

BNK Financial Group

# ESG Policy Book

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Environmental Management Policy

TOUCH  *Your Heart,* BNL

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# Environmental Management Policy

## 1. Objective

- BNK Financial Group has established and implemented this policy to reduce the negative environmental impacts that may arise from all business activities and to create positive impacts, aiming to grow into a sustainable financial group for future generations.

## 2. Application Scope

- This policy applies equally to BNK Financial Group and all its subsidiaries. We also recommend that our partners who conduct business with BNK Financial Group adhere this policy or a policy of a similar level.

## 3. Environmental Management Policies

### 3.1 Compliance with Environmental Laws and Regulations

- BNK Financial Group practices environmental management in compliance with environmental laws, regulations and global guidelines. We regularly monitor the implementation of our environmental management and strive to enhance our competency in practicing environmental management.

### 3.2 Operation of Environmental Management Framework

- BNK Financial Group operates an environmental management framework to identify and assess environmental risks, including climate change, thereby enhancing the environmental management framework.

### 3.3 Reduction of Greenhouse Gas Emissions

- BNK Financial Group manages greenhouse gas emissions from all business activities and responds to the climate change crisis through activities aimed at reducing these emissions.

### 3.4 Efficient Use of Resources

- BNK Financial Group practices efficient resource use in all business activities to reduce energy consumption and minimize waste generation.

### 3.5 Environmental Communication

- BNK Financial Group practices efficient resource use in all business activities to reduce energy consumption and minimize waste generation. BNK Financial Group actively incorporates employees' opinions on environmental management, fostering a corporate culture where everyone participates in environmental management.
- BNK Financial Group transparently discloses its environmental management performance to external stakeholders (customers, partners, government, etc.) and participates in relevant domestic and international collaborative programs, including global initiatives, to promote environmental management practices.

### 3.6 Provision of Green Financial Instruments and Services

- BNK Financial Group will expand the scale of eco-friendly products, loans, and investments to fulfill its social responsibility as a green financial institution for a sustainable future.

### 3.7 Operation of Environmental Management System

- BNK Financial Group systematically manages environmental data for all subsidiaries through an environmental information management platform. We aim to achieve carbon neutrality by measuring and monitoring carbon emissions from our internal operations and asset portfolios.

## 4. Basic Principles and Implementation Plans

### 4.1 Minimize Environmental Impact

#### 4.1.1 Reduce Greenhouse Gas Emissions

- BNK Financial Group systematically manages greenhouse gas emissions resulting from resource and energy use and will actively promote investments and campaigns to reduce these emissions.

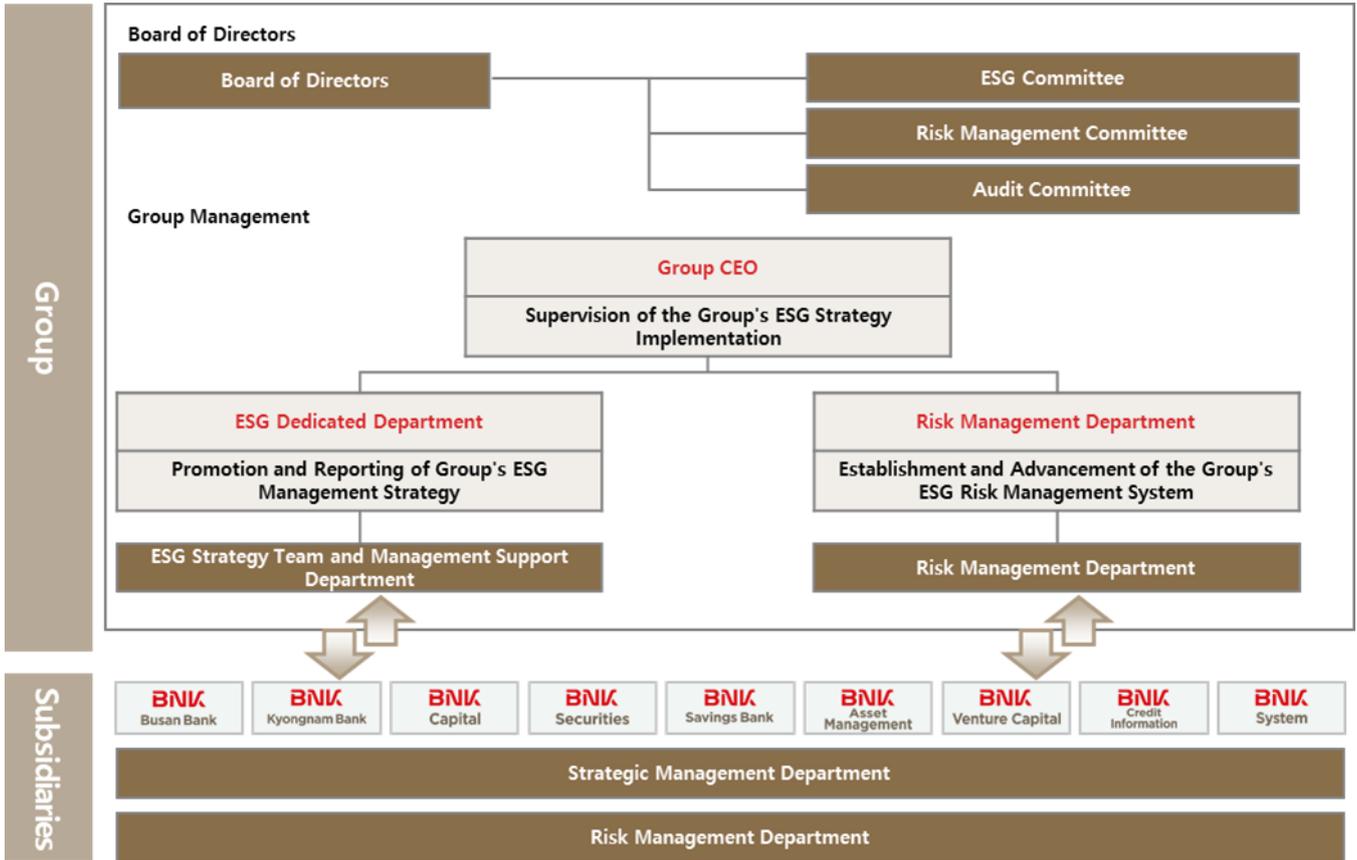
#### 4.1.2 Efficient Use of Resources and Energy

- BNK Financial Group will continuously strive to conserve resources, reduce waste, and minimize pollution. We prioritize the use of renewable energy and sustainable materials and encourage employees, customers, and partners to engage in environmentally responsible actions.

## 4.2 Establishment an Environmental Management Framework

### 4.2.1 Environmental Management Governance

- Organization



- Responsibility

- BNK Financial Group systematically manages greenhouse gas emissions resulting from resource and use of energy and actively promotes investments and campaigns to reduce these emissions.

### • Implementation

- BNK Financial Group has established and operates a dedicated department to execute efficient environmental management plans. The management strategy departments of each subsidiary have established and operate environmental management systems, and support departments, branches, and offices in smoothly performing eco-friendly tasks in line with the group's green management plans and directions.
- The Holding Company's ESG Strategy Team is responsible for setting and managing carbon neutrality goals, selecting detailed tasks for reduction, identifying opportunities, establishing execution strategies, and managing the implementation performance of subsidiaries. Through this, BNK Financial Group promotes sustainable management and social responsibility, contributing to minimizing environmental impact.
- The Holding Company's Risk Management Department operates climate risk management standards and guidelines, incorporating environmental factors into corporate credit evaluations. It responds to regulatory requirements from supervisory authorities and measures and manages financial emissions. It identifies significant and high-carbon industries, devising exposure management and limit-setting measures accordingly. Additionally, it analyzes various scenarios to assess the impact on the company's business and formulates strategies to prepare for these impacts.

#### 4.2.2 Compliance with Environmental Laws and Regulations

- BNK Financial Group strives to comply with environmental laws and standards and proactively incorporate global guidelines. We will regularly review related issues to ensure proper implementation and pursue continuous improvements.

#### 4.2.3 Disclosure of Environmental Information

- BNK Financial Group manages the environmental data of all subsidiaries through the operation of an environmental information management platform. Based on systematically managed data, we transparently disclose our environmental management plans and implementation status to stakeholders.

#### 4.2.4 Building Employee Capacity

- BNK Financial Group conducts environmental management training for employees to raise awareness about the importance of responding to climate change and conserving the environment, and to strengthen employees' capabilities in environmental management.

#### 4.2.5 Establishment of an Green Supply Chain

- BNK Financial Group recognizes the importance of partners who directly and indirectly impact the group's environmental management performance. We will support programs to strengthen our partners' environmental management capabilities and advance an eco-friendly supply chain system.

## 4.3 Expansion of Green Finance

### 4.3.1 Development of Green Products and Services

- BNK Financial Group plans to provide and continuously expand eco-friendly financial products and services that conserve and protect the environment.

### 4.3.2 Environmental and Social Risk Management

- BNK Financial Group makes transparent and responsible financial support decisions by analyzing and screening potential risk impacts according to principles aimed at preventing or minimizing environmental destruction and social issues.

### 4.3.3 Climate Risk Management

- BNK Financial Group regularly monitors climate risks through a dedicated department and continuously enhances standards for group climate risk management. We will reduce the risk of climate change and practice carbon-neutral finance by managing the financial emissions of our asset portfolio.
- BNK Financial Group regularly monitors climate risks through a dedicated department and continuously improves its standards for managing these risks. We aim to reduce climate change risks and practice carbon-neutral finance by managing the financial emissions of our asset portfolio.

## 5. Others

### 5.1 Reference

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- ISO 14001 (Environmental Management System)
- Relevant laws, including the 'Framework Act on Environmental Policy'

### 5.2 Enactment and Revision History

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- June 27, 2024. Policy enacted and implemented

TOUCH  *Your Heart,* **BNK**