

BNK Financial Group

ESG Policy Book

ESG Financial Policy

TOUCH  *Your Heart,* BNL

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ESG Financial Policy

1. Objective

- BNK Financial Group establishes the ESG Financial Policy to fulfill environmental and social responsibilities through finance and to practice ESG finance by integrating the core values of sustainability into the group's internal management system, products and services, credit, and investment processes. Through this ESG Financial Policy, BNK Financial Group aims to build an ESG management system and expand sustainable finance, thereby preventing the potential risks arising from environmental and social issues from spreading to the financial sector in advance.

2. Application Scope

- This policy serves as a guide for practicing sustainable finance within BNK Financial Group and applies to all financial products and services, including credit, project financing, and investments.

3. Governance

- BNK Financial Group aims to establish a decision-making system that ensures implementation capabilities at a company-wide level so that ESG finance can be operated in accordance with this policy.

1. The ESG Committee within the holding company's Board of Directors resolves mid- to long-term ESG strategies and reviews and approves the progress of ESG-related promotion tasks.
2. The ESG Committee focuses on achieving carbon neutrality goals and establishing a management system for green financial products for 'Green Finance (Touch Our Planet, Realizing Green Finance to Protect the Environment), which is one of the mid- to long-term ESG Strategy's strategic direction. It also manages the status of implementation of climate change response and the progress of ESG finance, etc.

4. Basic Principles

- In providing ESG finance, we clarify principles regarding ESG products and services, and ESG management processes to systematically manage the operation and results of ESG finance.
- BNK Financial Group applies the Group's Environmental and Social Risk Management Best Practices across all areas related to ESG finance and conducts a comprehensive review of environmental, social, and governance factors.

4.1 Loans

- BNK Financial Group develops various ESG loan financial products and services to create a sustainable environment and society, and strengthens financial inclusion by expanding support for small business owners, underserved groups, and financially vulnerable groups.
- BNK Financial Group seeks to conduct risk analysis and assessment by considering ESG factors of loan recipients, based on the ESG-related elements defined in the Best Practice Guidelines for Environmental and Social Risk Management in Lending, as well as integrated financial and non-financial risk management procedures.
- BNK Financial Group may reject or suspend transactions if the transaction is expected to hold significant ESG risks falling under the exclusion list during the loan screening and approval process.
- BNK Financial Group reviews the ESG risks and opportunity factors of loan products and actively communicates with customers to improve their ESG achievements.

4.2 Deposits

- BNK Financial Group actively develops deposit products and services that reflect environmental and social contributions and strives to provide customers with a variety of green and inclusive financial products and services.
- BNK Financial Group transparently communicates with customers and other stakeholders about the risks and opportunity factors related to these products and services.

4.3 Bonds

- BNK Financial Group expands investments in projects that can enhance positive environmental and social

impacts, such as supporting renewable energy, basic livelihood and basic infrastructure for vulnerable groups, low-income groups, etc., through the issuance of ESG Bonds.

- BNK Financial Group will expand the application of ESG bond management, including the use of funds, evaluation and selection of target businesses, fund management, and follow-up reporting.
- Under the follow-up reporting, BNK Financial Group annually discloses the 'Investor Guide', which contains information on the use of issuance and the economic, environmental, and social impacts, on our company website or through the Socially Responsible Investment Bonds site (<http://sribond.krx.co.kr>).
- BNK Financial Group operates an ESG Bond Management Framework designed to comply with the Ministry of Environment and Financial Services Commission's "Green Bond Guidelines," the Ministry of Environment's "K-Taxonomy Guidelines," and the International Capital Market Association (ICMA)'s "Green Bond Principles," "Social Bond Principles," and "Sustainability Bond Guidelines".

4.4 Project Financing

- BNK Financial Group plans to regularly review and monitor the environmental and social risks of selected projects.

4.5 Investment

- BNK Financial Group will expand the analysis and assessment of environmental and social risks for all investment activities, including active and passive investments, asset management, and financial product brokerage.
- BNK Financial Group aims to actively communicate and engage in activities to improve the ESG of investment companies.

5. Disclosure and Communication

- BNK Financial Group has joined the SBTi (Science-Based Target initiative) and set targets of financial emissions according to the SBTi methodology. The performance of greenhouse gas reduction targets is disclosed through our Sustainability Report.
- BNK Financial Group annually discloses the performance of green loan and deposit products, ESG bond issuance, and sales of ESG fund through the Sustainability Report.
- BNK Financial Group will identify in advance the sustainability-related risks and opportunity factors of all products and services of the group, notify customers of the identified risks and opportunity factors, and strive

to minimize risks that may arise during the transaction period.

- BNK Financial Group actively engages with clients on sustainability-related risks and opportunities, and transparently discloses the status and outcomes of ESG financing. We also provide support, such as consultations and training, to help clients respond to sustainability issues.

6. Others

6.1 Enactment and Revision History

- June 27, 2024. Policy enacted and implemented
- August 18, 2025. Policy revision

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