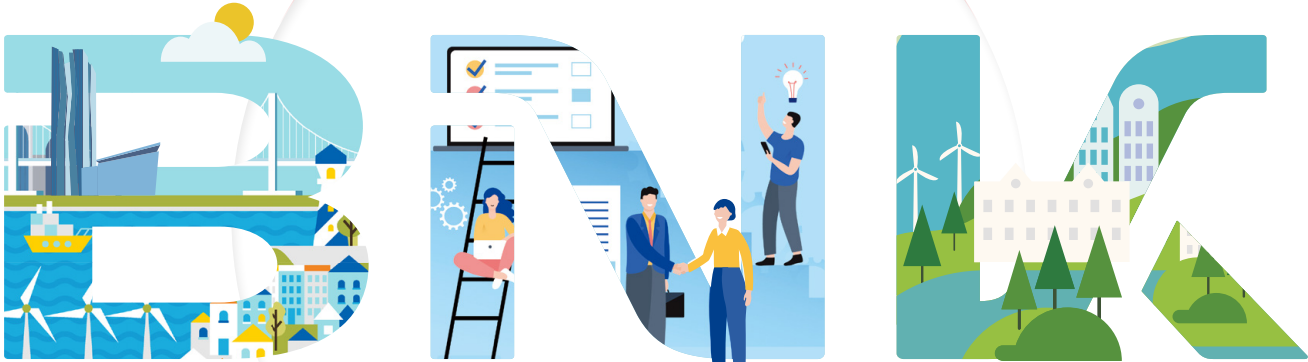




**BNK Financial Group  
Sustainability Report 2024**



**Sustainable Finance  
TOGETHER**

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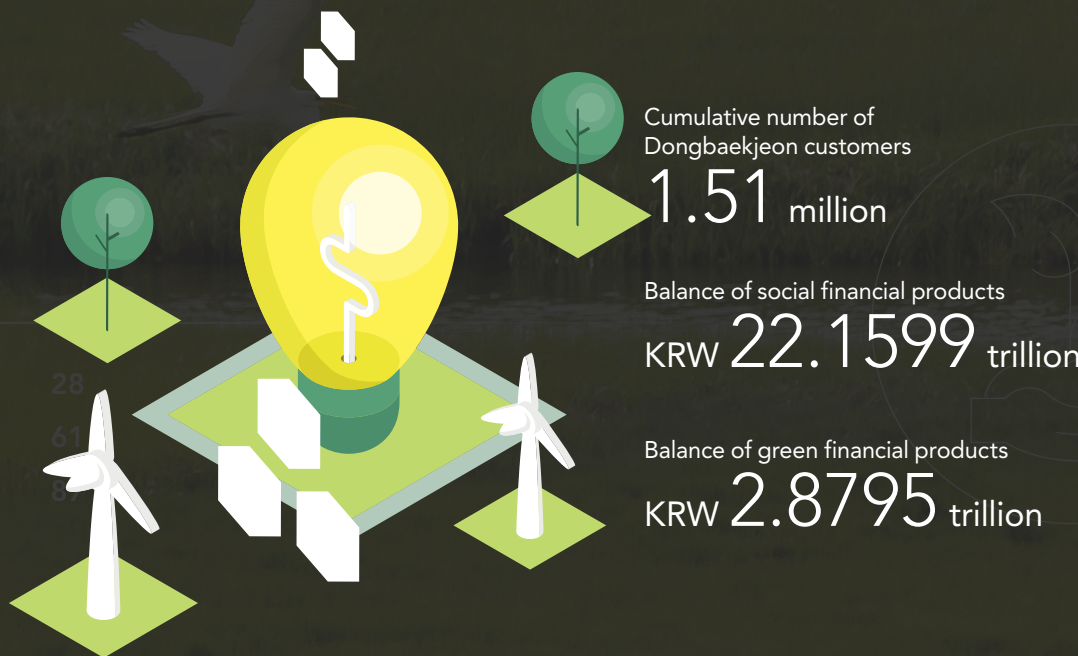
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# ESG PERFORMANCE

## Sustainable Touch



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## Governance

### Governance for Climate Change Response

BNK Financial Group's governance structure for climate change response is centered on the Board of Directors, management, and responsible departments at BNK Financial Group and its subsidiaries.

#### Board of Directors (BoD) Level

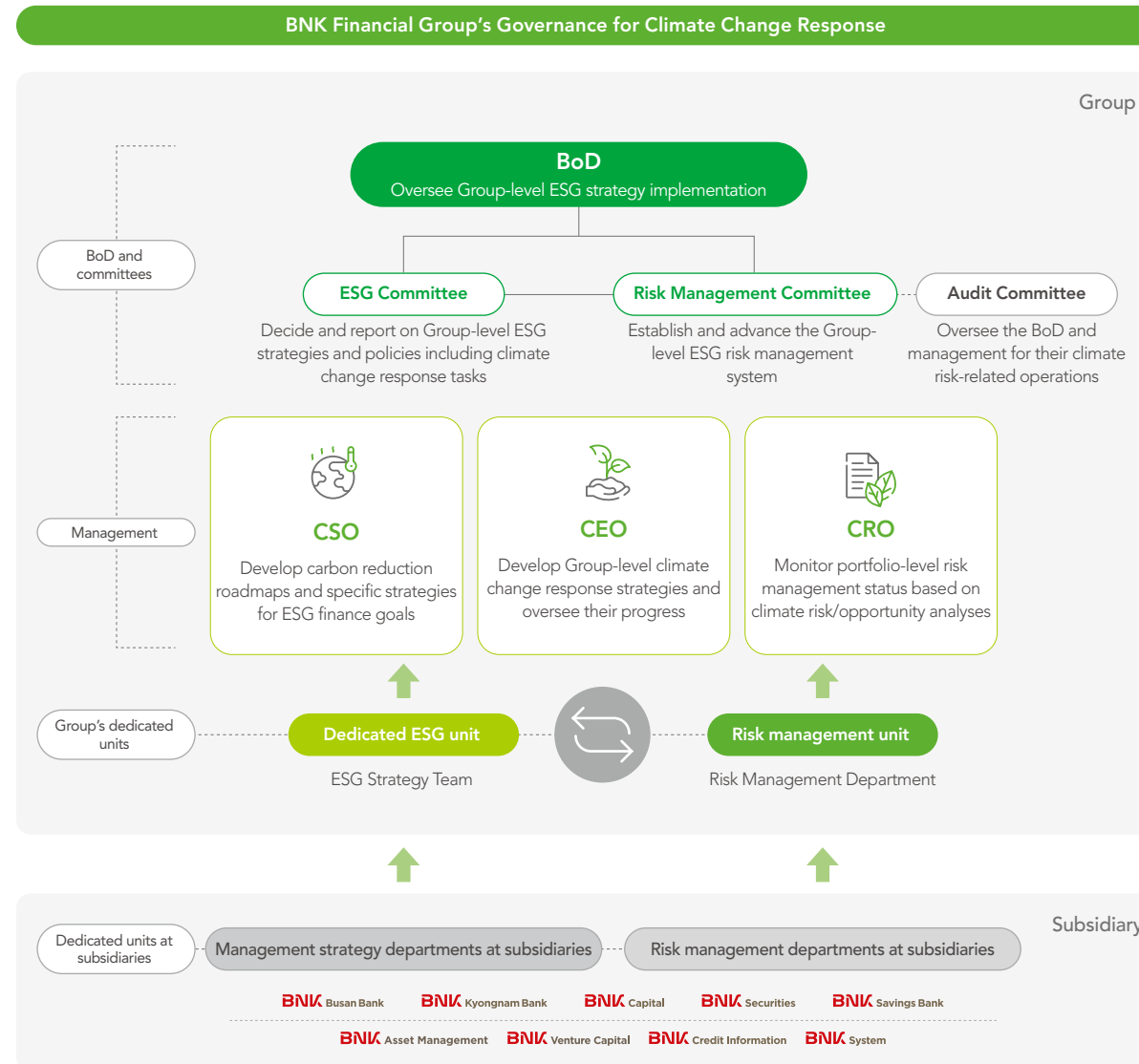
The ESG Committee and the Risk Management Committee under the Board of Directors play a central role in establishing and operating our Group-wide decision-making framework for climate change response. The ESG Committee deliberates and decides on Group-level ESG strategies and policies including climate change response tasks. The Risk Management Committee regularly reviews our response to emerging climate-related risks. Notably, findings from climate change scenario analyses are used to assess both financial and non-financial implications and set our risk appetite levels, strengthening the overall proactive response framework. The Risk Management Committee conducts a quarterly review of financed emissions and high-carbon sectors, including monitoring the status of environmental risk management. The Committee also reviews exception reports on an as-needed basis.

#### Management Level

The CEO of BNK Financial Group oversees the development of Group-wide climate change response strategies and monitors their implementation. The Group Chief Strategy Officer (CSO) is responsible for formulating specific response strategies, including the carbon reduction roadmap and ESG finance goals. The Group Chief Risk Officer (CRO) monitors portfolio-level risk management status based on climate risk and opportunity analyses.

#### Subsidiary Level

The ESG Strategy Team, a dedicated ESG unit of BNK Financial Group, develops climate change response strategies and monitors their progress. The Risk Management Department assesses relevant risks to analyze the information required to develop climate change response strategies. ESG departments across all Group subsidiaries ensure effective implementation of Group-wide climate strategies, customized according to the operational characteristics of each subsidiary.



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### Committee Reporting System

The ESG Committee and the Risk Management Committee under the Board of Directors play a central role in approving climate change response strategies and goals and reviewing the implementation of ESG initiatives. The ESG Committee is responsible for determining and reporting Group-wide ESG strategies and policies, including climate change response tasks.

In April 2024, the ESG Committee approved the newly established mid- to long-term ESG strategies, and has been regularly monitoring the implementation of action plans for four priority tasks associated with 'Green Finance', one of the three strategic pillars of the Group's ESG strategies. The Committee assessed progress achieved in line with Group-level net zero strategies, reporting target achievement rates for operational and financed emissions.

#### • Roles and Responsibilities among Climate-related Functions

Category	ESG Strategy Team	Risk Management Department
Strategy	<ul style="list-style-type: none"> <li>Announce net zero commitments and establish strategies</li> </ul>	<ul style="list-style-type: none"> <li>Provide analysis information for strategy development</li> </ul>
Organization	<ul style="list-style-type: none"> <li>Operate the ESG Committee</li> </ul>	<ul style="list-style-type: none"> <li>Operate the Risk Management Committee</li> </ul>
Disclosure	<ul style="list-style-type: none"> <li>Publish sustainability reports and TCFD reports (in response to supervisory bodies and investors)</li> </ul>	<ul style="list-style-type: none"> <li>Provide analysis information within disclosure reports (in response to supervisory bodies)</li> </ul>
Assessment and management	<ul style="list-style-type: none"> <li>Set and monitor net zero goals</li> <li>Select and manage implementation tasks to achieve GHG emissions reduction targets</li> <li>Identify opportunities and develop implementation strategies</li> <li>Manage implementation performance of subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>Implement climate risk management standards and guidelines</li> <li>Incorporate environmental factors in corporate credit rating assessments</li> <li>Respond to regulations of supervisory bodies</li> <li>Measure financed emissions and monitor their intensity</li> <li>Develop measures to select high-risk and high-carbon industries and manage exposure levels and limits</li> <li>Conduct scenario analyses</li> </ul>
System	<ul style="list-style-type: none"> <li>Operate ESG data platforms (Scope 1, 2)</li> <li>Monitor progress in achieving reduction targets</li> </ul>	<ul style="list-style-type: none"> <li>Operate a financed emissions measurement system (Scope 3)</li> <li>Operate corporate credit rating models</li> </ul>

### Executive Responsibilities Defined under the Accountability Chart

To ensure the systematic management of climate risks and other ESG issues, BNK Financial Group assigns the Chief Risk Officer (CRO) with direct oversight responsibility for ESG risk management, while the CEO holds ultimate responsibility for the overall ESG risk management framework. Executives at each subsidiary are responsible for identifying climate-related risks and opportunities within their areas of responsibility while developing corresponding strategies and overseeing their implementation. These roles and responsibilities are clearly defined in the Group's 'accountability framework', and are aligned with Board committees and the Group-wide risk management system.

### Incorporating Climate Change Metrics in Performance Appraisals

BNK Financial Group incorporates ESG targets into Group-wide management innovation tasks and key departmental business plans for performance evaluation and aligns these targets with financial incentives. Specifically, Busan Bank and Kyongnam Bank have defined their ESG metrics – achievement of energy consumption targets, reductions in paper and printer toner use, and reductions in GHG emissions – as part of their KPIs and apply these metrics in department-level performance evaluations. The KPIs of business headquarters are reflected in the performance assessment of headquarters executives, based on the progress achieved and efforts made in key operations. Looking ahead, BNK Financial Group will expand the application of ESG performance metrics across all subsidiaries and relevant departments.

### Climate Change Engagement

BNK Financial Group upholds the National 2050 Carbon Neutral Declaration in accordance with Paris Agreement and actively takes part in the global transition to sustainability by BNK Financial Group upholds the and strengthening the risk management system. Furthermore, given the consistency with the public policies aiming at achieving carbon neutrality targets, we are supporting and complying with the Paris Agreement by strategically allocating membership fees to relevant associations. BNK Financial Group has continuously reviewed the justifications for external donations and sponsorships such as executing membership fees so that we can establish responsible corporate governance aligned with the public goal of carbon neutrality.

The Group's leadership is responsible for managing and supervising the execution to ensure that it does not breach the global climate goals, including the Paris Agreement. We also

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regularly monitor whether the activities of the associations for which we have a membership are in line with those goals.

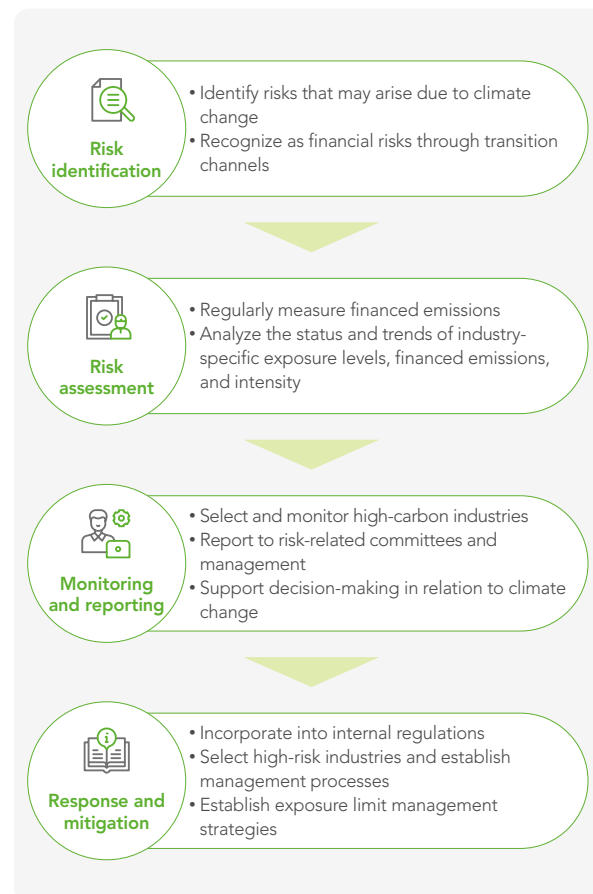
Additionally, if such activities are deemed inconsistent with the goals, we have an internal process in place to raise objections and request improvement. For example, in case where the activities of the Bankers' Association are found to conflict with the purport of the Paris Agreement, ESG strategy team under Strategic Planning Division of the Group will seek to resolve the issues with direct engagement with ESG Expert Committee of the Bankers' Association.

### Risk Management Framework

BNK Financial Group recognizes climate change-induced risks as significant financial risks, and is focused on advancing its risk management system to ensure both profitability and stability in investment operations. In line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations, we systematically identify environmental and social risks and conduct quantitative and qualitative assessments while establishing a financed emissions measurement system and building databases to enhance the consistency and credibility of relevant information. We have also aligned and reinforced our risk management governance and internal regulatory framework, solidifying the foundation for climate risk response.

To proactively address climate risks, we operate an integrated risk management process consisting four steps of risk identification, assessment, monitoring & reporting, and response & mitigation. This process is systematically implemented with the Group-wide Risk Management Committee playing a central role. We have also established relevant internal regulations – regulations for the Risk Management Committee, risk management regulations, and risk management guidelines – to stipulate internal standards

for climate change risk response. In 2024, these regulations were revised to strengthen our overarching climate risk governance framework. Looking ahead, we will continue exploring ways to align and apply these regulations to day-to-day operational processes including the selection of watchlist sectors and the management of exposure limits.



## Climate-related Risk and Opportunity Analysis

BNK Financial Group classifies climate-related risks into transition risks, which arise during the net-zero transition process, and physical risks, which result from the physical impacts of climate change. Physical risks in particular encompass both chronic impacts (such as sea level rise and changes in climate patterns) and acute events (such as typhoons, floods, and other extreme weather events).

Because climate risks can spread to financial risks through various economic transmission channels across multiple business sectors of a financial institution, they must be recognized as not merely environmental risks, but as financial risks. To that end, BNK Financial Group recognizes that both transition and physical risks can translate into credit, market, operational, liquidity, or reputational risks from both microeconomic and macroeconomic perspectives. This recognition serves as the foundation for the BNK Financial Group's structured risk management approach.

### • Transition Risk

Risk resulting from the transitioning into a low-carbon economy		
Climate policy	Technology	Investment-consumption
Energy policies, pollution regulations, resource conservation policies, and measures curbing GHG emissions	Technological transformations for decarbonization including batteries, EVs, and CO <sub>2</sub> capture technologies	Shifts in investment perceptions and consumption behaviors concerning climate change

### • Physical Risk

Risk occurring due to the economic ramifications of climate change	
Climate policy	Technology
Natural disasters such as heatwaves, floods, wildfires, typhoons, and heavy rainfall	Events such as rising sea levels, increases in average temperature, ocean acidification, and desertification

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## Risk and Opportunity Identification

### Risk and Opportunity Identification

BNK Financial Group analyzes climate-related risks and opportunities across different time horizons in line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We define the short-term as up to 2030, the mid-term as up to 2040, and the long-term as up to 2050. Following the systematic identification of risks and opportunities that may arise due to climate change, we incorporate them into our financial planning process and continuously monitor them throughout the implementation stage. We also establish relevant management and mitigation strategies and develop specific action plans to advance progress in a phased manner.

#### Climate-related Risks

Importance Score: ● 80-100 ● 60-80 ● 40-60 ● 20-40 ● 0-20

Category	Risk	Importance	Timeline	Potential Impact	Our Response Plan
Transition risk	Policy/legal	Increase in carbon credit prices	Short/mid/long-term	<ul style="list-style-type: none"> <li>Increased credit risk</li> <li>Rising operational costs for investee companies</li> <li>Decline in asset value of investments in high-carbon sectors</li> <li>Increased portfolio transition risk</li> </ul>	<ul style="list-style-type: none"> <li>Monitor climate-related policies and risk management regulations and continue reviewing policies and procedures</li> <li>Establish robust governance through the ESG Committee and the Risk Management Committee</li> <li>Regularly assess exposure to assets in high-carbon sectors and set reduction targets</li> <li>Support corporate transition through the expansion of transition finance</li> <li>Advance integrated reporting aligned with external disclosure standards (ISSB, TCFD, CDP, etc.)</li> </ul>
		Increase in policy-driven costs such as carbon taxes			
		Enhanced emissions reporting obligations			
		Obligations and regulations on existing products and services			
		Exposure to litigation			
	Technology	Substitution of products/services with low-emission alternatives	Mid/long-term	<ul style="list-style-type: none"> <li>Increased expenses of investing companies</li> <li>Decline in asset value in investments in traditional manufacturing and energy sectors</li> <li>Potential deterioration in financial structure due to increased CAPEX of investee companies</li> <li>Credit rating downgrades due to weakened competitiveness of companies lacking technologies</li> </ul>	<ul style="list-style-type: none"> <li>Expand the development of and investment in eco-friendly technologies</li> <li>Monitor eco-friendly technologies</li> <li>Establish evaluation criteria for companies expanding investment in environmental facilities</li> <li>Plan to incorporate 'technology risk' in ESG-based preliminary review items</li> <li>Expand the application of green taxonomy standards and strengthen ESG evaluations</li> </ul>
		Increased capital expenditure for the development of eco-friendly, low-carbon technologies			
		Failed investment in new technologies			
	Market	Change in customer behavior	Mid/long-term	<ul style="list-style-type: none"> <li>Withdrawal of investment capital</li> <li>Stock price depreciation</li> <li>Increased risk of corporate insolvency due to surging costs</li> <li>Declining profitability of high-energy-consuming companies</li> </ul>	<ul style="list-style-type: none"> <li>Monitor consumer behaviors and market shifts</li> <li>Establish a financial risk impact analysis framework</li> <li>Expand preferential financing conditions for companies with outstanding environmental management practices</li> <li>Improve credit evaluation systems based on sector-specific ESG sensitivity criteria</li> <li>Establish a climate strategy adjustment system by linking strategy and risk management functions</li> </ul>
		Rising raw material costs			
		Rising energy costs			
		Uncertainty in market signals			
	Reputation	Heightened stakeholder concerns or increased negative stakeholder feedback	Mid/long-term	<ul style="list-style-type: none"> <li>Greenwashing issues</li> <li>Downgrade in ESG ratings</li> <li>Potential increase in capital financing costs</li> </ul>	<ul style="list-style-type: none"> <li>Disclose information through sustainability reports, TCFD reports, and CDP reports</li> <li>Clearly communicate climate strategies and strengthen communication with stakeholders</li> <li>Facilitate customer engagement and reinforce response capabilities</li> <li>Strengthen monitoring of stakeholders by high-risk issue</li> <li>Prepare for transition to ISSB-based integrated ESG disclosure</li> <li>Regularly share ESG strategies and performance with investors</li> </ul>
		Divestment by investors			
Shifting consumer preferences					
Physical risk	Chronic	Increase in average temperature	Long-term	<ul style="list-style-type: none"> <li>Declining profitability of climate-sensitive sectors</li> <li>Increased asset damage and insurance risk for companies located near coastal areas</li> <li>Decline in collateral asset value and difficulty in collateral recovery</li> </ul>	<ul style="list-style-type: none"> <li>Establish climate change response strategies by analyzing owned portfolios based on physical risk scenarios</li> <li>Advance ESG evaluation factors by incorporating heat risk</li> <li>Introduce collateral asset screening based on climate risk maps</li> <li>Develop guidelines to prepare for flood damage in coastal areas</li> </ul>
		Rising sea levels			
	Acute	Earthquakes	Mid/long-term	<ul style="list-style-type: none"> <li>Decline in collateral value</li> <li>Decline in operating profit</li> </ul>	<ul style="list-style-type: none"> <li>Identify buildings and branches owned by BNK Financial Group that are vulnerable to climate change and take action to prevent damage</li> <li>In light of the significant damage caused by wildfires which affected Busan, Ulsan, and Gyeongnam in 2025, assess the potential decline in collateral value of land, forests, and private property in these provinces and develop countermeasures</li> <li>Reassess collateral asset risks in disaster-prone areas</li> <li>Internalize industry-specific manuals for heavy snowfall and cold waves</li> <li>Review the development of an early warning system for wildfire-prone areas</li> </ul>
		Typhoons (extreme wind speeds), floods, heavy rainfall (inundation)			
		Cold waves, heavy snow			
		Wildfires, landslides			

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### Climate-related Opportunities

Importance Score: ● 80-100 ● 60-80 ● 40-60 ● 20-40 ● 0-20

Category	Opportunity	Importance	Timeline	Potential Impact	Our Response Plan
Resource efficiency	Efficient use of energy	●	Mid/long-term	<ul style="list-style-type: none"> <li>Reduction in operating expenses</li> <li>Improved profitability</li> <li>Increased financing opportunities in line with expanding EV infrastructure</li> <li>Increased investment opportunities in line with the growth of the resource circulation industry</li> </ul>	<ul style="list-style-type: none"> <li>Establish and implement ESG daily routines including internal energy efficiency and recycling rates for the holding company and Group subsidiaries</li> <li>Continue expanding eco-friendly remodeling of aging branches</li> <li>Expand investments linked to achieving internal carbon reduction targets</li> <li>Review participation in financing EV charging infrastructure projects</li> <li>Develop sector-specific strategies for companies in the waste/recycling industries</li> </ul>
	Expansion of eco-friendly building facilities	●			
	Expansion of low-emission transportation options	●			
	Use of recycling	●			
	Reduction in water consumption	●			
	Adoption of efficient production and distribution processes	●			
Energy source	Transition to distributed energy generation	●	Short/mid/long-term	<ul style="list-style-type: none"> <li>Reduced exposure to carbon taxes and increasing fossil fuel prices</li> <li>Growing financial demand for renewable energy projects</li> <li>Increased potential for launching policy-linked financial products</li> <li>Expanded financing opportunities due to increased investments in clean energy companies and facilities</li> </ul>	<ul style="list-style-type: none"> <li>Review the feasibility of using electricity generated from renewable energy at Group affiliates</li> <li>Identify companies in the decentralized energy sector and review launching dedicated financial products</li> <li>Consider developing financial products linked to government incentives</li> <li>Review financial products linked to domestic and international carbon markets</li> <li>Consider developing products linked to emissions volume</li> </ul>
	Utilization of support policy incentives	●			
	Use of low-carbon energy sources	●			
	Adoption of emerging energy technologies	●			
	Participation in carbon markets	●			
Products and services	Expanded development of low-carbon products and services	●	Mid/long-term	<ul style="list-style-type: none"> <li>Expansion of products and services in line with growing demand for ESG and green finance</li> <li>Increased selection of ESG-based financial options</li> <li>Opportunity to enhance brand trust</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop eco-friendly financial products</li> <li>Expand financial support for climate-friendly industries, strengthen partnerships for low-carbon transition in local industries, and advance climate-related financial products</li> <li>Systematize financial products based on each sector's contribution to carbon reduction</li> <li>Diversify products based on green taxonomy criteria</li> <li>Develop disaster recovery finance models incorporating ESG risks</li> </ul>
	Climate adaptation and insurance solutions	●			
	Changing consumer preferences	●			
	Diversification of business activities	●			
	Development of new products and services through R&D and innovation	●			
Markets	Entry into new markets related to climate change	●	Mid/long-term	<ul style="list-style-type: none"> <li>Growing corporate financing demand driven by the growth of low-carbon industries</li> <li>Potential to launch financial products linked to green transition policies of central and local governments</li> <li>Rising demand for insurance and guarantees due to increased climate-related disasters</li> </ul>	<ul style="list-style-type: none"> <li>Explore opportunities to tap into new financial markets created by climate change response</li> <li>Seek our climate finance-related incentive programs by central and local governments in line with expanding project financing support in relation to green industries and carbon reduction</li> <li>Consider expanding insurance coverage to assets and regions exposed to climate risks</li> <li>Strengthen asset evaluation capabilities based on climate-related risks</li> <li>Develop financial support strategies for climate-affected regions as a regionally-based financial institution</li> </ul>
	Leverage of public incentive programs	●			
	Access to new assets and geographies requiring insurance coverage	●			
Resilience	Support for investee companies' ESG efforts to enhance portfolio resilience	●	Mid/long-term	<ul style="list-style-type: none"> <li>Increased portfolio resilience</li> </ul>	<ul style="list-style-type: none"> <li>Review support for enhancing ESG management capabilities of investee companies</li> <li>Operate financial support programs for investing in energy efficiency improvement facilities</li> <li>Encourage low-carbon transition capacity-building through sustainable finance guidelines</li> </ul>
	Participation in renewable energy programs and adoption of energy efficiency measures	●			

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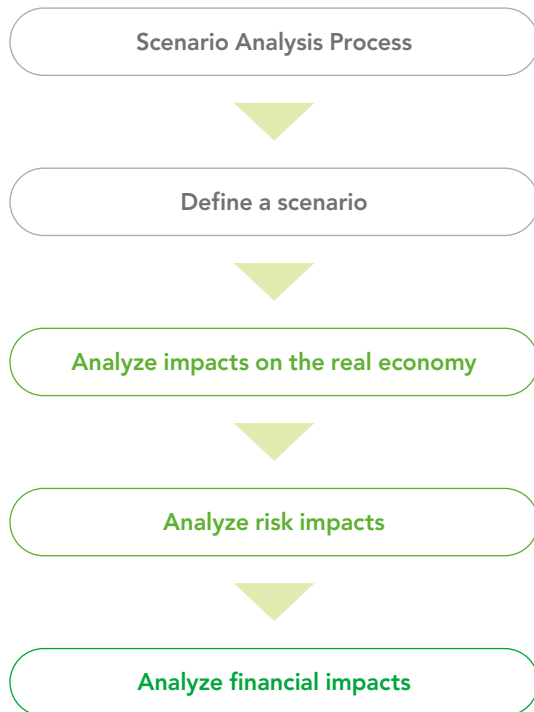
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## Strategies and Activities

### Climate Change Scenario Analysis

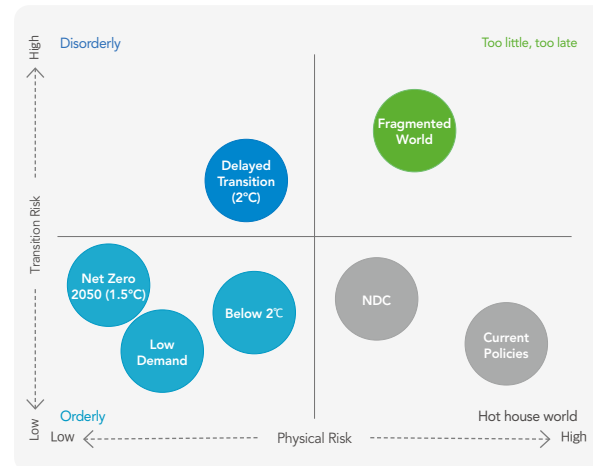
To assess the impact of climate change on the Group's portfolio, BNK Financial Group conducted scenario analyses on transition and physical risks, respectively. The scenarios were based on internationally recognized frameworks including NGFS Climate Scenarios and the IPCC's SSP and RCP pathways. The transition risk analysis evaluated financial impacts on companies in carbon-intensive sectors, driven by stricter regulations and rising costs. The physical risk analysis measured financial impacts resulting from natural disasters causing the destruction of tangible assets and the impairment of asset values.



### Transition Risk Scenario Analysis

Transition risks are considered highly probable during the transition to a low-carbon economy. Among the seven climate change scenarios presented by the NGFS, we focused on the 'Net Zero 2050 (1.5°C)' and 'Delayed Transition (2°C)' scenarios in analyzing transition risks. The NGFS provides GHG emissions trajectories and carbon pricing pathways for each scenario. Based on these datasets, we assessed the impact of rising carbon costs on corporate credit ratings under varying GHG emissions trajectories and carbon pricing assumptions, and incorporated the results into our projected financial impact analysis.

#### Climate Risk Scenario Matrix



#### Transition Risk Scenario Analysis Results (BIS ratio)

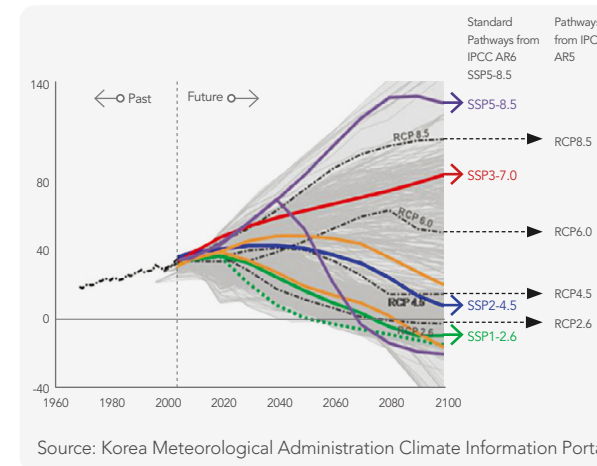
2024	Net Zero(1.5°C)			Delayed Transition(2°C)		
	2030	2040	2050	2030	2040	2050
14.13	13.90	13.59	13.04	14.12	13.80	13.07

### Physical Risk Scenario Analysis

In analyzing the financial impact of physical risks, we took into account the potential negative impacts of climate-driven physical changes on the Group's owned physical assets.

This analysis was conducted using the SSP5-8.5 scenario from the IPCC 6th Assessment Report. Among major natural disasters, we focused on the frequency and severity of precipitation events including heavy rainfall and typhoons that represent a significant share of losses. The results informed our efforts to quantify the impact of climate change on asset values in consideration of potential decline in the value of real estate collateral assets owned by the Group.

#### RCP and SSP Climate Scenarios



#### Physical Risk Scenario Analysis Results (BIS ratio)

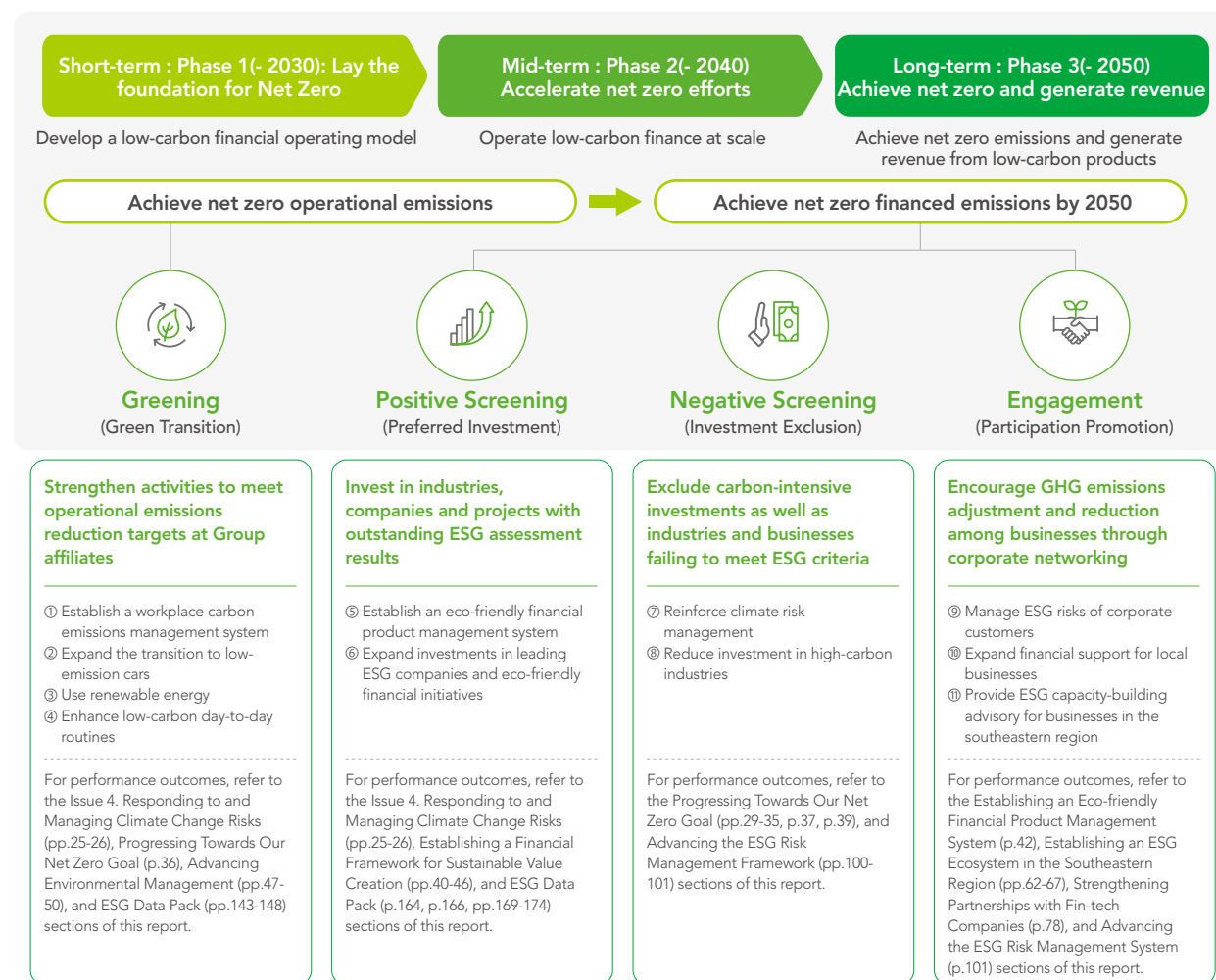
2024	SSP5-8.5		
	2030	2040	2050
14.13	13.18	12.81	12.26

# Progressing Towards Our Net Zero Goal

## Strategies and Activities

### Carbon Emissions Reduction Roadmap and Our Progress

In line with its 'Mid- to Long-term ESG Strategy,' BNK Financial Group has established a mid- to long-term roadmap for achieving net zero and is actively implementing 11 detailed implementation tasks aligned with four strategic pillars - Greening (green transition), Positive Screening (preferred investment), Negative Screening (investment exclusion), and Engagement (participation promotion).



### Establishing a High-Carbon Industry Management Plan

BNK Financial Group defines high-carbon industries as those with a financial intensity score of 100 or higher, an exposure ratio of 5% or more, and a carbon intensity exceeding the average benchmark of 38.5. To strengthen risk management for high-carbon sectors, we will apply penalties in setting limits based on each subsidiary's portfolio starting in 2026, thereby progressively reducing our management limits for high-carbon sectors.

Category	Investment Balance (KRW 100 million)	Exposure Ratio	Financial Intensity
F&B	12,837	2.0%	190.6
Public service	11,792	1.8%	159.5
Non-ferrous and non-metallic	10,566	1.6%	157.9
Steel	10,525	1.6%	100.9
Construction	44,197	6.7%	84.3
Consumer goods distribution	40,267	6.1%	45.4

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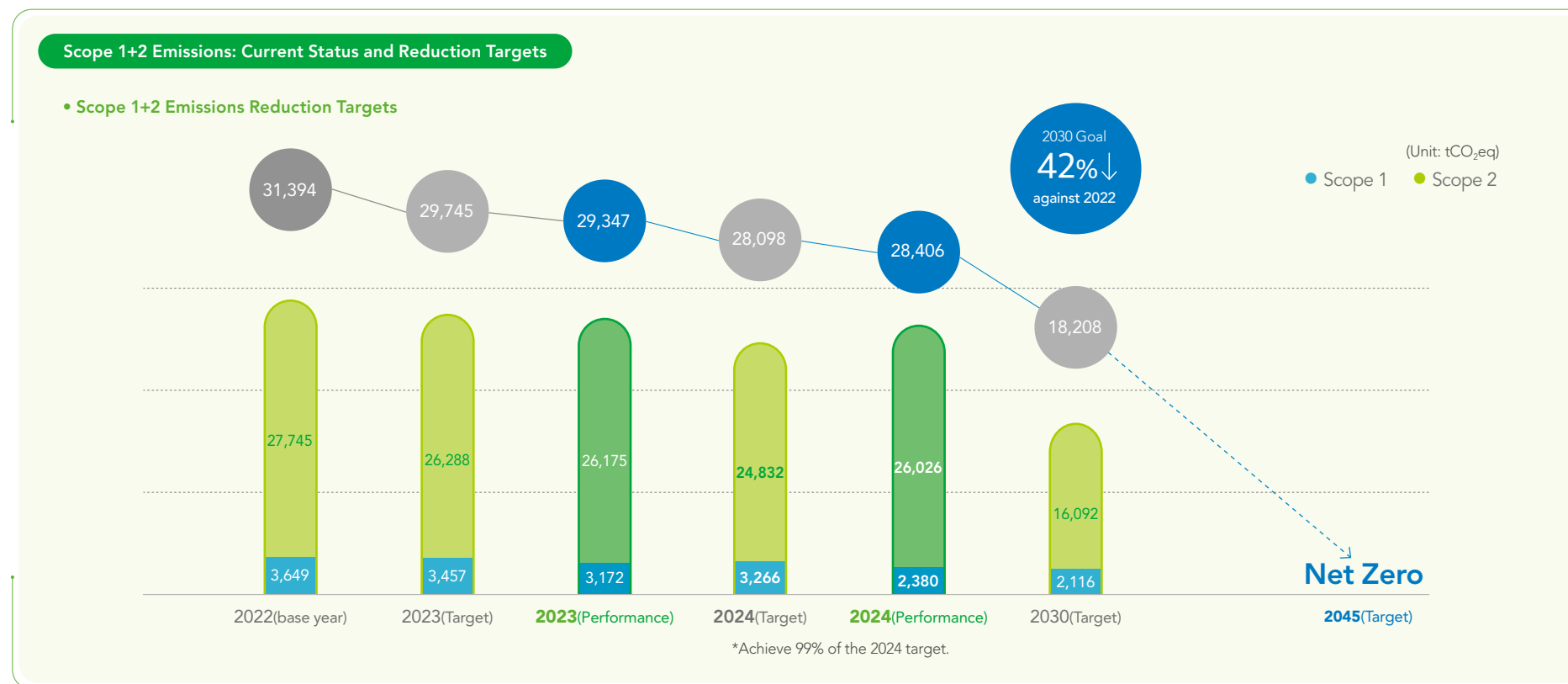
# Progressing Towards Our Net Zero Goal

## Targets and Metrics

### Operational Emissions Inventory and Reduction Targets

BNK Financial Group leverages an Environmental Management System (EMS) to manage its operational GHG emissions (Scope 1 & 2) generated from energy consumption. In 2025, we will advance our environmental management system to upgrade our GHG emissions measurement and monitoring methodology. The EMS will also support more timely assessments of our progress against the set targets for reducing operational emissions and delivery of our net zero commitments.

In March 2024, we established our net zero targets in alignment with the SBTi's Absolute Contraction Approach (ACA). Following the ACA, we aim to reduce our Scope 1 and 2 emissions by 42% by 2030 from the 2022 base year, and achieve net zero emissions by 2045.



# Progressing Towards Our Net Zero Goal

## Targets and Metrics

### Asset Portfolio Carbon Emissions (Financed Emissions) Inventory in alignment with PCAF Standards

BNK Financial Group joined the Partnership for Carbon Accounting Financials (PCAF) in 2022, establishing a Scope 3 financed emissions calculation framework aligned with global standards. In 2023, we introduced a dedicated financed emissions measurement system to manage emissions across seven asset classes, including listed equities, corporate bonds, business loans, project finance (PF), and commercial real estate. We primarily use corporate disclosure data, and if any data gap exists, we apply PCAF's industry-average emission factors by accounting for all Scope 1, 2, and 3 emissions.

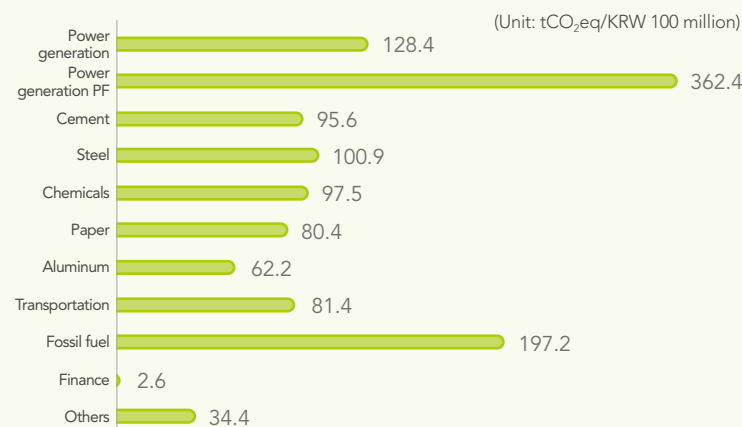
#### Financed Emissions (Scope 3) Inventory

(Unit: KRW trillion, 10,000tCO<sub>2</sub>e, tCO<sub>2</sub>e/KRW 100 million)

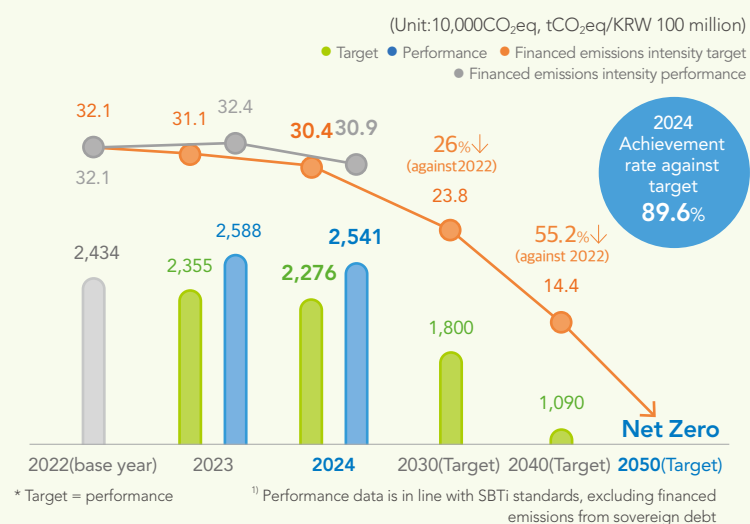
Category	2022			2023			2024		
	Measured Target	Financed Emissions	Financial Intensity	Measured Target	Financed Emissions	Financial Intensity	Measured Target	Financed Emissions	Financial Intensity
Listed equity and corporate bonds	5.7	131	23.2	6.3	166	26.3	6.8	145	21.2
Corporate loans and unlisted equity	53.8	2,228	41.4	57.3	2,370	41.4	58.7	2,344	40.0
Project finance	0.6	60	107.7	0.3	38	134.0	0.2	38	165.6
Commercial real estate	5.5	4	0.8	5.2	4	0.8	4.9	4	0.8
Mortgages	9.3	5	0.6	10.0	5	0.5	10.7	5	0.5
Automobile loans	0.9	6	7.1	0.9	5	5.9	0.9	5	5.3
Government bonds	4.1	140	33.6	5.6	189	33.6	6.1	166	27.4
Total (in line with SBTi standards, excluding sovereign debt)	75.8	2,434	32.1	79.9	2,588	32.4	82.2	2,541	30.9
<b>Total</b>	<b>79.9</b>	<b>2,574</b>	<b>32.2</b>	<b>85.5</b>	<b>2,777</b>	<b>32.5</b>	<b>88.3</b>	<b>2,707</b>	<b>30.7</b>

### Financed Emissions Inventory and Reduction Targets

#### Industry-specific Intensity



#### Finance Emissions Targets and Performance <sup>1)</sup>



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# Progressing Towards Our Net Zero Goal

## Targets and Metrics

### Reduction Target-setting Approach

In 2024, BNK Financial Group gained approval from the Science Based Targets initiative (SBTi) for its Scope 1, 2, and 3 carbon reduction targets. The SBTi methodology applies either the Sectoral Decarbonization Approach (SDA) or the Temperature Ratings Approach (TRA) depending on the asset class and sector.

In line with the 1.5°C scenario, we applied the SDA to the power generation Project Finance (PF) asset class as well as to the commercial real estate, cement, and power generation sectors within the corporate loan/bond/stock asset classes. For other asset classes and sectors, the TRA was applied. For non-power generation PF and Automobile loans sectors where no SBTi methodology currently exists, we adopted the Absolute Contraction Approach (ACA) that we also apply to our operational emission measurement to set reduction targets.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

### Financed Emissions by Asset Class Covered by Sector-specific Reduction Targets

(Unit: KRW trillion, 10,000tCO<sub>2</sub>eq)

Asset Class and Sector		Target-setting Approach	Target Asset	Financed Emissions
Individual loans	Mortgages	SDA <sup>1)</sup>	10.7	5
	Auto loans	ACA <sup>2)</sup>	0.9	5
Project finance	Power generation PF	SDA	0.1	38
	PF outside power generation (SOC)	ACA	0.1	0
Corporate loans/bonds/equities	Commercial real estate	SDA	4.9	4
	Power generation		0.6	77
	Cement		0.4	39
	Steel	TRA <sup>3)</sup>	1.1	106
	Chemicals		0.8	74
	Paper		0.3	22
	Aluminum		3.8	237
	Transportation-passenger		0.6	22
	Transportation-cargo		0.6	64
	Transportation-aviation		0.0	10
	Fossil fuels (oil & gas)		0.3	61
	Financial business		5.9	15
Other businesses	51.2	1,762		
<b>Total</b>			<b>82.2</b>	<b>2,541</b>

<sup>1)</sup> SDA : Applied the 1.5 °C pathway to the mortgage, commercial real estate, power generation and cement sectors where methodologies and tools already exist

<sup>2)</sup> ACA: Adopted the Absolute Contraction Approach in setting reduction targets to achieve net zero emissions by 2050 for PF outside power generation and auto loans, as no SBTi-defined methodologies currently exist for these sectors

<sup>3)</sup> TRA : Set reduction targets and trajectories to align with a 1.5 °C temperature rating by 2040

# Progressing Towards Our Net Zero Goal

## Targets and Metrics

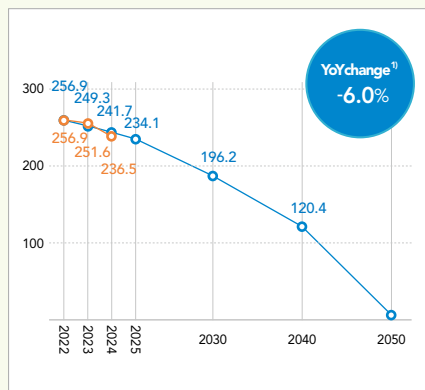
### SBTi-aligned Sector-specific Emissions Reduction Targets

#### SBTi-aligned Sector-specific Emissions Reduction Targets

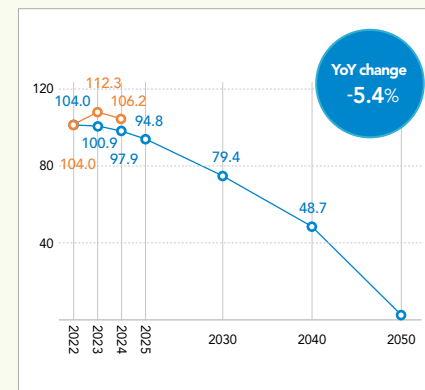
(Unit: 10,000 tCO<sub>2</sub>eq)

— SBTi-aligned reduction targets — BNK Financial Group's emissions

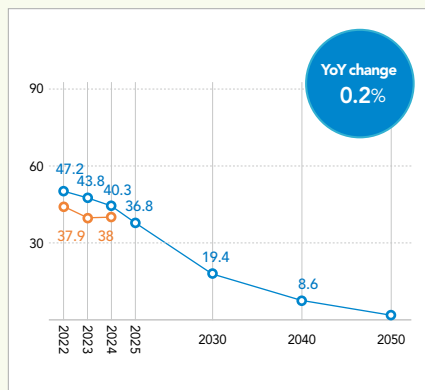
#### Aluminum



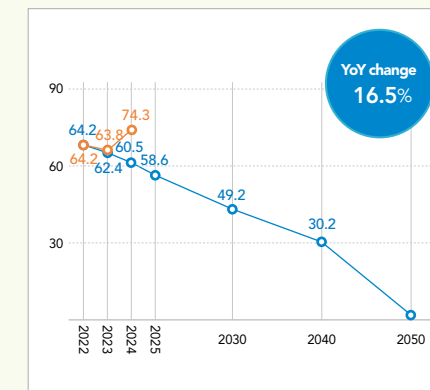
#### Steel



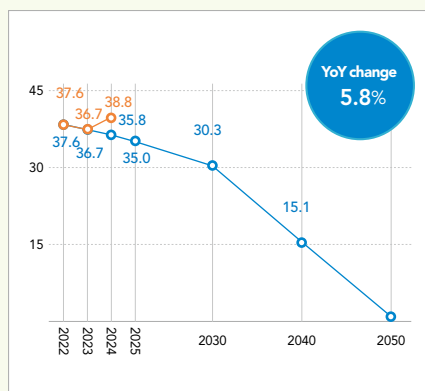
#### Power generation PF



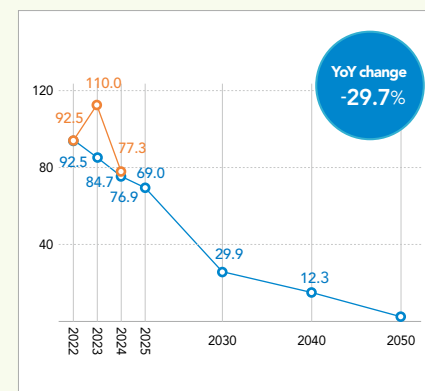
#### Chemical



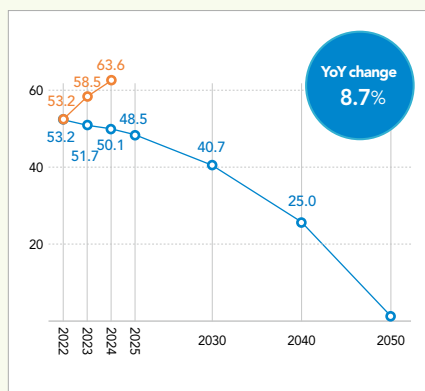
#### Cement



#### Power generation



#### Transport- Freight



#### Transport – Passenger and Aviation



<sup>1)</sup> YoY change (2023 vs. 2024)

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## Environmental Performance

### • Total Energy Consumption \_ Direct + Indirect

Category	Unit	2022	2023	2024
BNK Financial Group	TJ	5	10	10
Busan Bank		429	399	385
Kyongnam Bank		141	133	130
BNK Capital		25	11	10
BNK Securities		14	13	10
BNK Savings Bank		7	6	6
BNK Asset Management		1	2	2
BNK Venture Capital		0.39	0.38	0.6
BNK Credit Information		2	2	2
BNK System		31	28	28
<b>Total</b>		<b>TJ</b>	<b>655</b>	<b>604</b>
Energy use intensity (on a consolidated sales basis)	TJ/ KRW 100 million	0.009	0.006	0.006

### • Direct Energy Consumption

Category	Unit	2022	2023	2024
BNK Financial Group	TJ	2	2	2.39
Busan Bank		27	28	15.70
Kyongnam Bank		20	16	13.72
BNK Capital		4	3	2.16
BNK Securities		4	3	2.35
BNK Savings Bank		2	1	0.99
BNK Asset Management		1	1	1.05
BNK Venture Capital		0.25	0.28	0.34
BNK Credit Information		0.32	0.29	0.20
BNK System		1	1	0.59
<b>Total</b>		<b>TJ</b>	<b>62</b>	<b>56</b>

### • Indirect Energy Consumption \_ Electricity

Category	Unit	2022	2023	2024
BNK Financial Group	TJ	3	7	7
Busan Bank		401	371	369
Kyongnam Bank		121	116	116
BNK Capital		22	8	8
BNK Securities		10	10	8
BNK Savings Bank		5	5	5
BNK Asset Management		1	1	1
BNK Venture Capital		0.14	0.1	0.3
BNK Credit Information		2	2	2
BNK System		31	27	28
<b>Total</b>		<b>TJ</b>	<b>596</b>	<b>547</b>

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## Environmental Performance

### • Renewable Energy Consumption

Category	Unit	2022	2023	2024
BNK Financial Group	TJ	-	-	-
Busan Bank		3	4	4
Kyongnam Bank		-	-	-
BNK Capital		-	-	-
BNK Securities		-	-	-
BNK Savings Bank		-	-	-
BNK Asset Management		-	-	-
BNK Venture Capital		-	-	-
BNK Credit Information		-	-	-
BNK System		-	-	-
<b>Total</b>		<b>TJ</b>	<b>3</b>	<b>4</b>
Proportion of renewable energy use	%	0.40	0.64	0.62

### • Energy Consumption Reduction <sup>1)</sup>

Category	Unit	2022	2023	2024
BNK Financial Group	TJ	7	-5	0
Busan Bank		-86	30	14
Kyongnam Bank		55	8	3
BNK Capital		-7	14	1
BNK Securities		-1	1	3
BNK Savings Bank		6	1	0
BNK Asset Management		-0.2	-1	0
BNK Venture Capital		0.6	0	0
BNK Credit Information		2	0	0
BNK System		-26	3	0
<b>Total</b>		<b>TJ</b>	<b>-49</b>	<b>52</b>
Energy consumption reduction rate	%	-8	8	3

<sup>1)</sup> Positive numbers indicate reductions and negative numbers indicate increases

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## Environmental Performance

### • GHG Emissions \_ Scope 1, 2

Category		Unit	2021	2022	2023	2024
GHG Emissions (Scope 1, 2)	BNK Financial Group	Direct emissions (Scope 1)	196	113	147	143
		Indirect emissions (Scope 2)	436	156	343	352
		<b>Total</b>	<b>632</b>	<b>269</b>	<b>490</b>	<b>495</b>
	Busan Bank	Direct emissions (Scope 1)	2,131	1,498	1,396	882
		Indirect emissions (Scope 2)	14,717	18,720	17,751	17,671
		<b>Total</b>	<b>16,848</b>	<b>20,218</b>	<b>19,147</b>	<b>18,553</b>
	Kyongnam Bank	Direct emissions (Scope 1)	1,302	1,287	1,000	839
		Indirect emissions (Scope 2)	8,367	5,748	5,568	5,571
		<b>Total</b>	<b>9,669</b>	<b>7,035</b>	<b>6,568</b>	<b>6,410</b>
	BNK Capital	Direct emissions (Scope 1)	230	243	172	145
		Indirect emissions (Scope 2)	700	1,033	384	372
		<b>Total</b>	<b>930</b>	<b>1,275</b>	<b>555</b>	<b>517</b>
	BNK Securities	Direct emissions (Scope 1)	225	263	221	158
		Indirect emissions (Scope 2)	473	475	462	371
		<b>Total</b>	<b>698</b>	<b>737</b>	<b>683</b>	<b>529</b>
	BNK Savings Bank	Direct emissions (Scope 1)	83	119	80	66
		Indirect emissions (Scope 2)	551	243	231	227
		<b>Total</b>	<b>634</b>	<b>362</b>	<b>311</b>	<b>293</b>
	BNK Asset Management	Direct emissions (Scope 1)	62	41	77	70
		Indirect emissions (Scope 2)	22	26	38	35
		<b>Total</b>	<b>84</b>	<b>67</b>	<b>115</b>	<b>105</b>
	BNK Venture Capital	Direct emissions (Scope 1)	22	17	19	24
		Indirect emissions (Scope 2)	179	7	5	12
		<b>Total</b>	<b>201</b>	<b>24</b>	<b>24</b>	<b>36<sup>1)</sup></b>
	BNK Credit Information	Direct emissions (Scope 1)	58	22	20	13
		Indirect emissions (Scope 2)	203	81	84	95
		<b>Total</b>	<b>261</b>	<b>103</b>	<b>103</b>	<b>108<sup>2)</sup></b>
BNK System	Direct emissions (Scope 1)	19	47	40	39	
	Indirect emissions (Scope 2)	13	1,257	1,309	1,320	
	<b>Total</b>	<b>32</b>	<b>1,304</b>	<b>1,349</b>	<b>1,360<sup>3)</sup></b>	
<b>Total</b>	Direct emissions (Scope 1)	<b>4,328</b>	<b>3,649</b>	<b>3,172<sup>4)</sup></b>	<b>2,380</b>	
	Location-based indirect emissions (Scope 2)	<b>25,661</b>	<b>27,745</b>	<b>26,175</b>	<b>26,026<sup>4)</sup></b>	
	Market-based indirect emissions (Scope 2)	<b>25,661</b>	<b>27,745</b>	<b>26,175</b>	<b>26,026</b>	
	<b>Total</b>	<b>29,989</b>	<b>31,394</b>	<b>29,347<sup>4)</sup></b>	<b>28,406<sup>5)</sup></b>	
GHG Emissions Intensity	<b>Sales (consolidated basis)</b>	<b>KRW billion</b>	<b>5,579</b>	<b>7,560</b>	<b>9,664</b>	<b>10,031</b>
	Emissions intensity (Scope 1, 2)	tCO <sub>2</sub> eq/KRW billion	5.38	4.15	3.04	2.83

<sup>1)</sup> Scope 1: 13.17tCO<sub>2</sub>eq, Scope 2: 12.43tCO<sub>2</sub>eq, totaling 35.52tCO<sub>2</sub>eq as a rounded value.

<sup>2)</sup> Scope 1: 13.18tCO<sub>2</sub>eq, Scope 2: 94.44tCO<sub>2</sub>eq, totaling 107.63tCO<sub>2</sub>eq as a rounded value.

<sup>3)</sup> Scope 1: 39.44tCO<sub>2</sub>eq, Scope 2: 1,320.44tCO<sub>2</sub>eq, totaling 1,359.88tCO<sub>2</sub>eq as a rounded value.

<sup>4)</sup> Verified total of Scope 2 emissions is 26,026.638.

<sup>5)</sup> Numbers were verified

<sup>6)</sup> Restated the data to reflect errors in the previous report

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### • GHG Emissions <sup>1)</sup> \_ Scope 3 Category 15 – Investments

Category	Unit	2022	2023	2024
Listed stocks and loans	10,000 tCO <sub>2</sub> eq	131	166	144
Corporate loans and unlisted stocks		2,228	2,370	2,344
Project finance		60	38	38
Commercial real estate		4	4	4
Mortgage		5	5	5
Car loan		6	5	5
Treasury bond		140	189	166
<b>Total</b>		<b>10,000 tCO<sub>2</sub>eq</b>	<b>2,574</b>	<b>2,777</b>

### • GHG Emissions \_ Scope 3 Category 1, 3, 5, 6, 7, 12

Category		Unit	2022	2023	2024
Busan Bank	Category 1	Purchased goods and services	107	98	165
	Category 3	Fuel- and energy-related activities	1,612	1,521	2,794
	Category 5	Waste generated in operations	-	-	22
	Category 6	Business travel	108	349	335
	Category 7	Employee commuting	-	-	1,126
	Category 12	End-of-life treatment of sold products	-	-	22
<b>Subtotal</b>		<b>tCO<sub>2</sub>eq</b>	<b>2,766</b>	<b>2,807</b>	<b>4,465</b>
Kyongnam Bank	Category 1	Purchased goods and services	115	118	219
	Category 3	Fuel- and energy-related activities	456	497	902
	Category 5	Waste generated in operations	-	-	13
	Category 6	Business travel	273	325	64
	Category 7	Employee commuting	-	-	856
	Category 12	End-of-life treatment of sold products	-	-	-
<b>Subtotal</b>		<b>tCO<sub>2</sub>eq</b>	<b>1,012</b>	<b>1,106</b>	<b>2,062</b>

<sup>1)</sup> Other indirect emissions: GHG emissions from the asset portfolio have been calculated since 2021. The calculation covers Busan Bank, Kyongnam Bank, BNK Capital, BNK Securities, BNK Savings Bank, and BNK Asset Management. The 2022 data were restated to reflect errors in the previous year's report

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# Independent Verification Opinion Statement

## Verification Opinion Statement

SR-25212

### Verification Opinion Statement

#### Sustainability Report Verification

BNK Financial Group Inc.

##### Dear Stakeholders

Korean Foundation for Quality (hereinafter 'KfQ') has been engaged to independently verify the 2024 Sustainability Report (hereinafter 'the Report')<sup>2)</sup> of BNK Financial Group Inc.<sup>1)</sup> (hereinafter 'the Company'). KfQ is responsible for providing an independent third-party verification opinion on the report based on the verification criteria and scope specified below. The responsibility for the preparation of this report lies with the Company's management.

<sup>1)</sup> Organization Address (based on headquarters) : 30 Munhyeongeumyung-ro (Munhyeon-dong), Nam-gu, Busan, Republic of Korea

<sup>2)</sup> Data Collection Period : From January 1 to December 31, 2024. Includes some information through the first half of 2025. Quantitative performance reported for three to four years for comparability.

##### Verification Purpose

The purpose of this verification is to ensure the reliability of the data and information stated in the Company's report.

##### Verification Scope

1. **Verification Boundary** : It includes all branches and performance related to overseas businesses is also disclosed if necessary. Includes headquarters and branches for BNK Financial Holding and its nine subsidiaries (Busan Bank, Kyongnam Bank, BNK Capital, BNK Securities, BNK Savings Bank, BNK Asset Management, BNK Venture Capital, BNK Credit Information, and BNK System). Includes performance related to overseas businesses as needed.

##### 2. Verification Items (Based on the GRI Standards 2021)

Category	GRI Standards	
Universal Standards	<ul style="list-style-type: none"> <li>2-1 to 2-5 (The organization and its reporting practices)</li> <li>2-6 to 2-8 (Activities and workers)</li> <li>2-9 to 2-21 (Governance)</li> </ul>	<ul style="list-style-type: none"> <li>2-22 to 2-28 (Strategy, policies, and practices)</li> <li>2-29 to 2-30 (Stakeholder engagement)</li> <li>3-1 to 3-3 (Material Topics Disclosures)</li> </ul>
Topic Standards	<ul style="list-style-type: none"> <li>GRI 201 (Economic Performance)</li> <li>GRI 203 (Indirect Economic Impacts)</li> <li>GRI 205 (Anti-corruption)</li> <li>GRI 206 (Anti-Competitive Behavior)</li> </ul>	<ul style="list-style-type: none"> <li>GRI 302 (Energy)</li> <li>GRI 305 (Emissions)</li> <li>GRI 417 (Marketing and Labeling)</li> </ul>

\* Topic Standards : Provisions Criteria for Material Issues

##### 3. Excluded Items from Verification

- The following items are not included within the scope of verification
- 1) Performance and reporting practices of related companies, partners, and third parties, excluding subsidiaries.
  - 2) Items related to other sustainability initiatives not based on the GRI Standards 2021 presented in the report
  - 3) Other related information such as periodic disclosure reports and financial statements

##### Verification Criteria

This verification has been conducted based on [AA1000AS (v3)], [AA1000AP (2018)], and [Type 2 – Moderate]

##### Verification Method

The audit team reviewed relevant procedures, systems, and control mechanisms, along with available performance data, to verify the reliability of the report's content based on the aforementioned criteria. The documents reviewed during the verification process are as follows:

- **Non-financial Information** : Data provided by the company, disclosed Business Reports, and information obtained from media and/or the internet.
- **Financial Information** : Data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the homepage.

※ However, the contents of the above data are not included in the verification scope.

SR-25212

The verification was conducted through document review, on-site visits, and interviews with the responsible personnel. The validity of the materiality assessment procedure in the Report, the selection of material issues considering stakeholders, the data collection, management, and report preparation procedures, as well as the accuracy of the descriptions, were evaluated through interviews with the responsible personnel. However, interviews with internal/external stakeholders were not conducted. Subsequently, it was confirmed that any errors, inappropriate information, or unclear expressions identified in the above steps were appropriately corrected before the publication of the Report.

##### Verification Limitations

This verification inherently contains limitations that may arise in the process of applying the criteria and methodology.

##### Competency and Independence

The audit team for this verification was duly composed in accordance with KfQ's internal regulations. KfQ has no conflicts of interest that could compromise the independence and impartiality of the verification, apart from providing third-party verification services.

##### Verification Opinion

As a result of the verification, it is the opinion of KfQ that:

- 1) It has been confirmed that the Report was prepared in compliance with the four principles of AA1000AP (2018)

##### • Inclusivity

The company has appropriately defined stakeholder groups and communicates with them through tailored communication channels that consider the characteristics of each group. The audit team did not identify any missing key stakeholders in this process and confirmed that the company is making efforts to incorporate stakeholder feedback into its management strategy.

##### • Materiality

The company has identified material issues through an appropriate process and has thoroughly reviewed the relevant impacts to enhance the validity of its materiality assessment. The audit team confirmed that the identified material issues were given due emphasis in this report and that all material issues recognized during the materiality assessment process were reported without omission.

##### • Responsiveness

The company strives to respond promptly to stakeholders' requirements and key concerns. The audit team did not find any evidence indicating that the organization's response activities and performance regarding material issues were inappropriately reported.

##### • Impact

The company identifies and monitors the impact of stakeholder-related material issues across its business activities and reports the findings to the extent possible. The audit team did not find any evidence indicating that the impact of material issues was inappropriately measured or reported.

- 2) The report has been appropriately prepared in accordance with the applicable reporting standards, such as (GRI Standards (2021) – Accordance)

- 3) The data and information used for verification were limited to the provided materials and were found to be appropriate, with no significant errors or omissions that could affect the verification opinion.

- 4) Therefore, an "Unmodified Opinion" is provided for the company's 2024 Sustainability Report.

*Ji Young Song*



June 25, 2025  
CEO Ji-Young Song  
Korean Foundation for Quality

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**Independent Verification Opinion Statement**

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# GHG Emissions Verification Opinion Statement

## 2024 GHG Emissions Verification Opinion Statement (Scope 1, 2)

GI-25242

### Verification Opinion Statement

#### GHG Emissions Verification

BNK Financial Group

##### Verification Target

Korean Foundation for Quality (hereinafter 'KfQ') has conducted an independent verification of Scope 1, 2 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of BNK Financial Group <sup>1)</sup> (hereinafter 'Company') for 2024. KfQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

<sup>1)</sup> Address (based on headquarters): 30 Munhyeongeumyung-ro, Nam-gu, Busan

##### Verification Purpose

The purpose is to provide an independent verification opinion on the company's voluntary GHG emissions inventories.

##### Verification Scope

The scope of verification covers all facilities and emission sources at BNK Financial Group and nine subsidiaries <sup>2)</sup> under the operational control and organizational boundary during 2024.

<sup>2)</sup> BNK Busan Bank, BNK Kyongnam Bank, BNK Capital, BNK Securities, BNK Savings Bank, BNK Asset Management, BNK Venture Capital, BNK Credit Information, BNK System

##### Verification Criteria

The verification was carried out at the request of company using:

- ISO 14064-1:2018, ISO14064-3:2019
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- Rule for emission reporting and certification of greenhouse gas emission trading Scheme (Notification No.2025-64 of Ministry of Environment)

##### Verification Approach

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the limited verification level. The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

##### Conclusion

Based on the criteria and guidelines stated above, KfQ's verification opinion is as follows.

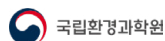
- 1) GHG emissions Company were properly calculated according to the verification standards.
- 2) The data and information used in calculating the GHG emissions were appropriate, reasonable, and no significant errors or omissions could affect verification statement were not found. The materiality assessment result of GHG emissions has met the agreed-upon criterion of less than 5%.
- 3) Accordingly, KfQ provides a verification opinion that is "Unmodified".

(Unit : tCO<sub>2</sub>eq)

Scope 1	Scope 2	Total
2,380.048	26,026.638	28,406

\* Because total emissions from each site are rounded, the company's total emissions may differ from the actual values by ±1 tCO<sub>2</sub>eq.

Annex. Detailed GHG emissions calculation results



Ji Young Song

May 30th, 2025  
CEO Ji-Young Song  
Korean Foundation for Quality

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GI-25242

### Appendix. Summary of GHG Emission Results

#### Organization

BNK Financial Group and nine subsidiaries

#### Emission calculation period

The emission calculation period is from January 1st to December 31st, 2024.

#### GHG Emissions

(Unit : tCO<sub>2</sub>eq)

Name of company	Scope 1	Scope 2	Total emissions
BNK Financial Group	142.991	352.467	495
BNK Busan Bank	882.236	17,671.088	18,553
BNK Kyongnam Bank	838.855	5,571.043	6,410
BNK Capital	145.286	372.198	517
BNK Securities	158.177	370.935	529
BNK Savings Bank	66.252	226.818	293
BNK Asset Management	70.527	34.784	105
BNK Venture Capital	23.101	12.422	36
BNK Credit Information	13.183	94.443	108
BNK System	39.44	1,320.44	1,360
<b>Total</b>	<b>2,380.048</b>	<b>26,026.638</b>	<b>28,406</b>

\* Because total emissions from each site are rounded, the company's total emissions may differ from the actual values by ±1 tCO<sub>2</sub>eq.

www.kfq.or.kr Q Tower, 78 Samjeon-ro, Songpa-gu, Seoul, 05606, Republic of Korea



# GHG Emissions Verification Opinion Statement

## 2024 GHG Emissions Verification Opinion Statement (Scope 3)

GI-25-VO25

### Verification Opinion Statement

#### GHG Emissions Verification

BNK Financial Group

##### Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 3 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of BNK Financial Group <sup>1)</sup> (hereinafter 'Company') for 2024. KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

<sup>1)</sup> Address (based on headquarters) : 30, Munhyeon-geumyung-ro, Nam-gu, Busan, 48400, Republic of Korea

##### Verification Purpose

The purpose is to provide an independent verification opinion on the company's Scope3 emissions.

##### Verification Scope

The verification covered seven emission categories <sup>2)</sup> selected by the company <sup>3)</sup> during 2024.

<sup>2)</sup> Category 1, 3, 5, 6, 7, 12, 15

<sup>3)</sup> Domestic business sites: BNK Financial Group, Busan Bank, Kyongnam Bank, BNK Capital, BNK Securities, BNK Savings Bank, BNK Asset Management, BNK Credit Information, BNK System, BNK Venture Capital

##### Verification Criteria

The following criteria and coefficients used by the company were applied.

###### • Criteria

- ISO 14064-1: 2018, ISO 14064-3: 2019
- GHG Protocol Corporate Standard
- WBCSD/WRI, Corporate Value Chain(Scope 3) Accounting and Reporting Standard
- The Global GHG Accounting and Reporting Standard for the Financial Industry(PCAF)

###### • Coefficient

- KEITI Environmental Product Declaration Evaluation Factor(2021)
- Ministry of Environment Guideline for Low-carbon Events (2008)

##### Level of Assurance

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the limited verification level.

##### Verification Limitation

GHG emissions verification involves inherent limitations that may arise depending on the organization's data characteristics, calculations and estimates, sampling method, and limited assurance level. Additionally, this verification does not include responsibility for the accuracy of the original data provided by the company.

##### Conclusion

Based on the criteria and guidelines stated above, KFQ's verification opinion is as follows.

- 1) GHG emissions of the company for 2024 were properly calculated based on the materials provided, and no material errors or omissions that could affect the verification opinion were identified.
- 2) The criteria and process established by the company for calculating GHG emissions were transparently documented in the internal calculation process to prevent potential misunderstandings.
- 3) Accordingly, KFQ provides a verification opinion that is "Unmodified".

*Ji Young Song*

June 4th, 2025

CEO Ji-Young Song

Korean Foundation for Quality



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GI-25-VO25

### Appendix A. Summary of Scope3 GHG Emission Results

#### Organization

BNK Financial Group

#### Emission calculation period

The emission calculation period from January 1st to December 31st, 2024.

#### Company Scope 3 Emissions verification Results

(Unit : tCO<sub>2</sub>eq)

Category		Total emissions
1	Purchased goods & services	420
3	Fuel and Energy-related activities not included in Scope 1+2	4,148
5	Waste generated in operations	43
6	Business travel	450
7	Employee commuting	2,586
12	End of life treatments of sold products	31
15	Investments	27,072,112
<b>Total</b>		<b>27,079,790</b>

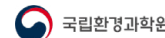
\* The total emissions rounded to the nearest whole number, and the difference from the actual value may be less than ±1 tCO<sub>2</sub>eq.

\* Based on the PACF (Partnership for Carbon Accounting Financials) methodology, seven asset classes – listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans, and sovereign exposures – were included in the calculation, with the scope limited to assets for which emissions data are currently available.

#### Category 15 Emissions by Asset Class

(Unit : tCO<sub>2</sub>eq)

Category 15 Asset Classes		Total emissions
1	Listed stocks and corporate bonds	1,444,997
2	Corporate loans and unlisted Stocks	23,441,121
3	Project Finance (Generation and infrastructure)	384,573
4	Industrial real estate	39,433
5	Mortgage (Purchasing funds)	51,595
6	Automobile loans	48,668
7	Government exposure	1,661,725
<b>Total</b>		<b>27,072,112</b>



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# Awards

Subsidiary	Date	Organizer	Award
<b>BNK</b> Financial Group	Oct. 2, 2024	Dong-A Ilbo K-ESG Evaluation Committee	2024 K-ESG Management Awards – Overall ESG Grand Prize, Chairman’s Award from the Korea Commission for Corporate Partnership
	Dec. 3, 2024	Ministry of Trade, Industry and Energy & Korea Chamber of Commerce and Industry	31st Corporate Innovation Awards – Minister of Trade, Industry and Energy Award
	Dec. 10, 2024	Ministry of Environment & Korea Environmental Industry & Technology Institute	2024 Green Management and Green Finance Awards – Minister of Environment Award in the environmental disclosure category
<b>BNK</b> Busan Bank	May. 3, 2024	Chosun Ilbo	2024 No.1 Consumer Recommended Brand – No.1 among regional banks
	Jul. 3, 2024	Korean Standards Association	2024 Korean Service Quality Index (KS-SQI) – No.1 in the regional bank category for the 3rd consecutive year
	Jul. 11, 2024	Financial Supervisory Service	4th Best Practices in Win-Win & Cooperative New Financial Products – (BNK Baby Angel Installment Savings)
	Jul. 12, 2024	Ministry of Employment and Labor	2024 Excellent Labor-Management Culture Enterprise
	Nov. 5, 2024	Korea Management Association Consulting (KMAC)	2024 Korea Consumer Protection Index (KCPI) – Top-rated company for 3 consecutive years
	Nov. 12, 2024	Korea Productivity Center	2024 National Customer Satisfaction Index (NCSI) – No.1 in the regional bank service category
	Dec. 9, 2024	Ministry of the Interior and Safety & Korea National Council on Social Welfare	4th Korea Good Donor Awards – Presidential Commendation
	Dec. 10, 2024	Ministry of Environment & Korea Environmental Industry & Technology Institute	2024 Green Management and Green Finance Awards – Korea Environmental Industry & Technology Institute President’s Award from KEITI in the green bond issuance category
	Dec. 20, 2024	Financial Supervisory Service	2024 Inclusive and Win-Win Finance Awards – Outstanding Institution for Financial Support for the Underprivileged (2nd consecutive year)
	Jan. 17, 2025	Ministry of Education	2024 Career Exploration Activity Cooperation Awards – Deputy Prime Minister and Minister of Education Commendation
<b>BNK</b> Kyongnam Bank	May 10, 2024	Digital Chosun Ilbo	Mobile Awards Korea – Grand Prize in the banking category
	Jun. 26, 2024	Gyeongnam Community Chest of Korea	BNK Kyongnam Bank & Kyongnam Bank Love Sharing Foundation – First among banks to be simultaneously certified as “Honorary Corporate Donors”
	Jul. 25, 2024	Korea Internet Professionals Association	‘Social i-Awards 2024 – awarded in two categories including the Grand Prize in the financial services category
	Aug. 28, 2024	Financial Services Commission	2024 Financial Companies’ Local Reinvestment Evaluation – Rated “Best” in Gyeongnam and Ulsan regions for 5 consecutive years
	Oct. 6, 2024	Financial Supervisory Service	2024 H1 Self-Employed Business Loan 119 Evaluation – Ranked 1st in the mid-to-small bank category
	Nov. 29, 2024	Gyeongnam Employers Federation	Gyeongnam Business Leader Awards – CSR category (Minister of Employment and Labor Commendation) in commemoration of the 1st Gyeongnam Business Leader Day Ceremony
	Dec. 20, 2024	Financial Supervisory Service	Inclusive and Win-Win Finance Awards – Institution Award for Outstanding Consulting Support for SMEs and Self-Employed (2nd consecutive year in the SME support category)
<b>BNK</b> Savings Bank	Oct. 29, 2024	Financial Services Commission	Chairman’s Commendation in the inclusive finance category

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About This Report

# About This Report

## Report Overview

This is BNK Financial Group's 13th sustainability report intended to share its key sustainability initiatives and performance for the year 2024 with stakeholders. BNK Financial Group annually publishes sustainability reports to transparently disclose its sustainability efforts and continues to actively communicate with stakeholders.

## Reporting Period

This report spans the period from January 1 to December 31 of 2024 to outline BNK Financial Group's sustainability initiatives and achievements. For certain information that may materially impact stakeholders' decision-making, this extends to the first half of 2025 to ensure the timeliness and relevance of information.

## Reporting Boundary

This report covers BNK Financial Group and its nine subsidiaries – Busan Bank, Kyongnam Bank, BNK Capital, BNK Securities, BNK Savings Bank, BNK Asset Management, BNK Venture Capital, BNK Credit Information, and BNK System. This includes the headquarters and all branches, and performance of overseas operations is disclosed when deemed necessary. In cases where the reporting boundary differs or the data has been restated, this is indicated separately.

## Reporting Principles and Standards

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, the international framework for sustainability reporting. In addition, it aligns with TCFD (Task Force on Climate-related Financial Disclosures) recommendations for climate-related disclosures and sector-specific standards from SASB (Sustainability Accounting Standards Board). The report also references the sustainability disclosure standards of the Korea Sustainability Standards Board (KSSB).

The financial information has been prepared on a consolidated basis in accordance with Korean International Financial Reporting Standards (K-IFRS).

## Third-party Assurance

To ensure the reliability of the information contained herein and enhance its quality, this report has been assured by the Korea Foundation for Quality as an independent third-party assurance provider. The assurance statement appears on page 200 of this report.

More detailed information can be found on the BNK Financial Group website, where the PDF version of this report is also available for download.

If you have any questions or need further information about the BNK Financial Group Sustainability Report, please contact us at the address below.

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**About This Report**

The logo for BNK Financial Group is centered within a thin red circular border. The text "BNK" is in a bold, red, sans-serif font, and "Financial Group" is in a smaller, black, sans-serif font to its right.

**BNK** Financial Group