

BNK Financial Group

# ESG Policy Book

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Human Rights Policy

TOUCH  *Your Heart,* BNL

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# Human Rights Policy

## 1. Objective

- The BNK Financial Group established 2023 human rights policies to identify potential human rights issues and prevent human rights violations in all of its business activities. The BNK Financial Group protects the rights of various stakeholders such as employees, customers, shareholders, investors, partners, and community by applying the policies comprehensively in its ethical management. To implement this, the BNK Financial Group advocates the basic principles for protecting and respecting human rights as set forth in the international standards and guidelines on human rights and labor such as the 'Universal Declaration of Human Rights', 'UN Guiding Principles on Business and Human Rights', 'ILO's Declaration on the Fundamental Principles and Rights at Work' and 10 principles of the UNGP. Additionally, it thoroughly observes labor-related laws required by countries and regions of business operations, as well as domestic and foreign labor laws.

## 2. Application Scope

- This policy applies to all employees across the entire group, including subsidiaries and affiliate companies. Additionally, BNK Financial Group strongly encourages all stakeholders, including customers and partners, to adhere to this policy at the same level of commitment.

## 3. Basic Principles

### 3.1 Employees

#### 3.1.1 Prohibition of Discrimination

- We ensure that no employee is discriminated against based on gender, race, religion, disability, age, political orientation, educational background, or place of origin in all aspects of personnel management, including recruitment, hiring, employment retention, and promotion. We are committed to respecting and fostering diversity in all our internal activities.

#### 3.1.2 Prohibition of Forced Labor and Child Labor

- We strictly prohibit any child labor and forced labor against one's free will through mental or physical coercion.

### **3.1.3 Prohibition of Human Trafficking**

- We strictly prohibit any form of slavery or human trafficking in all business activities.

### **3.1.4 Guarantee of Freedom of Association and the Right to Collective Bargaining**

- We strictly prohibit any form of slavery or human trafficking in all business activities.
- We respect the labor laws of the regions where we operate, ensure the right to collective bargaining, and provide opportunities for communication between the company and its employees.
- We encourage cooperation between the labor and management and do not penalize employees for forming, joining, or participating in union.

### **3.1.5 Guarantee of Fair Compensation and Development Opportunities**

- We conduct employee performance evaluations and compensation based on fair standards and actively support self-development to enhance job skills.
- We ensure equal pay under the principle of Equal labor to Equal pay regardless of gender.

### **3.1.6 Guarantee of Health and Safety**

- We adhere to workplace health and safety regulations to ensure that all employees can work in a healthy and safe environment. We prevent and manage physical or psychological risk factors through regular inspections of the workplace facilities and equipment.
- We cultivate a comfortable working environment where all employees can work healthily and safely.

### **3.1.7 Ensuring Work and Life Balance**

- We create working conditions that allow all employees to maintain a work and life balance, enabling them to focus on their tasks while enjoying their personal lives.

### **3.1.8 Compliance with Relevant Laws and Internal Regulations**

- All employees are required to adhere to this human rights management policy, relevant laws, internal regulations, and the code of ethics. By doing so, they protect their own human rights and do not infringe upon the rights of others.

- We create working conditions that allow all employees to maintain a work and life balance, enabling them to focus on their tasks while enjoying their personal lives.

### 3.2 Customers

- We ensure that no employee is discriminated against based on gender, race, religion, disability, age, political orientation, educational background, or place of origin in all aspects of personnel management, including recruitment, hiring, employment retention, and promotion. We are committed to respecting and fostering diversity in all our internal activities.
- We provide equal financial services to customers regardless of gender, race, religion, disability, age, political orientation, educational background, or place of origin.
- We collect only the minimum necessary information for providing financial services and take measures to ensure information security during the collection, storage, and processing of related information.
- We enhance the financial accessibility and protect the human rights of vulnerable groups, including people with disabilities and the elderly.
- We strive to develop and deliver the best products and services that meet the genuine needs and expectations of our customers, ensuring their trust and satisfaction.
- We do not impose unnecessary costs on our customers or require them to provide excessive information.

### 3.3 Shareholders and Investors

- We provide shareholders and investors with necessary management information fully and in a timely manner, in accordance with relevant laws and regulations.
- We ensure management transparency by disclosing accounting data that possess accuracy and reliability.
- We respect the legitimate demands and suggestions of shareholders and investors, securing their trust.
- We achieve stable and sound profits, ensuring shareholders and investors can exercise legitimate rights

### 3.4 Partners

- We strive to build mutual trust and grow together with our partners through fair and transparent transactions.
- We do not exploit our superior position to gain or demand undue benefits from our partners; instead, we

engage in fair transactions based on mutual equality.

- All transactions and bids with partners must be conducted through fair competition, and we do not make improper demands such as money, gifts, or entertainment.
- We communicate and support our partners in practicing human rights and ethical management.
- We respect our partners' physical assets and intellectual property rights and do not infringe upon them.

### 3.5 Local Community

- As a responsible member of the community, we actively participate in social contribution activities to promote local community development.
- We contribute to creating a safe financial environment within the community by preventing illegal money laundering, enforcing the real-name financial system, and blocking terrorist financing.
- We take care to ensure that the human rights of community members are not violated during our management activities and respect the human rights of community members.
- We consider environmental and social impacts on the community when making decisions about large-scale loans and investments.

## 4. Implementation Plans

### 4.1 Human Rights Management Governance

- BNK Financial Group has established systematic governance from a company-wide perspective to respect the human rights of all stakeholders during its business activities.
- The ESG Committee under the Board of Directors establishes overall human rights management policies and directions and monitors the implementation of human rights management.
- The dedicated ESG Department supports the ESG Committee in carrying out its tasks efficiently, and performs tasks such as human rights education, information disclosure, human rights impact assessment, and remediation of human rights violations.
- The relevant departments of each subsidiary monitor and improve human rights issues that may arise from business operations, partnerships, and other management activities.

## 4.2 Human Rights Risk Management Process

- In accordance with BNK Financial Group's policy, we practice human rights management and establish a human rights risk management process centered around the organization dedicated to ESG Department and relevant departments of each subsidiary to manage both actual and potential human rights issues.
- We set key areas for human rights issues for each stakeholder, and check the status of human rights through a checklist-based investigation on human rights condition and survey-based human rights impact assessments.
- Subsequently, we establish and implement improvement tasks for identified vulnerable areas, monitor the effectiveness of these corrective actions, and report on the series of improvement processes through sustainability reports and other channels.

### [Human Rights Risk Management Process]



## 4.3 Grievance Handling Channels of Human Rights

- BNK Financial Group operates grievance handling channels for reporting human rights violations such as unethical behavior, such as workplace bullying and sexual harassment.
- All stakeholders, including employees, can submit reports via the online and mobile app-based 'BNK Helpline.' Following submission, reports are investigated, followed by corrective actions, result notifications, and feedback in accordance with internal processes.
- According to the 'whistleblower program operations guideline', the whistleblowers are guaranteed anonymity and protection of their identity, and any retaliatory actions resulting in disadvantages to the whistleblower are strictly prohibited.

### [Grievance Handling Process]



## 5. Others

### 5.1 Reference

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- ILO Fundamental Conventions (Freedom of Association and Protection of the Right to Organize (No. 87), Right to Organize and Collective Bargaining (No. 98), Forced Labour (No. 29), Abolition of Forced Labour (No. 105), Minimum Age (No. 138), Worst Forms of Child Labour (No. 182), Equal Remuneration (No. 100), Discrimination (Employment and Occupation) (No. 111)) ILO
- UN Guiding Principles on Business & Human Rights (UNGPs)
- Universal Declaration of Human Rights (UDHR), OHCHR
- OECD Guidelines for Multinational Enterprises, OECD
- UN Global Compact 10 Principles (UNGC)

### 5.2 Enactment and Revision History

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- June 27, 2024. Policy enacted and implemented

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