

Project Financing(PF) based on Equator Principles

KB Financial Group applies the Equator Principles to systematically manage environmental and social risks in large-scale project financing(KB Kookmin Bank joined the Equator Principles in 2021). Projects are reviewed for environmental and social risks, with differentiated requirements applied according to their risk category. Requirements for mitigating identified risks and managing residual impacts are incorporated into financing agreements. Internal experts oversee the application of the Equator Principles, supported by independent third-party monitoring where required.

The following cases illustrate how the Equator Principles were applied in the environmental and social review of project financing.

Case 1.	Yeongdeok Wind Power Repowering Phase 1 Development Project
KB Kookmin Bank funded the construction and operation of a repowering project to install new 43.4MW generators in Yeongdeok-gun, Gyeongsangbuk-do Province. The project replaces existing wind turbines on a site already used for wind power generation. The Bank's environmental and social review under the Equator Principles confirmed compliance with applicable environmental regulations and the establishment of mitigation measures to minimize potential impacts on protected species and their habitats. A cultural heritage survey was also conducted, and procedures were established to address potential discoveries during construction.	
Case 2.	Taepyeong Salt Farm Solar Power Generation PF
KB Kookmin Bank funded the construction and operation of a 137MW solar power plant under development on the site of salt farms in Sinan-gun, Jeollanam-do. . The Bank's environmental and social review under the Equator Principles confirmed compliance with applicable environmental regulations and that input from local residents and relevant local governments had been reflected in the project plan. Mitigation measures were established to address potential impacts on protected species identified at the site. The borrower and contractor also prepared health, safety and environmental management plans.	
Case 3.	Paju Eco Green Energy Fuel Cell Power Generation Project Finance
KB Kookmin Bank funded the construction and operation of a 30.99MW fuel cell power plant under development in Tanhyeon-myeon, Paju. The Bank's environmental and social review under the Equator Principles confirmed that a small-scale environmental impact assessment had been conducted and that the project complied with applicable laws. The project uses a site already prepared for development, and the assessment indicated limited overall impacts on the surrounding ecosystem. Construction-related mitigation measures were established to minimize environmental impacts.	