety of nuclear power plants as the top priority when it comes to engineering and design of the plants. To prevent people and the environment from being exposed to radioactivity, KEPCO E&C engineers add a concept of safety in nuclear power plants to the existing typical design concept.

BASIC PRINCIPLES OF SAFETY DESIGN OF NUCLEAR POWER PLANT

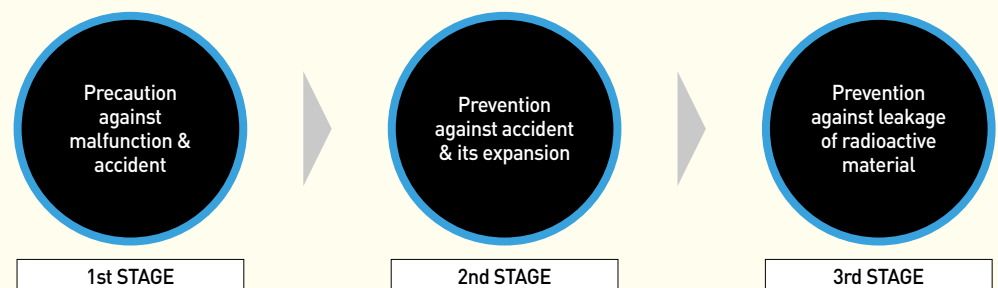
KEPCO E&C performs engineering and design processes according to the following principles regarding safety design of nuclear power plants in a thorough manner.

First, do not malfunction while in operation.

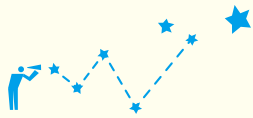
Second, even if malfunction occurs, do not let the problem become an accident.

Third, even if an accident happens, do not let it affect its peripheral areas.

GRADUAL OBJECTIVES AND DESIGN PHILOSOPHY FOR SAFETY DESIGN



KEPCO E&C applies the most conservative standards in plant design to prevent unexpected malfunction and accidents, and uses facilities exclusive for blocking mistaken operation as well as for automatic systems to protect safety issues at Stage 1. At Stage 2, KEPCO E&C is able to detect symptoms earlier when abnormalities in equipment and devices are likely to occur, and to quickly stop the operation of the plant in order not to let a real accident happen. And last Stage 3 is designed by utilizing a defense-in-depth concept in order not to let radioactive materials to be released, even if the equipment malfunction develops into a real accident. Besides, various efforts to guarantee safety are being made by applying engineering safety features to our design process, such as emergency core cooling systems.



CHARACTERISTICS OF DESIGN FOR SAFETY FACILITY AND SYSTEM

Facilities and equipment with regard to safety in nuclear power plants developed by KEPCO E&C comply with the following principles so that serious disastrous accidents can be completely prevented even if mistakes made by operators or malfunction on equipment occur.

— Multiplicity

KEPCO E&C establishes more than two facilities with the same function, to keep one of them operating, because even if there are problems in one of the facilities, the other can work completely without any further problems.

— Independence

KEPCO E&C installs more than 2 systems or facilities with same function in order not to lose their functions at the same time caused by the same reason so that the original features and function of safety facilities can be maintained at all times.

— Diversity

KEPCO E&C installs more than two systems or facilities with different characteristics to keep their own function working with no problem.

RELIABILITY OF SAFETY FACILITY AND SAFETY GUARANTEE OF NUCLEAR POWER PLANT

KEPCO E&C stipulates types of material, conditions for use, and stress limits to secure much higher reliability in terms of engineering, design, procurement and construction of safety facilities, and requires seismic design and environment resistance verification at the same time.

In addition, it strongly recommends that nuclear power plants secure safety even against severely extreme climate disasters. Particularly, multiple barriers should be constructed to prevent radioactivity from leaking. Plants are built on hard rock bed verified through a series of geological surveys when the site is selected as preparation against earthquake. It's important to note that concept of seismic design is applied to maintain structural soundness against severe earthquake with Richter Magnitude Scale of 7.

01
Action Pledged Convention for Improvement of Design Reliability and Spread of Awareness about Safety Culture



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**FOR THE
ACHIEVEMENT OF
KEPCO E&C'S
PEOPLE-
BASED GOALS
COMMUNICATION
AND HARMONY ARE
PREREQUISITES.**



KEPCO E&C WILL ENDEAVOR TO MAKE A DIFFERENCE FOR OUR EMPLOYEES TO ENTHUSIASTICALLY WORK, FOR OUR PARTNERS TO BUILD RELIABLE PARTNERSHIPS, AND FOR OUR COMMUNITY TO SHARE WITH THOSE IN NEED.



KEPCO E&C'S EMPLOYEES

PEOPLE WE NEED

- KEPCO E&C embraces people with reliability and a challenging spirit. Our basic mottoes are [Reliable Partner & Pioneer with Challenging Spirit]. KEPCO E&C is committed to hiring and fostering talented; who are creative, self-motivated, cooperative, responsible, honorable, moral, globally-minded, future-oriented and qualified, whose values fall in line with the Age of Information.

PEOPLE WE NEED	
RELIABLE PARTNER Partner who understands needs of customers and faithfully performs them	PIONEER WITH CHALLENGING SPIRIT Pioneer who constantly challenges based on the best speciality

EMPLOYEES

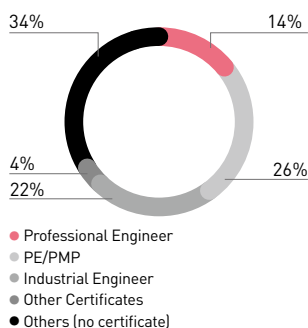
- As of the end of 2010, KEPCO E&C employs 2041 people including 2004 regular workers, and 37 non-regular workers. Seventy eight percent of the total workers in the Seoul Youngin headquarters where direct department and three functional divisions are located, 16% in Daejeon where the NSSS team is stationed, and the rest 6% in construction sites (Kori, Yonggwang, Ulchin, and Wolsong) and overseas. KEPCO E&C officially imposes ban on child labor, and no case for child labor was reported during the reporting period.

EMPLOYEES BY YEAR AND BY LOCATION

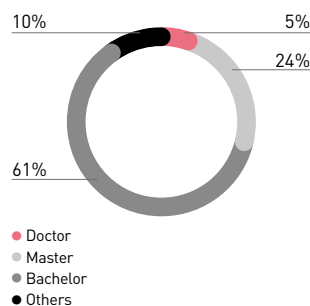
Workplace	2008	2009	2010
Youngin Headquarters (Including detached offices)	1,377	1,368	1,579
NSSS (Daejeon)	298	304	326
Construction Sites in Seoul	2	20	21
Construction Sites in Uljin, Wolsong, Kori, and Yonggwang	86	99	85
Overseas	39	15	12
Others	64	25	18
Total	1,866	1,831	2,041

PERSONNEL BY ACADEMIC BACKGROUND, OCCUPATIONAL CATEGORY, AND CERTIFICATE OF QUALIFICATION (As of December 31, 2010)

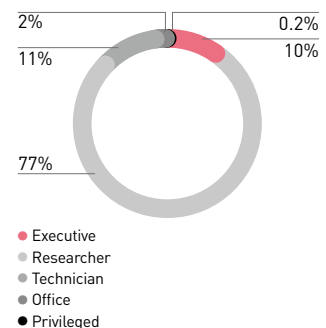
Personnel by Qualification & Certificate



Personnel by Educational Background



Personnel by Occupational Category



FAIR RECRUITING SYSTEM

- KEPCO E&C promotes the Youth Internship System through which 98 people were hired in 2009, and 59 people for the internship and 229 new regular employees in 2010.

Category	2008	2009	2010
Total Personnel by Year	1,866	1,831	2,041
New Employees	-	-	229
Internship Employees	-	98	59

- In hiring, KEPCO E&C does not discriminate candidates based on gender, academic background, physical handicap or cultural difference. Based on such standards, KEPCO hired 64 people from non-metropolitan areas in 2010. Moreover, additional points by each stage of screening tests are given to those who either are veterans or disabled when they apply for job openings. Therefore, the total percentage of the disabled working in KEPCO E&C in 2010 is 3.00%, which is higher than the mandatory stipulated in the Act on Employment Promotion for the Disabled (the law requires mandatory employment rate of 2.0%).

Category	2008	2009	2010
No. of Employees Required [2%]	37	36	40
No. of the Disabled hired by KEPCO E&C	45	49	59
[Employment Rate]	2.42%	2.68%	3.00%
No. of Permanent Employees	1,866	1,828	1,966

*When the required number of the disabled is calculated, 1 individual with a severe disability is equivalent to 2 capita.

No. of Women Personnel	Rate in the proportion of total No.
2008	
119	6.4%
2009	
119	6.5%
2010	
152	7.4%

- Eighty eight percent of personnel working in KEPCO E&C graduated from colleges or universities specializing in Science and Engineering. The current workforce structure is inevitable given the fact that the number of women whose major was science or engineering was too low in the 1980's and 1990's. However, due to dramatic changes in social trends women whose specialty was science and engineering are expected to increase in the future. In fact, the percentage of 0.1% was increased to 7.4% in 2010, up from 6.4% in 2008.

- KEPCO E&C is seeking out a variety of perspectives to come up with ways to prevent outstanding employees from leaving the company. In that regard, executives on the management level try to resolve grievances their employees are facing, and more critically, they are leaving no stone unturned to improve welfare conditions for employees and to improve their working environment. In particular, KEPCO E&C also utilizes retirees' abundant experience and expertise by allowing them to work for the company as contract workers, especially in sectors of regarding handling Drawing & Document Control Center (DDCC), and execution of comprehensive engineering project for UAE nuclear power plant.

Category	2008	2009	2010
Total No. of Personnel by Year	1,835	1,800	1,999
Turnover	17	7	19
Retirement	33	36	34
Turnover Rate	0.93%	0.39%	0.95%

*Based on Regular Personnel [Excluding executives and those in privileged positions]



HUMAN RIGHTS PROTECTION

DEVELOPMENT AND TRAINING OF HUMAN RESOURCES

- KEPCO E&C, as a public organization, lays stress on carrying out its responsibility when it comes to human rights protection, especially for the socially disadvantaged, in compliance with the Labor Standard Act. In addition to that, KEPCO E&C complies with the ILO's regulations concerning the ban on child labor and forced labor. No violation has occurred. The company implements maternal protection policies; by allowing women to take 90 days off works including before and after child birth as a means of maternity leave; temporary retirement or curtailed labor to assist the raising of infants younger than three years; care facility in workplaces; and convenient medical checks for pregnant women and unborn children. All these benefits are specified in the collective labor agreement.

Frequency of Maternal or Childcare Leaves	2008	2009	2010	total
	4	4	11	19

- As shown above, good results have been made in terms of encouraging childbirth and maternity protection. The number of applicants for maternal childcare leaves was just four in 2008 but it has increased to eleven in 2011. And operation of a child care center is partly contributing to giving encouragement and morale to female employees. For the past 3 years, 3 employees working in the headquarters in youngin were suspended from duty due to occupational injuries.

HUMAN RIGHTS EDUCATION

- Education about human rights including sexual harassment prevention is offered to all employees, including non-regular workers. To consult and support victims from sexual harassment, sexual harassment consultancy staff has been designated from 2006 and special education is provided to sexual harassment consultancy staff to enable them to effectively conduct their duties. In particular, newly-employed personnel receive education about sexual harassment prevention for 1 hour during training curriculum for new employees.
- For personnel in charge of managing facilities and their beautification, safety education about occupation is given once a month. For security guards, education about working processes, occupational duties, and provisions stipulated in constitutional law, criminal law, and acts on human rights is provided once a month by Security Instructors. In addition, training about prevention against fire is given once a quarter to all employees.
- Twenty eight people in charge of security, including 22 people in the headquarters (plus those in the annex building), and 8 in construction sites NSSS Division are responsible for security and fire prevention affairs 24 hours a day. Regarding working procedure and tips that they should follow; possibility of human right infringement is prevented through continuous internal training.

62 KEPCO E&C'S EMPLOYEES

74 WIN-WIN POLICY WITH PARTNERS

78 KEPCO E&C'S SHARING MANAGEMENT

- 01 Training for Vision Communication
 02 Marine Corps-Type of Workshop for New Employee
 03 Introduction Training for New Employee



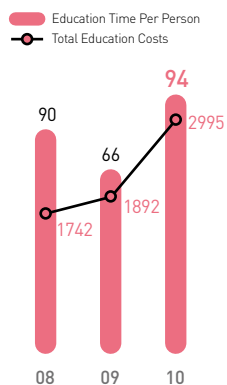
TRAINING PROGRAM

KEPCO E&C'S TRAINING SYSTEM

- KEPCO E&C has established a refined and strategic system for fostering human resources by analyzing capabilities required at each occupational position. To accomplish the vision of becoming a 'Global Top 5 Power EPC Leader', KEPCO E&C dedicates itself to producing talented people who have capability as a global workforce. In the meantime, KEPCO E&C utilizes an Education Credit Program to provide equal educational opportunities for all employees, and the assessment results are reflected to evaluate a division's performance and promotion process. Not only is much more attention being paid to nourishing talented workforce but also concrete foundation for a self-oriented learning culture is laid.

Training Period per Person, and Total Training Costs

(Unit: Hour/Person, KRW 1 million)



TRAINING STATUS

- KEPCO E&C conducts a variety of training according to each area of occupational function and in addition to intensity builds up technological specialty. KEPCO E&C's training curriculum is categorized into; Technical Sector; Administrative Sector; and Common Competency Development.

	2008		2009		2010	
	No.	Personnel	No.	Personnel	No.	Personnel
Technical	683	8,514	715	10,119	517	7,131
Administrative	109	208	114	202	92	216
Common Competency Development	5	2,750	12	5,567	30	8,194
Total	797	11,472	841	15,888	646	15,441



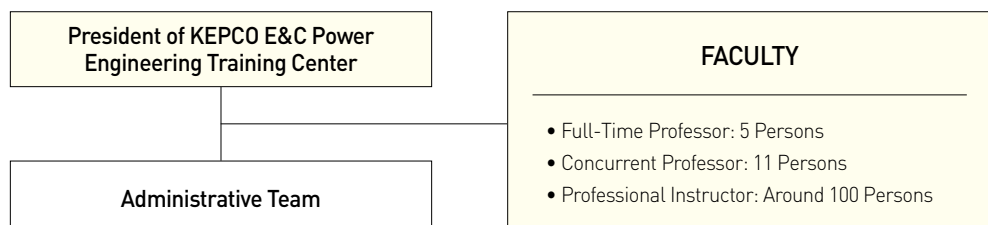
- In addition, training of Life Planning for those who are going to retire has been provided since 2009 to help them adopt a new environment after their retirement and encourage them to make their plans for the rest of the life. The training opportunities about life planning are given 3 years before they retire in a variety of areas ranging from self-assessment, career management, adaptation to changes, financial management and start-ups; so, the retired can finalize their long working life while at the same time making themselves comfortable psychologically. Thirty three people participated in such training in 2009, and thirty two in 2010.



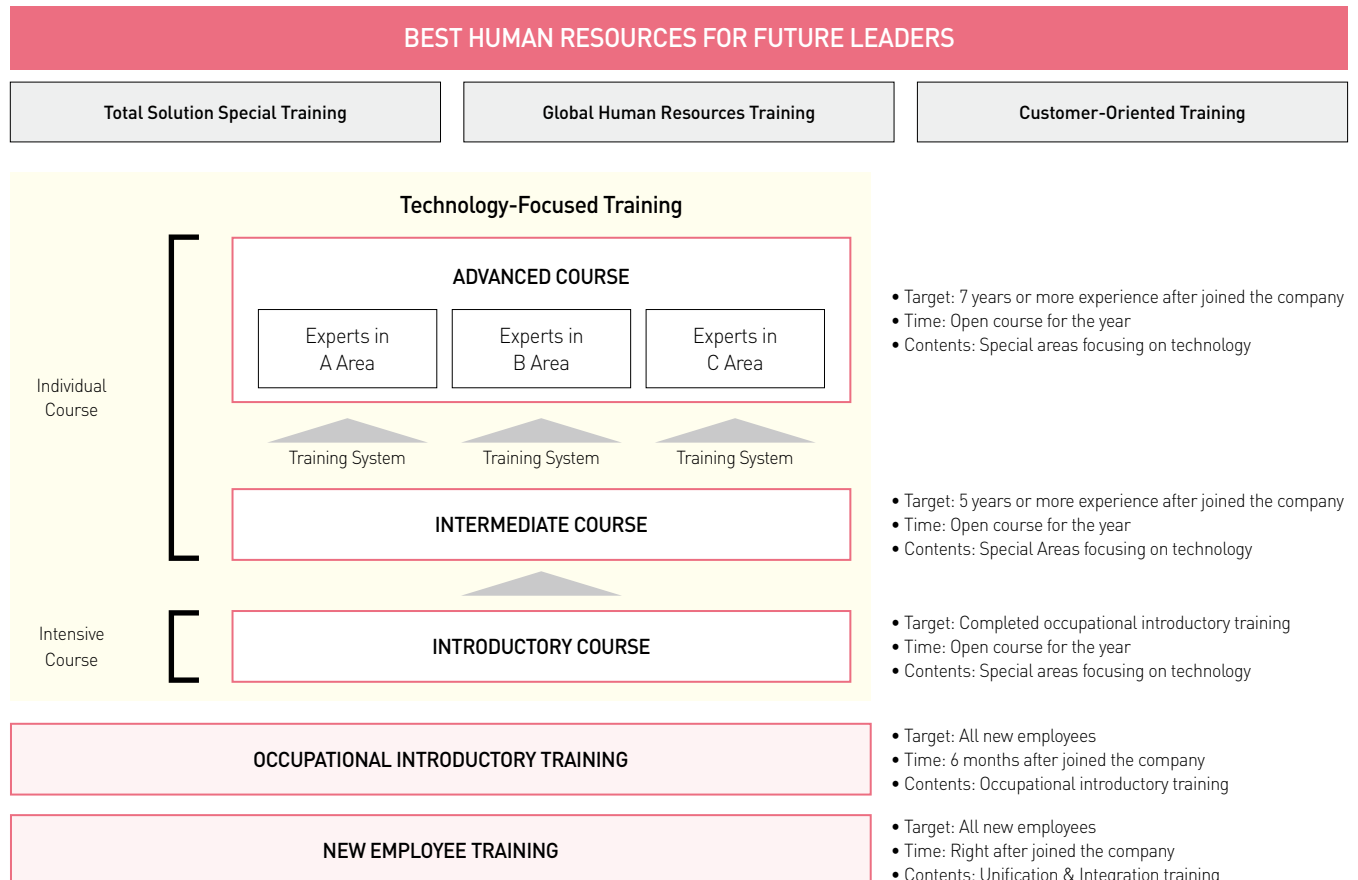
ESTABLISHMENT OF KEPCO E&C POWER ENGINEERING TRAINING CENTER

- KEPCO E&C on July 5, 2010 established its Power Engineering Training Center (PETC) in a bid to foster human resources in a systemic way. The PETC, on the basis of its vision of "Global Top EPC Training Center" and a mission of "The Best Talented Education for Future Leader", provides diversified trainings, living up to demands of trainees from all walks of life, by securing full-time and concurrent professors, and professional instructors, and by creating training rooms so that the best qualified leaders in such areas as nuclear, plant and new technology can be nourished. A systemic training system by each stage of curriculum has been set up by reflecting results of occupational analysis by each technological area. Its goal by 2012 is to be a global training organization to produce professionals specialized in design engineering for nuclear power plants and technical specialists for generation power plants.

Organization of KEPCO E&C Power Engineering Training Center



Training System of KEPCO E&C Power Engineering Training Center



SPECIALIST SYSTEM

- KEPCO E&C has had a specialist system since 2005 by selecting 65 special areas for the purposes of gaining superiority in engineering technology around the world and of cultivating key personnel qualified with highly-skilled knowledge and experience, and of gaining knowledge of distinctive advantages around the world. The specialists receive higher salary than employees (non-specialists). And attractive incentives are given to them; such as facilities and systems for independent research activities. In particular, priorities are given to the specialists including opportunities for obtaining advanced overseas training, participation in overseas academic conferences and other similar opportunities. By doing so, as much as 30% of their time is focused on activities regarding their knowledge of special sectors and technological research.

ROLES AND EXPECTATION ABOUT SPECIALISTS

- Specialists play a role in resolving problems in specific technological areas faced by the company, which in turn gives those opportunities to accumulate special technologies and elevate their specialty. Eventually, KEPCO E&C expects that this role will enhance further the intensity and scope of specialty required for technology advancement and excavation of new technologies.



EMPLOYEE SALARY

SALARY SYSTEM

- KEPCO E&C introduced an Annual Salary System for all employees in 2009 as a result of labor-management consent according to government policies for management advancement. The salary payment system consists of competitive basic annual salary, additional salary for job title, bonus pay, other employee benefits, salary for performance, and retirement grants. To successfully put the performance-based annual salary system in place, KEPCO E&C gradually introduced the performance-based annual salary system and transferred the existing system to the new one in 2011, starting from top executives. Average salary for executive directors except for the President in 2010 was KRW 92 million, and KRW 62 million for employees. In addition, there is no difference in basic annual salary depending on gender; initial salary for new employees who just graduated from universities was approximately KRW 24 million, which is much higher (about 230%) than that of statutory minimum wage.

EMPLOYEES' AVERAGE SALARY IN 2010

Category	Average Salary (KRW 1 million)	Rate of Salary for Performance in proportion of Total Salary (%)
President & CEO	105	54.5%
Auditor	84	50.0%
Executive Director	91	47.0%
Employee	62	25.4%

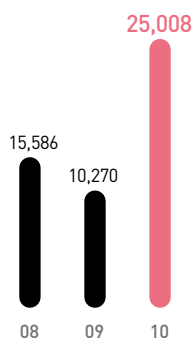
*Excluded Salary for Performance

EMPLOYEES' SALARY FOR PERFORMANCE FOR THE PAST 3 YEARS

Unit: KRW 1 million

Category	2008	2009	2010
Salary for Performance	26,641	27,370	39,506

Reserved Amounts for Allowance
for Employee Retirement
Benefits for the past three years
(Unit: KRW 1 million)



- Retirement grants are paid to employees who worked for at least 1 year when they are retired. In order to guarantee the safety of the grants, KEPCO E&C has joined retirement insurance (trust) of as many as 7 financial institutions. As of the end of December 2010, approximately KRW 76.5 billion has been deposited. In addition, KEPCO E&C plans to introduce a retirement pension system within 2011, according to the "Employee Retirement Benefit Security Act" published in 2005.

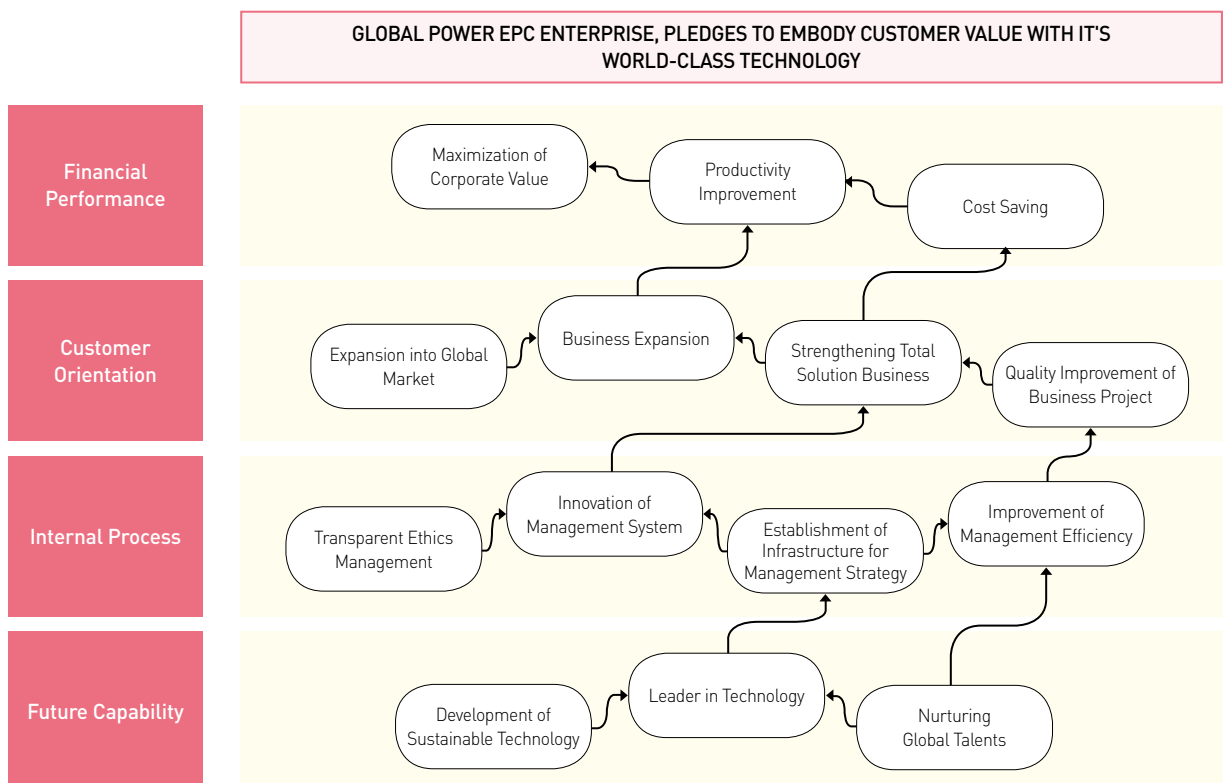
- In the meantime, irregular employment, as an employment type of period-based contract, is hired by officially announcing job openings, especially in the specific areas where manpower is extremely short such as supervision on construction sites. After the announcement, containing salary, working conditions and other, a series of examination and screening steps are taken accordingly. With regard to salary, payment on a monthly basis is given by considering individual career, qualifications and experience. The monthly salary includes allowances, excluding legal benefits (overtime pay, and compensation for annual leave), welfare benefits, and so on.

EMPLOYEE PERFORMANCE ASSESSMENT

PERFORMANCE MANAGEMENT SYSTEM

- KEPCO E&C establishes an optimized performance-based management system reflecting characteristics of the engineering-oriented work process, so as to improve executive power of the company's mid-and-long term management strategies, and to accomplish its management goals in an effective way. In circumstances where project-specific work characteristics, emphasizing cooperation by each technical area are required, and project-focused matrix system exists, a shared growth of each individual and organization is required to both secure quality of business execution and achieve the company-wide management goals. For such objectives, KEPCO E&C consolidates and manages all evaluation results of its entire group's management performance, internal assessment about the organization, and individuals' performance to build up its competitiveness among internal members in a productive way, and at the same time to improve its management efficiency further.

KEPCO E&C's Strategic Map for Performance Management



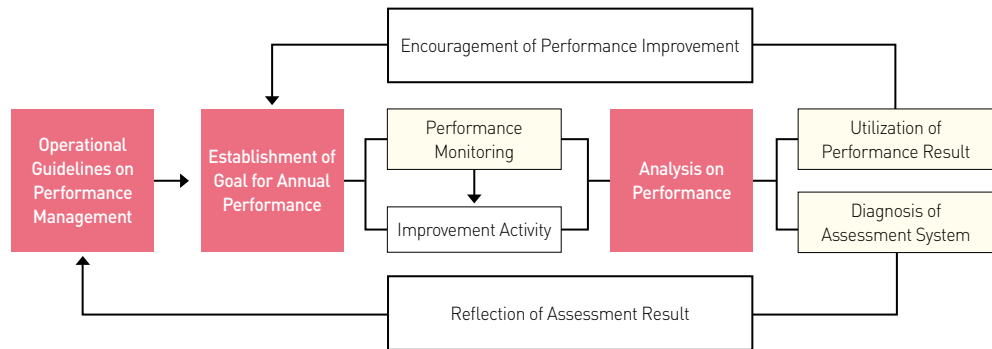
- As part of pursuing a sustainable management efficiency and productivity, KEPCO E&C focuses on its company-wide capabilities; holds diverse workshops on major pressing issues; operates a collegiate body; establishes a management system dealing with management matters organized by our CEO; monitors the company's performance on a regular basis; and shares all kinds of information on pending issues.



PERFORMANCE MANAGEMENT SYSTEM

- **Performance Monitoring**
Performance management through regular check and monitoring
- **Utilization of Performance Result**
Establishment of performance-based corporate culture based on differential compensation
- **Diagnose on Assessment System**
Analysis and reflection of improvement measures through diagnose in assessment system

- KEPCO E&C's performance-based evaluation system uses the organization standards of Balanced Score Card (BSC), and the individual performance evaluation system of Management By Objectives (MBO). Through mutual management interfaced among these two systems, KEPCO E&C effectively cascades its management objectives in each stage, and establishes performance-based evaluation in which monitoring and assessment are being done.



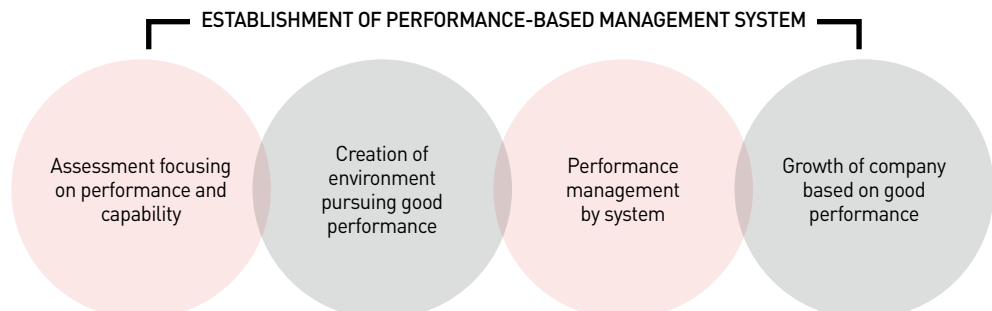
- Additionally, to secure fairness of the operation of the evaluation system, opinions gathered through the performance-based system are publicized and objections against individual evaluation results can be posed. In the meantime, in order for employees to accept the results and to get their feedback, a satisfaction survey & questionnaire on the evaluation results and on the validity of the system are taken. Such final feedback is reflected in setting up the next operating system, while at the same time interests in the operation of employees' evaluation system are kept. Furthermore, by reviewing the system's validity by an external auditing body every year, much more objective evaluation data is collected within the scope of universally-accepted extent. As a result, BSC performance management system inside the company's Portal was established in 2009 so that various functions like performance inquiry, analysis, performance management and relevant information are effectively utilized. It serves as a good opportunity for the company to be able to improve work efficiency and give encouragement to employees at the same time by clearly presenting roles of the company; to identify the company's current status; and to accomplish its widespread objectives.



Screen on Organization Performance Inquiry in Performance Management System



Screen on Performance Analysis by Index in Performance Management System



EMPLOYEE WELFARE BENEFIT

- KEPCO E&C is striving to enhance the level of welfare benefits by running diverse welfare systems such as the introduction of a selective welfare system in 2008, and it is also focusing on building up welfare systems for women and motherhood such as by operating workplace childcare facilities since 2009.



KEPCO E&C'S WELFARE SYSTEM

Category	Description
Health Management	<ul style="list-style-type: none"> • Operation of medical clinic (The headquarters and annex buildings) • Implementation of physical check-up test for employees and their spouses once a year • Provision of health consultation depending on monthly check-up results • No-smoking clinic, posting useful information at internal portal site
Child Education	<ul style="list-style-type: none"> • Grants of school expenses to employees' children (middle · high school) • Provision of interest-free loans for employees' children (college)
Operation of Workplace Childcare Facility	Operation of 23 workplace childcare facilities in areas where large numbers of employees live
Operation of Selective Welfare System	Support for self-development and cultural education
Stabilization of Residential Life	Support for accommodations such as company housing on construction sites and rooms for single men and women
Support for Social Security Insurance	National pension, health insurance, unemployment insurance, accident insurance and etc.
Operation of Condominium and Resort	Allowing employees to use condominium and resorts in Korea
Support for Culture and Physical Activities	Support for athletic meetings, associations and club activities (for example, support for participating fees, prizes/reward and etc.)
Provision of Gift in Commemoration of Foundation	Provision of gifts to celebrate the company's foundation every year
Internal Employee Welfare Fund	Support for celebrations & condolence, subsidy for childhood education, loan for livelihood stabilization etc.
Others	Operation of commuting buses linking subway schedule, fitness center, sauna club, table tennis room, rest room for women and so on.



EXECUTION OF WELFARE BENEFIT FOR THE PAST 3 YEARS

Unit: KRW 1 million

Category	2008	2009	2010
Welfare Benefit Expense	27,805	29,081	20,439
Expense per head	15	16	11

*Included 4 Major Insurances

OPEN DIALOGUE CHANNEL BETWEEN LABOR AND MANAGEMENT

- KEPCO E&C has strived to form the basis for mutual trust and consensus between labor and management through active communication and diverse channels of dialogue. In particular, the Labor-Management Joint Committees such as our Labor-Management Consultative Council are one of the best channels for labor and management to discuss pending issues. Other meetings to boost mutual consensus include the Unofficial Committee between Labor and Management, 'Time for Building Friendship.'



ORGANIZATION OF LABOR UNION

- KEPCO E&C's Labor Union, which was launched on December 7, 1987, and its superior organization are the Korea Federation of Public Services and Transportation Workers' Unions, under the control of the Korean Confederation of Trade Unions. According to Union Shop article of collective agreement, all employees must be members of the union except managers and higher-ranking officials. As of the end of 2010, 1,345 employees were unionists. The union consists of a General Assembly, a Board of Representatives, a High-Ranking Committee, a Chairman, officials of a permanent execution committee, and sub-committees such as working-level bureaus and departments.

LABOR-MANAGEMENT CONSULTATIVE COUNCIL

- The Labor-Management Consultative Council, which is composed of six members each from labor and management, handles an agenda on welfare benefits and productivity enhancement on a quarterly basis, thereby not only promoting collaborative relationships but also serving as a dialogue channel between them.

MAJOR PROGRESS OF COLLECTIVE AGREEMENT

- The collective agreement was revised on November, 2009 to comply with government policies for the advancement of labor-management relations on the basis of mutual collaborative labor relations. Major accomplishments as a result of the updated collective agreement in 2009 include expansion of the annual based salary system for all employees in an effort to strengthen performance-based salary as well as to make sure union members can do legitimate activities related to the labor union. KEPCO E&C complies with Protection Convention (No. 87 and 98 of ILO Convention) on Freedom of Association, Right to Organize, and the Right of Collective Bargaining. The collective agreement will be revised every other year, and the contents will be applied to all employees. In addition, if there are significant changes in business activities, notification should be made to the labor union at least 90 days before, according to Article 10 of the collective agreement.

COMMUNICATION

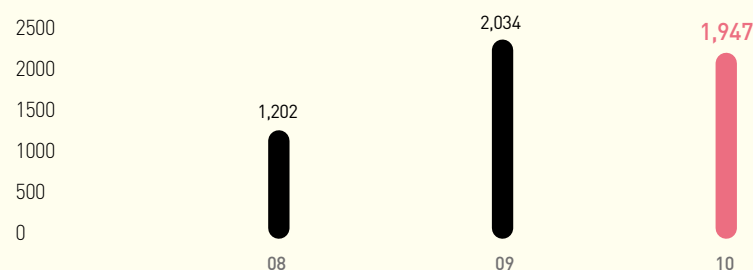
TIME FOR BUILDING FRIENDSHIP

- 'Time for Building Friendship' is a system performed in order to expand mutual consensus between management and labor through regular communication. The meeting of 'Time for Building Friendship' is held for one hour every Tuesday and Thursday. The meeting encourages working-level managers and union officials to share their opinions on pending issues. As a result, it contributes to establishment of sound labor relations based on trust.

SUGGESTION PROGRAM

- KEPCO E&C pursues a 'Suggestion Program' in which an ever-changing managerial environment can be accepted through mutual solidarity and consensus of both the organization and individuals in a horizontal manner. This system plays a crucial role in not only accomplishing cost savings, quality improvement and productivity enhancement, but also encouraging all employees to do proactive communication.

Results of suggestion for the recent 3 years





WIN-WIN POLICY WITH PARTNERS



CHARACTERISTICS OF PARTNERS

- KEPCO E&C implements a partnership system under which cooperative agreements are signed according to each partnering area for the sake of effective business with both domestic and overseas companies. Specifically, such areas include design engineering, specific building & construction, manufacturing & purchasing, and others. Various types of cooperation based on co-operative agreements are being done with partners; by which KEPCO E&C conducts joint design engineering and construction projects, mutual technical support, and information exchange and sharing.

CRITERIA FOR PARTNER SELECTION AND POST MANAGEMENT

- In the process for evaluation of partners, certain levels of evaluation items and specific standards are applied to assess qualifications and capabilities of the partners. The evaluation results are converted into scores. Such a process ultimately enhances transparency when it comes to managing the partnering system. Criteria for partner selection, including operational status, quality, reliability, performance on business execution and product delivery, are submitted for the examination process for legitimacy of human rights.

CRITERIA FOR PARTNER SELECTION

Area	Engineering and Construction			Manufacturing and Purchasing		Others	
	Item	Point		Item	Point	Item	Point
		Engineering	Special Construction				
Management	Credit Rating	40	40	Credit Rating	40	40	40
Execution Capability	Workforce	30	10	Delivery Performance	20	Workforce	30
	Business Performance	10	-	Technology (Manufacturing) Capability	20	Business Performance	30
	Construction Capability	-	30	Quality Assurance Capability	20		
	Quality Assurance Capability	20	20				
A. Deficiency Points	Performance of Contract Implementation	3.5 ~ -11	4 ~ -14	Performance of Contract Implementation	4 ~ -11	Performance of Contract Implementation	3.5 ~ -11
	Other	(+2)	(+2)	Other	(+2)	Other	(+2)
Total	-	100	100	-	100	-	100

*Qualifying Criteria: Total Score of 70 points or more, More than 80% points in Quality and Safety/Environment Activity Assessment

- By doing effective business through fair and substantial competitiveness, KEPCO E&C is trying to guarantee quality as much as possible. Therefore, there is no limitation on the numbers of partners. By conducting an open bidding scheme every 3 years regularly and occasionally, qualified partners are selected and registered.

STATUS ON REGISTERED PARTNERS

Design and Engineering		Special Construction		Manufacturing and Purchasing		Others					
Technology	Cooperation	Construction	Cooperation	Operation	Cooperation	Cooperation	No. of Company				
Architecture	2 Areas (9 Companies)	Electricity	1 Area (31 Companies)	Nuclear power	5 Area (78 Companies)	Logistics/ Transportation	6 Companies				
Instrumentation	1 Area (11 Companies)										
Machinery	2 Areas (17 Companies)										
Piping Line	1 Area (15 Companies)	New and Renewable Energy	1 Area (3 Companies)	Plant	6 Areas (273 Companies)	Insurance	2 Companies				
Business Management	2 Areas (16 Companies)										
Nuclear power	2 Areas (11 Companies)										
Electricity	1 Area (10 Companies)	Building Construction	16 Areas (89 Companies)								
Information	1 Areas (9 Companies)										
Civil Engineering	9 Areas (52 Companies)										
Quality	1 Area (5 Companies)										
Environment	4 Areas (10 Companies)										

- For its existing partners and suppliers, regular evaluation, which is an assessment whether to implement each contract, is taken every year. Non-regular evaluation is done when construction is complete. Such evaluations gradually lead to enhancement of business efficiency partially by increasing quality of design done by partners, and strengthening business competitiveness.



PREFERRED PROCUREMENT SYSTEM FOR SME (SMALL MEDIUM ENTERPRISE) s

- In a bid to promote mutual growth of the power industry by taking the lead in public procurement, KEPCO E&C proactively implements the Preferred Procurement System, on which products made by small and medium size enterprises are preferably purchased. In 2010, it procured products manufactured by SMEs amounting to 85.4%, or KRW 97.5 billion of its total purchased amounts of KRW 114.2 billion. For the sake of encouragement of R & D activities by SMEs, KEPCO E&C will continuously place a great deal of weight on purchasing products of SMEs for which it reflected the article about 'Preferred Procurement System' in its corporate policy.

TRAINING PROGRAM FOR KEPCO E&C PARTNERS

- KEPCO E&C entered into strategic partnership with partners based on the President's strong commitment to a shared growth and win-win partnership, and is striving to realize sustainable corporate values by consolidating mutual competitiveness through technological collaboration.
- As an engineering company, KEPCO E&C holds technical seminars throughout the year to disseminate useful technological knowledge to its partners, and conducts technology training customized for partners on the basis of the result of survey on 'Demand for Training' as a means of improving technological capability of SMEs. Notably, Basic Training about Comprehensive Engineering, which is one of training programs for KEPCO E&C's new employees, has been given to employees of partners since 2006. Therefore, partners' employees can also take the training curriculum consisting of as many as 60 subjects in areas of nuclear power plant, thermal power plant or common fields. In addition to this program, KEPCO E&C provides specific training upon requests from partners with an aim of giving them a chance to receive specifically customizing programs for an individual enterprise; KEPCO E&C welcomes visits of employees from partners to allow them to look around the sites of power plants. This tour program gets a lot of attention, and numerous employees participated in the tours. Additionally, KEPCO E&C concluded an agreement for Academic-Corporate Partnership Program with MyungJi University to provide occupational training for KEPCO E&C's partners by dispatching instructors to them. All of such efforts from every aspect are for productivity improvement of SMEs.

TRAINING PROGRAM FOR KEPCO E&C'S PARTNERS

- Comprehensive Engineering Courses (License, Reliability Analysis, Radioactive Waste Management, and Resistant Analysis & Design)
- Power Plant Protective System using FPGA & Protective Method
- Engineering for Prevention Device of Reverse Valve and Assessment on Control Mode's Cavitations
- Nuclear Power Plant System and Main Feed Control System
- Hardware and Software of Various Protective Systems
- Introduction of Engineering for Improved Nuclear Pump
- Function and Configuration of Power Plant's Protective System
- Assessment for Engineering and Impact of APR 1400 MOV
- Requirement for Engineering of APR 1400 MOV
- Information Courses; AutoCAD Basic · Advanced, 3D Concept-Engineering Skills
- Performance Planning & Occupational Improvement for SMEs Employees (Piping Line, Civil Engineering, Architect, etc.)



COMMUNICATION WITH PARTNERS

- KEPCO E&C engages in dialogue with its employees' partners through diverse channels of communication, including the Internet Cyber Support Center of Customer Consultancy Room, the RINGO Service, and the 3-Phone-Calls-A-Day Campaign, as well as through frequent working-level meetings by each division, and technical workshops. By conducting such diverse activities, grievances facing partners, recommendations and opinions are gathered to seek out effective solutions. Moreover, conferences for a mutual growth of large corporations and small-medium size enterprises are being held so that KEPCO E&C, partners' CEOs, and executives discuss pending issues and come up with cooperative measures in the mid and long term. Additionally, surveys are conducted annually to gauge partners' satisfaction with KEPCO E&C's supporting efforts and to gather their recommendations and suggestions to the effect that a mutual growth between KEPCO E&C and its partners means that support for each other should not be made unilaterally. It should be just one of the prerequisites for strengthened corporate competitiveness.





KEPCO E&C'S SHARING MANAGEMENT



01

01-04 KEPCO E&C True Love Volunteer Group Activities



02

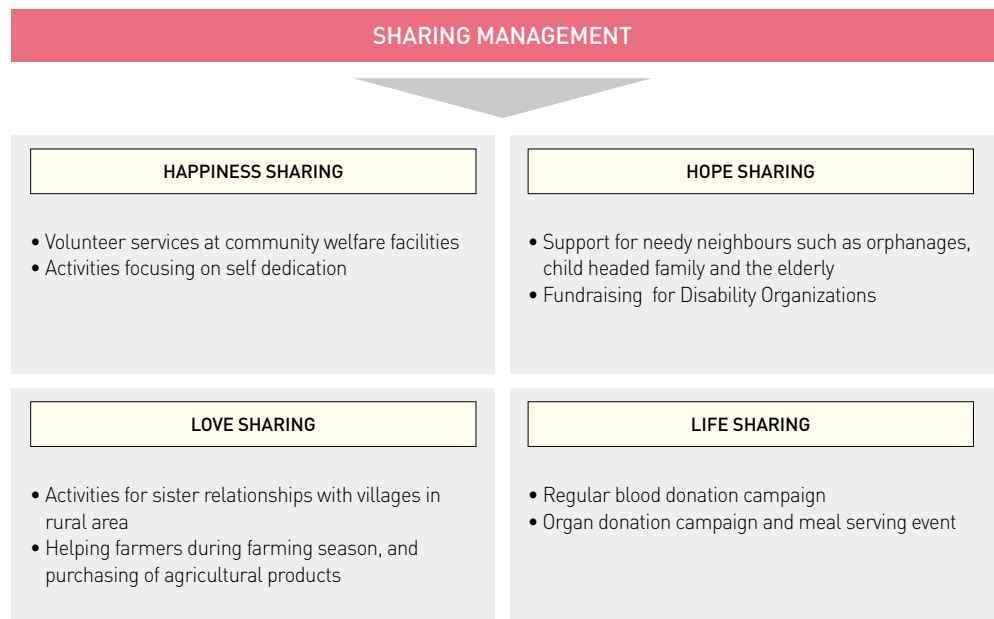


03



04

- KEPCO E&C's True Love Volunteer Group, which was launched on August, 2005, pursues fulfillment of corporate social responsibility on the theme of realizing the sharing of 'Happiness, Hope, Love and Life' in a bid to provide technology for customers, and sharing and love for neighborhood. The True Love Volunteer Group is dedicated to practicing real charity. The Group raises funds based on a Matching Grant System by donating twice the amount of the employees' voluntary donations after collecting the employees' donations from the employees' monthly salaries. Various voluntary activities are carried out by signing sister relationships with as many as 14 welfare facilities in and around the Headquarters, offices in Daejeon, and in the vicinity of power plants as well as two villages.



KEPCO E&C 'TRUE LOVE VOLUNTEER GROUP'S ENGAGEMENT AND DONATION

Category	2008	2009	2010	Average for 3 years
Voluntary Time (MH)	7,716	5,336	5,406	6,153
Donation (KRW 1 million)	124	116	115	119

- In 2010, the total number of participants in the True Love Voluntary Group was 864 people, and the frequency of the participants was about 4.2 a month. Activities that they were involved in include fixing up old welfare facilities, bathing the elderly, giving a hand in community farming, support for the elderly and families with disabled children, provision of free meals for the homeless, support for a community child center serving orphans, and children with a single parent. As such, KEPCO E&C is fully committed to facilitating a sharing culture on a company level.



01
Campaign for Organ Donation of Love
02
International Campaign for 1 to 1 Child
Sponsorship



- An organ donation campaign was started based on sisterhood with Korean Organ Donor Program in 2007, and the company has been involved in activities for 'Life Saving' through a blood donation campaign two times a year. In particular, a street campaign of 'Organ Donation Awareness' was carried out with the local community in 2011. Above all, as many as 516 which is about 30 % of all employees, the company proactively took the lead in signing a donation pledge. In addition, KEPCO E&C pushes forward the 'Life Sharing' campaign to promote the campaign of 'Organ Donation of Love'.



- Furthermore, KEPCO E&C has been involved in activities to sponsor 1 to 1 sisterhood relationships with 178 children living overseas for the sake of fulfilling social responsibility worldwide, and it also spreads its scope as part of social contribution to overseas, for example, by donating as many as 100 PCs to BattamBang University in Cambodia, 200 PCs to Baseco, Philippines, and so on.

Thanks to such variety of voluntary engagements and efforts from all employees, KEPCO E&C's True Love Voluntary Group was awarded 'Grand Prize for Voluntary Corporate Contribution to Society' organized and presented by the Korea Economic Daily for 3 consecutive years, thereby recognizing KEPCO E&C as a company who practices both Social Voluntary Activity' and 'Sharing Management'.

COMMUNICATION WITH LOCAL COMMUNITY

- KEPCO E&C is trying to do its best to maintain close relationships with reflecting feedback received from local communities after identifying grievances facing them through diverse channels such as the Customer Care Center at our homepage, RINGO Service, 3-Phone-Calls-A-Day Campaign, etc.

ENVIRONMENTAL
VALUE

•

KEPCO E&C REGARDS PEOPLE AND THE ENVIRONMENT AS PRIORITIES AT ALL TIMES.



KEPCO E&C, AS A GLOBAL POWER EPC ENTERPRISE, FOLLOWING CUSTOMER VALUES WITH WORLD-CLASS TECHNOLOGIES, WILL FULLY COMMIT TO CREATING A HEALTHY AND CLEAN ENVIRONMENT BY UTILIZING ECO-FRIENDLY TECHNOLOGIES COMBINED WITH SOPHISTICATED, SYSTEMATIC AND SAFE MANAGEMENT.



HEALTH, SAFETY AND ENVIRONMENT (HSE) MANAGEMENT SYSTEM



- KEPCO E&C recognizes harmonizing Humans, Environment, and technology as a core value for business management to promote human welfare. It strives to be a Global Power EPC Leader initiating HSE culture by establishing, executing, and continuously improving integrated HSE Management System to meet international requirements.

HSE POLICY

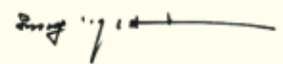
HEALTH, SAFETY AND ENVIRONMENT (HSE) POLICY

The KEPCO Engineering & Construction Company (KEPCO E&C), based on its business idea of promoting the happiness of mankind through harmonization of Humanity, Environment and Technology and in an effort to embody the visions of a global electric power EPC business entity realizing customers' values, promotes the following principles under a motto of **"Settlement of its Advanced Organization Culture"** Prioritizing health, safety and environment".

1. Establish, implement, and continuously improve a HSE Management System in compliance with the OHSAS 18001 Occupational Health & Safety Management Systems and ISO 14001 Environmental Management System Requirements.
2. Accustom to observance of all of the health, safety and environmental rules and regulations that the company agrees to comply with.
3. Exercise for all employees preventive activities that identify and take a necessary action for risks related to health and safety and environmental aspects in a volunteer manner.
4. Set a target for a goal of achievement, measure performances, and continuously seek for improvement for the HSE Policy.

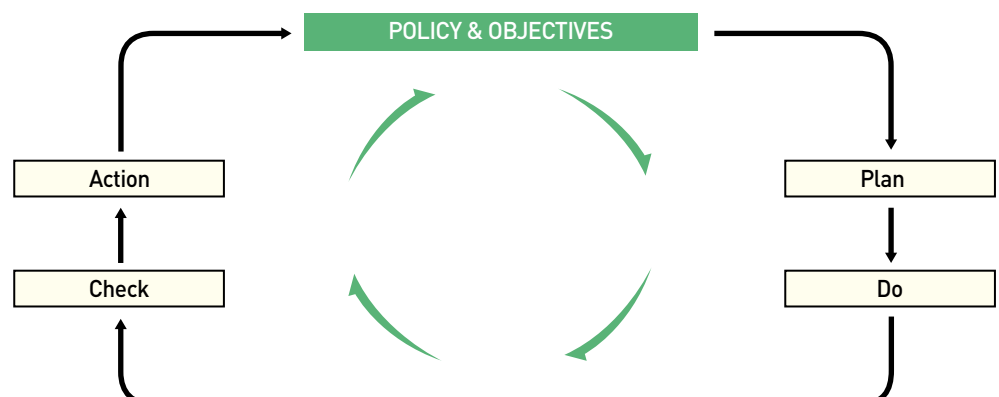
We, all employees of KEPCO E&C, recognize that effective HSE Management System can enhance an integral part of the company competitiveness and shall do all that are possible to achieve global HSE culture.

President & CEO
An, Seung-Kyoo



HSE MANAGEMENT SYSTEM

- KEPCO E&C has established the advanced HSE Management System, integrated with Health, Safety, and Environment management systems to identify impacts on Health, Safety, and Environment aspects, manage them, and continuously improve the results. KEPCO E&C has carried out corporate-wide HSE activities in order to achieve Global top level of HSE management system.





HEALTH AND SAFETY ACTIVITIES

STRENGTHENING CAPABILITY FOR HEALTH AND SAFETY



- KEPCO E&C has successfully improved its HSE Management System after benchmarking the HSE management systems of leading overseas companies. In addition, KEPCO E&C has enhanced Project Health & Safety performances and improved Project Health & Safety System by taking advanced Health & Safety best practices. KEPCO E&C is going to nurture health & safety professionals by providing special trainings from domestic and abroad, and it is going to employ additional Health & Safety specialists and continuously reinforce HSE organization to develop and execute overseas EPC projects.

PROMOTION OF INCIDENT AND INJURY FREE (IIF) PROGRAM

- KEPCO E&C is driving forward the IIF Program in order to prevent employees from doing unsafe acts as well as to take proactive safety activities to build a safe working environment.

HEALTH, SAFETY AND ENVIRONMENT TRAINING

- KEPCO E&C has provided a series of training courses such as HSE introduction for new employees, basic and special HSE trainings. Furthermore, KEPCO E&C has developed and conducted various efficient HSE training courses such as HSE leadership training, HSE management system awareness, and safety rules for hazardous works so that all employees including subcontractors and vendors enable to perform proactive HSE activities voluntarily.

SAFETY AND HEALTH MANAGEMENT ON THE PROJECT SITE



- KEPCO E&C prevents all kinds of accidents through wearing proper Personal Protective Equipment (PPE) and installing safety facilities in accordance with local HSE regulations. In particular, hazardous works such as working at height, lifting operation, confined space work, scaffolding work, and temporary electric work are conducted with Permit to Work (PTW) system and under the supervision. KEPCO E&C will endeavor to prevent accidents by conducting internal and third party HSE Audits to point out and eliminate risk factors for working site.

CERTIFICATION OF HSE MANAGEMENT SYSTEM

- KEPCO E&C has held the certificate of ISO 14001 environmental management systems (2006) to lead environment-friendly business. In the meantime, KEPCO E&C has also held the certificate of OHSAS 18001 health and safety management systems (2010) to improve human welfare and provide a safe working environment to employees and stakeholders in line with the corporate mission.



[ISO 14001 Environment Management System]



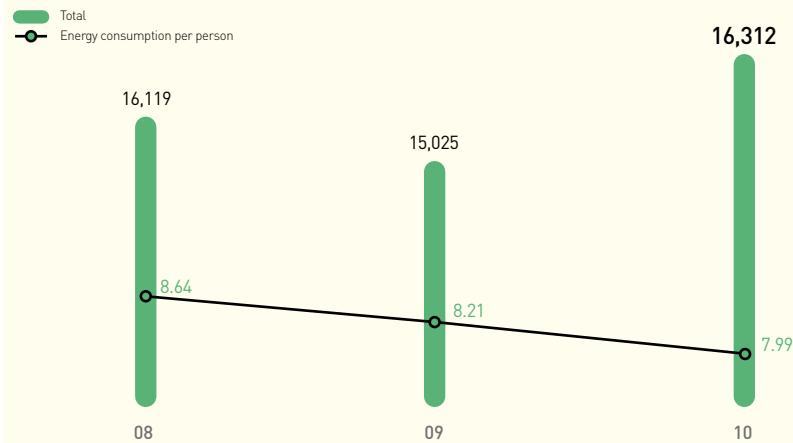
[OHSAS 18001 Health and Safety Management System]



ECO-FRIENDLY OFFICE MANAGEMENT ACTIVITY

- KEPCO E&C is pushing forward a series of actions to reduce consumption of energy and re-sources by meeting the demands for national regulations and international requests at the same time.

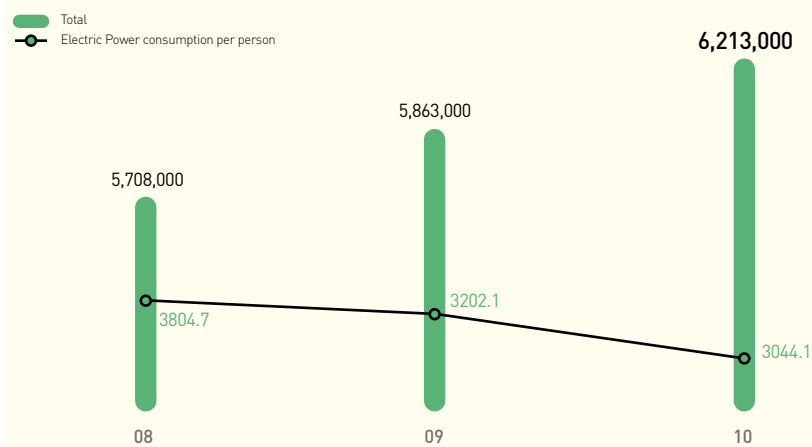
Direct Energy Consumption
(Unit: GJ)



*Included data on Youngin only

- Direct energy that KEPCO E&C uses, includes city gas, or referred to as town gas which is consumed in producing steam and hot water for heating in buildings of the headquarters, and fuels for vehicles such as diesel oil, gasoline, and LPG.

Electric Power Consumption
(Unit: KWH)



*Included data on Youngin only

- Indirect energy of electricity used in KEPCO E&C is categorized into several purposes; heating for building in the headquarters, industrial purpose to operate sewage treatment facilities, and general usage for electric heat. In that regard, KEPCO E&C perseveres in its exertion to decrease the amount of energy consumption by taking diversified actions according to each season.

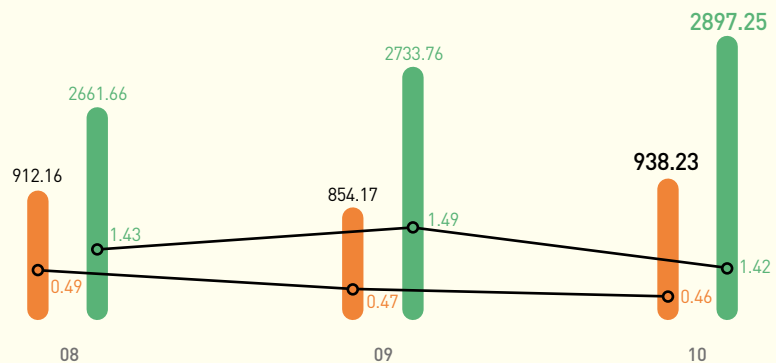
EFFORTS TO REDUCE ELECTRICITY CONSUMPTION

- No neckties in summer, casual working clothes
- Office's cooling temperature in summer: keep between 26 to 28 °C
- Office heating temperature in winter: keep between 18 to 20 °C
- Minimum operation of heating system only to prevent freezing destruction after work
- Use of low-power outlets and power-saving controller for fluorescent lamps (artificially intelligent power-saving device)
- Putting out lights in offices during lunch, and 3 hours (18 pm, 19 pm, 21 pm) of lights-out in offices after work
- Effective use of elevators (2 out of 6 elevators for basement, the rest of 4 for ground)

GREENHOUSE GAS EMISSIONS

(Unit: tCO₂)

Direct Emissions
Indirect Emissions



*Included data on Youngin only

- Direct dischargers from KEPCO E&C stem from city gas used for heating in the headquarters, and indirect dischargers from electricity used for lighting, office appliances, and elevators in buildings of the headquarters. KEPCO E&C conducts diagnosis on whether to work energy management and strives to cut down green house gas emissions through various channels. And we are hoping that such untiring efforts will prevail in terms of preservation of the environment.

EFFORTS TO REDUCE GREENHOUSE GAS EMISSION

- Implementation of 'No Vehicle Day' (this measure asks public sector employees to keep their cars at home at least once a week), and operation of commuting buses
- Use of vehicles only for business (a total of 27 vehicles) including eco-friendly vehicles (a total of 5 hybrid and small cars)
- Reduction in the frequency of business trips, and introduction of a video conference system

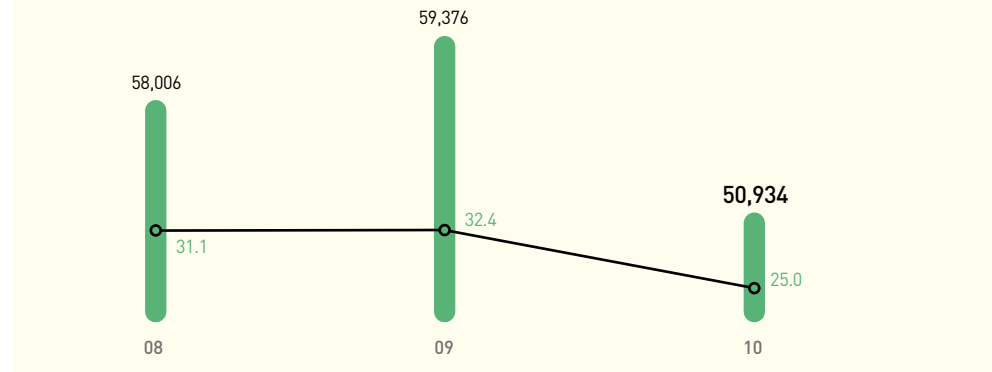


Water Consumption

(Unit: M³)

— Total

— Water consumption per person



※ Included data on Youngin only

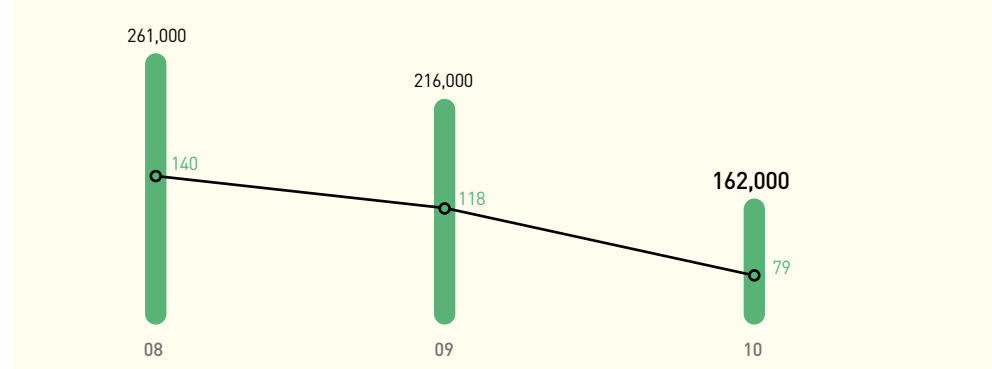
- KEPCO E&C does not use water resources for production. Rather, KEPCO E&C endeavors to preserve the environment by reducing the water amount employees consume inside the company. Moreover, KEPCO E&C strictly complies with laws and regulations on sewage and purification facilities dealing with organic wastewater. According to the decrees, they require the company to discharge a maximum of 20 ppm (cut-off level). KEPCO E&C, however, discharges 15 ppm in the end, and the total is 200 tons a day.

Household Waste Quantity

(Unit: kg)

— Total

— Waste per person



- KEPCO E&C produces 162 tons of municipal waste per year, and 132 tons of wastepaper which are treated by consignment recycling companies by recycling or incineration. In the meantime, KEPCO E&C pulls out all the stops to reduce organic wastewater by raising the recycling rate through a method of separate collection. Fortunately, no industrial waste such as significant hazardous materials is produced in KEPCO E&C.

APPENDIX

90 THIRD PARTY'S ASSURANCE REPORT

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96 UNGC

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98 ORGANIZATION AND ASSOCIATION

99 AWARDS

THIRD PARTY'S ASSURANCE REPORT

Dear Readers of 2010 KEPCO E&C Sustainability Report

Foreword

- The Korea Management Association Registration and Assessments (KMAR) had been engaged by KEPCO E&C to verify the contents of its 2010 Sustainability Report (the Report). KEPCO E&C is responsible for the collection and presentation of information within the Report. Our responsibility is to carry out assurance activities on specific information in the verification scope stipulated below.

Our independence

- With the exception of providing third party verification services, KMAR is not involved in any other KEPCO E&C business operations that are aimed at making profits in order to avoid any conflicts of interest and to maintain independence.

Verification scope

- KEPCO E&C described its efforts and achievements of its sustainability activities in the Report. The verification process was designed to provide readers with the following information;

Verification of the economic section: Review whether financial performance data has been extracted appropriately from KEPCO E&C's 2008, 2009 and 2010 Financial Statements Audit Reports and Annual Reports as defined in the Report's performances and conclusion sectors

Verification of environmental and social section: Review whether environmental and social information included in the Report is presented appropriately.

"Appropriately Presented" means that the actual data and the original information are appropriately reflected in the contents of the Report with consistency and reliability. For the economic sector, we based our evidence gathering procedures on reasonable assurance. It is a higher level of assurance than the limited verification in terms of characteristics and the extent of performed tasks.

Verification standards

- KMAR performed the review based on our own verification. We also used the International Auditing and Assurance Standards Board-issued "International Standard on Assurance Engagements (ISAE 3000): Assurance Engagements other than Audits or Reviews of Historical Financial Information" as additional guidelines.

Verification process and conclusion

- In order to form our conclusion, KMAR undertook the steps outlined below to assess KEPCO E&C's internal processes for reviewing the sustainability reporting practices.

Surveyed KEPCO E&C's sustainability related media information during the reporting period

Reviewed systems and processes used in producing data

Assessed internal documents and materials

Interviewed people in charge of disclosed activities and performances

Based on the results we have obtained from material reviews, related department visits and interviews, we held several discussions with KEPCO E&C on the revision of the Report. We reviewed the Report's final version in order to confirm whether our recommendations for improvement and revisions have been reflected.

Economic performance

We compared the Report with KEPCO E&C's 2008, 2009 and 2010 Financial Statements and found that the financial data presented in the Report has been appropriately derived from 2008, 2009 and 2010 Financial Statements.

Environmental and social performance

We observed that the information contained in the environmental and social sections has been appropriately presented. We did not discover any significant errors.

Recommendation for improvement

- We hope KEPCO E&C's publication of the Report is actively used as a communication tool with stakeholders and recommend the following for improvements.
 - Conduct the materiality test process by understanding stakeholder's expectations and reflecting them
 - Develop the manual to manage and report sustainability performance data

June 23, 2011

KmAR

K. H. Park

Korea Management Association Registrations &
Assessments Inc. CEO

Ki Ho Park

GRI INDEX

STANDARD DISCLOSURES PART: Profile Disclosures

● Fully ● Partially ○ Not reported

Profile Disclosure	Description	Page	Reported	UNGC
1. Strategy and Analysis				
1.1	Statement from the most senior decision-maker of the organization	8-9	●	-
1.2	Description of key impacts, risks, and opportunities	8-9	●	-
2. Organizational Profile				
2.1	Name of the organization	13	●	-
2.2	Primary brands, products, and/or services	12	●	-
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	13	●	-
2.4	Location of organization's headquarters	13-14	●	-
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	14	●	-
2.6	Nature of ownership and legal form	12	●	-
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	53	●	-
2.8	Scale of the reporting organization	61	●	-
2.9	Significant changes during the reporting period regarding size, structure, or ownership	9, 11	●	-
2.10	Awards received in the reporting period	90	●	-
3. Report Parameters				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	Report Overview	●	-
3.2	Date of most recent previous report (if any)	Report Overview	●	-
3.3	Reporting cycle [annual, biennial, etc.]	Report Overview	●	-
3.4	Contact point for questions regarding the report or its contents	Report Overview	●	-
3.5	Process for defining report content	Report Overview	●	-
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance	Report Overview	●	-
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope)	Report Overview	●	-
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	Report Overview	●	-
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols	Report Overview	●	-
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	N/A	○	-
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	N/A	○	-
3.12	Table identifying the location of the Standard Disclosures in the report	92-95	●	-
3.13	Policy and current practice with regard to seeking external assurance for the report	Report Overview	●	-
4. Governance, Commitments, and Engagement				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	23	●	1-10
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	23	●	1-10
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	23	●	1-10
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	23	●	1-10
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	23	●	1-10
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	23	●	1-10
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	23	●	1-10
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	26	●	1-10
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	23	●	1-10
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	23	●	1-10

*3.10: Data for 2008 is redescribed in comparison with the past 3 years. (No additional description)

*3.11: There is no significant change in the scope, boundary, or measurement methods compared with previous periods.

● Fully ● Partially ○ Not reported

Profile Disclosure	Description	Page	Reported	UNGC
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	25	●	7
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	32, 33, 42, 83, 96	●	1-10
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: *Has positions in governance bodies; *Participates in projects or committees; *Provides substantive funding beyond routine membership dues; or *Views membership as strategic	93	●	1-10
4.14	List of stakeholder groups engaged by the organization	33	●	-
4.15	Basis for identification and selection of stakeholders with whom to engage	33	●	-
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	33	●	-
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	33	●	-

STANDARD DISCLOSURES PART: Management Approach & Performance Indicators

● Fully ● Partially ○ Not reported

DMA/ Indicator	Description	Page	Reported	UNGC
ECONOMIC				
Disclosure on Management Approach EC		50-57		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	49, 50, 51	●	-
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	9, 40, 41	●	7
EC3	Coverage of the organization's defined benefit plan obligations	67	●	-
EC4	Significant financial assistance received from government	36	●	-
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	67	●	6
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	61	●	-
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	17	●	-
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	49, 50, 51	●	-
ENVIRONMENTAL				
Disclosure on Management Approach EN		83, 84		
EN1	Materials used by weight or volume	N/A	○	8
EN2	Percentage of materials used that are recycled input materials	87	●	8, 9
EN3	Direct energy consumption by primary energy source	85, 86	●	8
EN4	Indirect energy consumption by primary source	85, 86	●	8
EN5	Energy saved due to conservation and efficiency improvements	86	●	8, 9
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	9, 42, 43	●	8, 9
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	85	●	8, 9
EN8	Total water withdrawal by source	87	●	8
EN9	Water sources significantly affected by withdrawal of water	N/A	○	8
EN10	Percentage and total volume of water recycled and reused	87	●	8, 9
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	○	8
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	N/A	○	8
EN13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	N/A	○	8
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	N/A	○	8
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	N/A	○	8
EN16	Total direct and indirect greenhouse gas emissions by weight	86	●	8

*EN1, EN11, EN12, EN27: These are not available because KEPCO E&C is not a manufacturing company.

*EN11, EN12: There is no business workplace within protected areas.

GRI INDEX

● Fully ● Partially ○ Not reported

DMA/ Indicator	Description	Page	Reported	UNGC
EN17	Other relevant indirect greenhouse gas emissions by weight	86	●	8
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	42	●	7-9
EN19	Emissions of ozone-depleting substances by weight	N/A	○	8
EN20	NOx, SOx, and other significant air emissions by type and weight	N/A	○	8
EN21	Total water discharge by quality and destination	87	●	8
EN22	Total weight of waste by type and disposal method	87	●	8
EN23	Total number and volume of significant spills	N/A	○	8
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	N/A	○	8
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	N/A	○	8
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	42	●	7-9
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	N/A	○	8, 9
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	N/A	○	8
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	86	●	8
EN30	Total environmental protection expenditures and investments by type	36	●	7-9
SOCIAL _ LABOR PRACTICES AND DECENT WORK				
Disclosure on Management Approach LA		62-73		
LA1	Total workforce by employment type, employment contract, and region	61	●	-
LA2	Total number and rate of employee turnover by age group, gender, and region	62	●	6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	67	●	-
LA4	Percentage of employees covered by collective bargaining agreements	72	●	1, 3
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	72	●	3
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	N/A	○	1
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	64	●	1
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	70	●	1
LA9	Health and safety topics covered in formal agreements with trade unions	70, 83, 84	●	1
LA10	Average hours of training per year per employee by employee category	64	●	-
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	65	●	-
LA12	Percentage of employees receiving regular performance and career development reviews	68	●	-
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	23, 61, 62	●	1, 6
LA14	Ratio of basic salary of men to women by employee category	67	●	1, 6
SOCIAL _ HUMAN RIGHTS				
Disclosure on Management Approach HR		63, 73		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	N/A	○	1-6
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	74	●	1-6
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	63	●	1-6
HR4	Total number of incidents of discrimination and actions taken	N/A	○	1, 2, 6
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	72	●	1-3
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	62	●	1, 2, 5
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	63	●	1, 2, 4
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	63	●	1, 2

*EN23: There is no spill during the reporting period.

*EN28: There is no violation during the reporting period.

*HR1: There is no relevant practice.

*HR4: There is no event about discrimination during the reporting period.

● Fully ◐ Partially ○ Not reported

DMA/ Indicator	Description	Page	Reported	UNGC
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	N/A	○	1, 2
SOCIAL _ SOCIETY				
Disclosure on Management Approach SO		27-29		
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	42	●	-
S02	Percentage and total number of business units analyzed for risks related to corruption	21	◐	10
S03	Percentage of employees trained in organization's anti-corruption policies and procedures	27	●	10
S04	Actions taken in response to incidents of corruption	21, 28	●	10
S05	Public policy positions and participation in public policy development and lobbying	N/A	○	1-10
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	N/A	○	10
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	N/A	○	-
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	N/A	○	-
SOCIAL _ PRODUCT RESPONSIBILITY				
Disclosure on Management Approach PR		59, 60		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	59	◐	1
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	N/A	○	1
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	N/A	○	8
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	N/A	○	8
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	57	●	-
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	58, 96	◐	-
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	N/A	○	-
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	N/A	○	1
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	N/A	○	-

*S01: These practices are legally prohibited.

*S08: There is no penalty and punishment during the reporting period.

*PR3: This is not available because KEPCO E&C is an engineering company.

*PR9: There is no penalty during the reporting period.

GRI Application Level Table

KEPCO E&C self-declares that this report has been prepared in accordance with the GRI G3 Guideline and it meets 'A+' level of GRI Application Level. A third party institute, KMAR (Korea Management Association Registration) has also verified that this report complies with the 'A+' level of GRI G3 Guideline Application Level.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

*Sector supplement in final version

UNGC[United Nations Global Compact] is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, anti-corruption and etc. On July 17, 2007, KEPCO E&C joined UNGC and will continue to support and comply with the 10 Principles. You can find our policies and activities related to the Principles in the table and the corresponding pages as shown below.

The 10 Principles of UNGC and Supporting Rules and Regulations at KEPCO E&C

● Reported ● Partially Reported ○ N/A(Or No Case)

UNGC Principles	Supporting Rules and Regulations at KEPCO E&C	GRI Index	Page
Human Rights			
1. We support and respect the protection of internationally proclaimed human rights	Code of Ethics/Collective Agreement, Article 99/Employment Rules, Article 4	○HR1 ○HR4 ●HR7 ●HR2 ●HR5 ●HR8 ●HR3 ○HR6 ○HR9	63, 70, 83, 84
2. We make sure that we are not complicit in human rights abuses	Code of Conduct for ethics management, Article 29/Collective Agreement, Article 99/Employment Rules, Article 5	○HR1 ○HR2 ●HR8	63, 72
Labor Standards			
3. We uphold the freedom of association and the effective recognition of the right to collective bargaining	Collective Agreement, Articles 2, 5 and 6/Employment Rules, Article	●HR5 ●LA4 ●LA5	72
4. We eliminate all forms of forced and compulsory labor	Collective Agreement, Articles 34, 35 and 37/Employment Rules, Article 16	○HR7	63
5. We effectively abolish child labor	Collective Agreement, Article 99/Employment Rules, Article	●HR6	62
6. We eliminate discrimination in respect of employment and occupation	Code of Conduct for ethics management, Article 5/Collective Agreement Article 25/Employment Rules, Article 4	○HR4 ●LA10 ●LA14 ●LA2 ●LA13	23, 61, 62, 64, 67
Environment			
7. We support a precautionary approach to environmental challenges	Environmental Policy/ISO 14001 Certification/Environmental Management Manual	●4.11	25
8. We undertake initiatives to promote greater environmental responsibility	Environmental Policy/Environmental Management Manual	●EN2 ○EN13 ●EN22 ○EN5 ○EN14 ●EN26 ●EN6 ●EN18 ○EN27 ○EN7 ●EN21 ●EN30 ●EN10	9, 36, 40, 42, 43, 87
9. We encourage the development and diffusion of environmentally friendly technologies	Environmental Policy/Management Policy	●EN2 ○EN7 ●EN26 ○EN5 ●EN10 ○EN27 ●EN6 ●EN18	9, 42, 43
Anti-corruption			
10. We work against corruption in all its forms, including extortion and bribery	Code of Conduct for ethics management, Article 16/Collective Agreement, Article 99/Employment Rules, Article 9/Pledge of Moral Management Forum of CEOs	○S02 ●S03 ●S04	21, 27, 28



ISO 26000 is a guidance on the underlying principles of social responsibility, recognizing social responsibility and engaging stakeholders, core subjects and issues pertaining to social responsibility and on ways to integrate socially responsible behavior into the organization.

Core subjects	Issues	Page
Organizational governance	Decision-making processes and structures	8, 9, 13, 23, 25, 33, 93
Human rights	Due diligence	74
	Human rights risk situations	Not reported
	Avoidance of complicity	63
	Resolving grievances	Not reported
	Discrimination and vulnerable groups	63, 67, 74
	Civil and political rights	70, 72, 83, 84
	Economic, social and cultural rights	71, 72
	Fundamental principles and rights at work	72, 73
Labour practices	Employment and employment relationships	70
	Conditions of work and social protection	71, 72
	Social dialogue	72, 73
	Health and safety at work	84
	Human development and training in the workplace	65, 66, 67
The environment	Prevention of pollution	87
	Sustainable resource use	85, 86, 87
	Climate change mitigation and adaptation	86
	Protection of the environment, biodiversity and restoration of natural habitats	N/A
Fair operating practices	Anti-corruption	21, 27, 28
	Responsible political involvement	Not reported
	Fair competition	Not reported
	Promoting social responsibility in the value chain	74
	Respect for property rights	Not reported
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	Not reported
	Protecting consumers' health and safety	82
	Sustainable consumption	N/A
	Consumer service, support, and complaint and dispute resolution	58
	Consumer data protection and privacy	N/A
	Access to essential services	N/A
	Education and awareness	N/A
Community involvement and development	Community involvement	78, 79, 80
	Education and culture	N/A
	Employment creation and skills development	62, 63
	Technology development and access	Not reported
	Wealth and income creation	52
	Health	N/A
	Social investment	79

ORGANIZATION AND ASSOCIATION

KEPCO E&C takes the lead in the power generation industry through a sustained communication by joining the following organizations and associations.

The American Concrete Institute (ACI)	Architecture Institute of Korea
American Society of Testing Materials (ASTM-D33 Technical Committee)	The Korean Structural Engineers Association
International Electrical Research Exchange(IERE)	Korean Society of Steel Construction
The Institute of Electronics Engineers of Korea	Korea CCS Association (Korea Carbon Dioxide Capture and Storage Association)
Project Management Institute (PMI)	Earthquake Engineering Society of Korea
International Systems and Automation (ISA)	The Geological Society of Korea
International Council of Large Electric Power Network (CIGRE)	Korea Water Resources Association
Institute of Electrical and Electronics Engineers (IEEE)	The Korean Society of Engineering Geology
World Nuclear Association (WNA)	Korean Nuclear Society
Nuclear Energy Institute (NEI)	The Korean Radioactive Waste Society
Korea Construction Engineers Association	Korean Association for Radiation Protection
Korea Electric Engineers Association	WiNK, Women in Nuclear-Korea
Korea Electric Association	Korea Academy of Nuclear Society
Korea Atomic Industrial Forum	Korean Society of Pressure Vessels & Piping
Korea Industrial Technology Association	The Corrosion Science Society of Korea
Korea Energy Foundation (WEC Korea Committee)	Korea Forum of Chief Information Officers
Korean Society of Mechanical Engineers	The Society Of Air-Conditioning And Refrigerating Engineers Of Korea
Korea Institute of Fire Science and Engineering	Korea Smart Grid Association
Korea Association of Nuclear Equipment Qualification	Computational Structural Engineering Institute of Korea
Korea Project Management Association (KPMA)	Korea Green Building Council
Korean CM Association	Korean Geotechnical Society
Korean Institute Of Construction Engineering and Management	Korean Association of Environmental Impact Assessment
The Ergonomics Society of Korea	Korea Environmental Industry Association
The Korean Society for Noise and Vibration Engineering	Korea Institute of Plant Engineering & Construction
The Korean Institute of Electrical Engineers	The Korean Institute of Electrical Engineers - Studies Association
Power Standard Operating Council	Korea Institutes of Information Security and Cryptology
Korean Society of Civil Engineers	Korea Wind Energy Industry Association
Korea Concrete Institute	Korean Institute of Landscape Architecture
Chamber of Commerce and Industry in YoungIn	Korea Institute of Registered Architects
Korea Suggestion Activity Council	Korea Plant Engineering Association
Korean Accounting Association	Korea Productivity Center
Ethnic Management SM Forum	Korea Management Association
Korea Institute of Quality Management	ISO 9000/14000 Council
The Construction Association of Korea	Energy Service Company (ESCO)
Korea Fire Construction Association	Korea Fire Safety Association
Korea Electrical Contractors Association	Korea Information & Communication Contractors Association
Korea Special Library Association	KAITS
Korean Institute of Auditors	CNP Management Institute
The Korea Listed Companies Association	Ethnic Management CEO Club
UN Global Compact – Korea Association	Korea International Trade Association
Korea Personnel Improvement Association	The Institute for Industrial Policy Studies – Brand Forum
The Korea Construct Consulting Engineers Association	Korean Standards Association
Korea Plant Industries Association	Korea Engineering & Consulting Association
Korea New & Renewable Energy	The International Contractors Association of Korea

AWARDS

Year	Award	Organizer
2008	National Environmental Management Award	The Ministry of Environment/The Ministry of Commerce, Industry and Energy
2008	Grand Prize for 2008 Corporation Contribution to Society – In the category of voluntary serving	Korea Economic Daily
2008	Excellent Quality Competitiveness Enterprise	The Ministry of Knowledge and Economy KATS/Korean Standards Association
2008	Korea Management Grand Prize 「The Most Admired Company」 - The First Prize in the category of customer satisfaction - National Productivity Award	Korea Management Association Consultants Inc.
2008	Grand Prize for Project of This Year - Grand Prize in the category of research and development	Korea Project Management Association
2009	Excellent Quality Competitiveness Enterprise	The Ministry of Knowledge and Economy KATS/Korean Standards Association
2009	Korea Management Grand Prize 「The Most Admired Corporation」 - The First Prize in the category of ethic management	Korea Management Association Consultants Inc.
2010	Excellent Quality Competitiveness Enterprise	The Ministry of Knowledge and Economy KATS/Korean Standards Association
2010	Korea Management Grand Prize 「The Most Admired Corporation」 - Grand Prize in the category of enterprise	Korea Management Association Consultants Inc.
2010	Grand Prize for Project of This Year - Grand Prize in the category of research and development	Korea Project Management Association
2010	National Green Tech Award	The Ministry of Environment

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READER FEEDBACK SURVEY

We are looking forward to your valuable opinions. We will use them to improve KEPO E&C operations and let you know the results. Your opinions will be reflected in reports to be published later. Please fill out the following feedback questionnaire and send it to us by mail or fax.

To:

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From:

Name:

Occupation:

1. Which of the following applies to you?

- | | | | | |
|---|--|---|---|---|
| <input type="checkbox"/> Investor/Shareholder | <input type="checkbox"/> Consumer | <input type="checkbox"/> Creditor | <input type="checkbox"/> Financial agency | <input type="checkbox"/> Business partner |
| <input type="checkbox"/> NGO | <input type="checkbox"/> Local community | <input type="checkbox"/> Academia | <input type="checkbox"/> Government | <input type="checkbox"/> Local government |
| <input type="checkbox"/> Press | <input type="checkbox"/> Employee | <input type="checkbox"/> Other () | | |

2. How do you plan to use this Report?

3. What are your areas of interest? (Multiple answers possible)

- | | | |
|--|--|---|
| <input type="checkbox"/> Sustainability Management | <input type="checkbox"/> KEPCO E&C Technology Development & Business Performance | <input type="checkbox"/> Economic Value |
| <input type="checkbox"/> Social Value | <input type="checkbox"/> Environmental Value | |

4. What areas or issues need to be addressed or further explained in the Report?

5. How would you rate the overall quality of this report in the following aspects?

- | | | | | | | | |
|--|-------------|---|---|---|---|---|-------------|
| A. The Report's design and layout are helpful in understanding the contents (Readability). | (very poor) | 1 | 2 | 3 | 4 | 5 | (very good) |
| B. The contents are credible (Reliability). | (very poor) | 1 | 2 | 3 | 4 | 5 | (very good) |
| C. The Report fully explains the important issues (Materiality). | (very poor) | 1 | 2 | 3 | 4 | 5 | (very good) |
| D. The sentence structure and terminologies are appropriate (Clarity). | (very poor) | 1 | 2 | 3 | 4 | 5 | (very good) |

6. Please feel free to describe any comments or suggestions regarding this Report.





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