BNK Financial Group

ESG Policy Book

Supplier Management Policy

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Supplier Management Policy

1. Objective

- BNK Financial Group recognizes the importance of social responsibility management for the sustainable growth of the group and values the significance of partners as co-prosperity companions. Through this policy, we aim to establish basic principles to ensure that partners align with the group's social responsibility management principles and ideology, and to encourage sincere adherence and compliance.

2. Application Scope

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

3. Basic Principles

3.1 Respect for Fundamental Human Rights of Workers

3.1.1 Voluntary Labor

- All labor activities of BNK Financial Group's partners shall be based on the voluntary will of the workers, and partners ensure that workers have the freedom to resign (or transfer) at any time. Furthermore, partners comply with relevant laws and regulations and shall not request or instruct any work that violates these laws and regulations.

3.1.2 Protection of Working Vulnerable Groups

- BNK Financial Group's partners prohibit child labor and comply with the minimum employment age stipulated by law. They ensure that working vulnerable groups, such as female and people with disabilities, do not perform hazardous or dangerous tasks.

3.1.3 Prohibition of Discrimination

- BNK Financial Group's partners do not unfairly discriminate against workers in employment, promotion, compensation, or training opportunities based on nationality, gender, religion, or social status. All partners respect the diversity of individual workers and provide equal opportunities to all employees.

3.1.4 Compliance with Working Hours

- BNK Financial Group's partners comply with the working and rest hours stipulated by relevant laws and regulations and ensure that overtime work is fundamentally based on voluntary will.

3.1.5 Wages and Fringe Benefits

- BNK Financial Group's partners pay wages that are above the legal minimum wage on time and transparently inform workers of the criteria for wage calculation. In addition, they strive to improve the quality of life for workers through mandatory and additional welfare systems.

3.1.6 Protection of Privacy and Humane Treatment

- BNK Financial Group's partners shall protect the privacy of workers, including their personal information, and have legitimate and lawful purposes when collecting information related to workers. In addition, they shall not engage in inhumane treatment such as sexual abuse and physical or mental abuse that could harm the dignity of individuals.

3.1.7 Establishment of Procedures to Prevent Human Rights Violations

BNK Financial Group's partners establish procedures to eliminate factors that could lead to human rights violations and strive to protect the human rights of workers.

3.2 Safety and Health

3.2.1 Management of Industrial Accident Risks and Compliance with Laws and Regulations

- BNK Financial Group's partners comply with health and safety-related laws and various regulations to eliminate risks that could threaten worker safety and conduct regular safety training for workers. Partners take measures such as providing personal protective equipment and installing technical control devices to create a safe working environment where workers are not exposed to accident risks.

3.2.2 Industrial Hygiene and Health

- BNK Financial Group's partners provide workers with a hygienic and safe working environment and facilities, and continuously improve working conditions to prevent health damage from diseases, fatigue, and stress.

3.3 Environmental Protection

3.3.1 Compliance with Environmental Regulations

- BNK Financial Group's partners diligently comply with environmental regulations to minimize negative impacts on the local community and environment. They acquire, maintain, and manage environmental permits and registrations as required by relevant laws and regulations.

3.3.2 Waste Reduction and Resource Usage Efficiency

- BNK Financial Group's partners strive to reduce all forms of waste and conserve resources such as energy and water necessary for business operations by utilizing methods such as process modification, replacement of raw material, and recycling and reuse of materials.

3.3.3 Pollutant Management

BNK Financial Group's partners identify and safely manage pollutants that can be harmful to human health or cause environmental pollution. They also establish systems to measure the emissions of pollutants generated from business activities and comply with legal standards for emissions.

3.4 Ethical Management

3.4.1 Prohibition of Bribery and Prevention of Corruption

- BNK Financial Group's partners present policies and standards for the prohibition of bribery and prevention of corruption and strictly manage and supervise employees to ensure compliance. In addition, partners diligently comply with laws and regulations related to fair competition and fair trade and manage and supervise to prevent employees from engaging in unfair trade practices or undermine fair market order.

3.4.2 Personal Information Protection

- BNK Financial Group's partners strive to protect the information of business partners acquired during transactions, safeguard personal information including that of customers in accordance with applicable laws, and take technical and physical measures for this purpose.

3.4.3 Win-win with Partners

- BNK Financial Group's partners aim for a mutually respectful relationship with their own partners and do not force unfair practices by exploiting superior position in transactions.

3.4.4 Contribution to Local Community

- BNK Financial Group's partners recognize their social responsibility towards the local community, which forms the foundation of their business activities, and contributes to the economic development of the local community through continuous interaction.

4. Practice Plans

4.1 Operating System

- BNK Financial Group is promoting the establishment and institutionalization of an ESG risk assessment system for partners to manage sustainable partnerships. The assessment system has been refined by incorporating items of environmental, social, and governance (ESG) criteria into the evaluation model for each major type of partner within the group.

- BNK Financial Group may require measures such as preparing implementation plans to prevent, mitigate, or improve in cases where negative impacts on human rights, environment, and safety are identified during the ESG risk assessment process of partners.

4.2 Establishment of a Mutual Growth and Win-win Relationship with Partners

- BNK Financial Group strives to establish a fair trading order based on mutual trust with partners and to build a corporate ecosystem that coexists through mutual growth with partners. Purchasing officers regularly complete relevant training and check compliance with duties of good faith.

- BNK Financial Group respects the rights of partners (intellectual property rights, material rights, etc.) and strives to ensure that transactions with partners are conducted fairly within a relationship of mutual respect and equality.

5. Others

5.1 Reference

- Relevant laws, including the 'Act on the Promotion of Mutually Beneficial Cooperation Between Large Enterprises and Small and Medium Enterprises'

5.2 Enactment and Revision History

- June 27, 2024. Policy enacted and implemented
- July 24, 2026. Approved by the ESG Committee

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