

# BIG STEP FOR TOMORROW.



# ABOUT THIS REPORT.

Hana Financial Group is committed to promoting ESG management to effectively achieve future growth. We publish this Sustainability Report to share these activities and achievements with our stakeholders. We will share with you what business strategies Hana Financial Group will pursue in the future, what philosophies and principles we will adopt for ESG management, and show you the changed aspects of Hana Financial Group as a global financial group. This report is published annually in Korean and English.

## Reporting Period

This report contains the financial and non-financial performances of Hana Financial Group's major sustainability-related activities from January 1 to December 31, 2022, and for some data, the first half of 2023. In the case of quantitative performance, we have included performance for the most recent three years from January 1, 2020 to December 31, 2022 to demonstrate changes in trends. (Some environmental data includes four years of data from 2019 to 2022).

## Reporting Standards

This report is prepared following the GRI Standards (Core Option), a global reporting guideline, and conforms to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for climate change-related disclosures and the Sustainability Accounting Standards Board (SASB) which considers industry-specific characteristics.

## INTERACTIVE PDF

This report has been published as an interactive PDF that allows readers to navigate to relevant pages within the report and link to related websites for better understanding.

- Go to cover page
- Go to previous view
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- Go to next page

## Reporting Assurance

This report has been verified by an assurance agency specializing in sustainability reports to ensure the reliability of its contents, and the assurance opinion is included in P.141 of this report.

## Reporting Boundaries

This report contains economic performance in accordance with K-IFRS and overall economic, social, and environmental performance based on consolidated financial statements for the Hana Financial Group holding company and its 14 subsidiaries (Hana Bank, Hana Securities, Hana Card, Hana Capital, Hana Life Insurance, Hana Insurance, Hana Savings Bank, Hana Asset Trust, Hana Alternative Asset Management, Hana F&I, Hana Ventures, Hana Investors Services, Hana TI, and Finng). The scope of the report includes the headquarters and all branches.

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# Strategy Report

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# CEO Message

Dear Valued Stakeholders,

I would like to express my sincere gratitude for your continued interest and support for Hana Financial Group.

Last year, Hana Financial Group set a record for growth, achieving the highest performance since its establishment despite the challenging environment. It was also a year of external recognition for Hana Financial Group's sincere ESG management activities, as Hana Financial Group was ranked No. 1 in the global banking industry on the 2022 Dow Jones Sustainability Index (DJSI).

This year's Sustainability Report, published for the 16th time this year, covers not only Hana Financial Group's efforts and achievements in ESG management, but also the Group's commitment to realize sustainable growth under the vision of 'Big Step for Tomorrow'.

This summer, the world has been experiencing extreme weather events, with unprecedented heavy rains hitting the Asian continent, including South Korea, and devastating heatwaves in Europe and the Middle East. Addressing climate change is no longer a choice, but a matter of survival, and environmental issues have become an important part of financial institutions' business activities.

As part of our response to climate change, Hana Financial Group is actively implementing our mid- and long-term goals of supporting KRW 60 trillion in green and sustainable finance by 2030, and achieving ZERO carbon emissions from business sites and ZERO coal project financing by 2050. In particular, this year, we are actively participating in the Task-force on Nature-related Financial Disclosure (TNFD) and the Partnership for Biodiversity Accounting and Finance (PBAF) to further fulfill the role of a financial company in the environmental field as a member of society by expanding financial investments in biodiversity conservation as well as climate crisis response. We will not turn a blind eye to the call for social responsibility in finance.

Hana Financial Group will strive to create more authentic social value. We will continue to carry out community contributions, childcare projects, financial education, and support for innovative companies to solve the problems of low birthrate and polarization facing our society. At the same time, we will take the lead in shared growth with society by expanding win-win financing for financial consumers suffering from high interest rates and increasing access to finance for the financially vulnerable. This year, Hana Financial Group will do its best to realize 'finance that grows together and shares happiness' by implementing transparent and responsible ESG management in line with global standards. We look forward to your continued interest and support.

Thank you.



CEO of Hana Financial Group

함 영주 올림

# About Hana Financial Group

## General Status

As of end of Dec, 2022

<b>Company</b>	Hana Financial Group	<b>Total Consolidated Assets</b>	KRW 568,873.2 billion
<b>Headquarters</b>	66 Eulji-ro, Jung-gu, Seoul	<b>Consolidated Net Income</b>	KRW 3,552.4 billion
<b>CEO</b>	Young-joo Ham	<b>Number of Employees</b>	21,422

## Operating Revenue by Business Category

(Unit: KRW 1 billion, %)

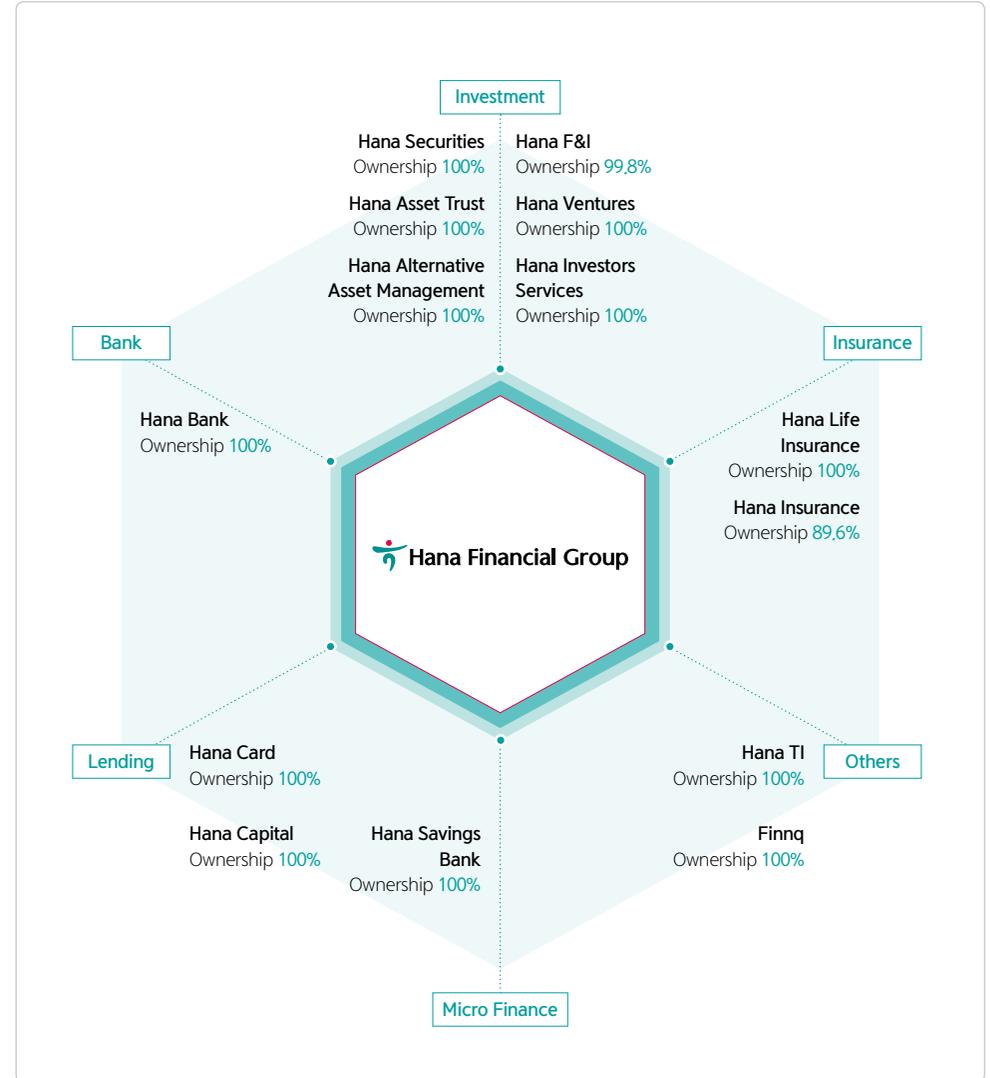
Category	Operating Revenue in 2022	Percentage of Operating Revenue
Asset Management/Custody	878	1.25
Corporate banking and Investment Banking	33,150	47.25
Retail Banking	6,256	8.92
Project Finance	164	0.23
Investment Banking & Brokerage	327	0.47
Underwriting (excluding life insurance)	505	0.72
Others (stock trading, insurance business, etc.)	28,876	41.16
<b>Total</b>	<b>70,156</b>	<b>100</b>

## Credit Rating

Data from Hana Bank

Domestic		Overseas (Long-term/Short-term)	
National Information & Credit Evaluation (NICE)	<b>AAA</b>	Moody's	<b>A1/P-1</b>
Korea Investors Service (KIS)	<b>AAA</b>	S&P	<b>A+/A-1</b>
Korea Ratings (KR)	<b>AAA</b>	FITCH	<b>A/F1+</b>

## Hana Financial Group Network



## Hana Financial Group Global Network

Hana Financial Group is a global financial group with 14 affiliated companies and 206 locations across 25 regions around the world. As a financial group, we will strive to promote diversity and inclusion and adhere to the fundamentals and principles of sustainable management to spearhead sustainable finance.

As of end of Dec, 2022

**Global Network of 206 locations in 25 regions**

17 local subsidiaries, 162 subsidiary branches, 19 branches, 1 field offices, 7 offices



**Hana Bank**

25 regions,  
112 locations

**Hana Securities**

3 regions,  
3 locations

**Hana Capital**

2 regions,  
89 locations

**Hana Card**

1 region,  
1 location

**Hana TI**

1 region,  
1 location



# Group's Mission and Vision 2030

Mission

**Growing Together, Sharing Happiness**

2030 Vision

**All Connected in  
Hana Finance.**

Objectives

**O.N.E. value 2030**



### Our value

Realize unique customer-centric value



### New value

Provide new value through sustainability management



### Extra value

Proactively adapt to change by creating greater value

#### The most customer-centric group

- Provide customer-centric solutions in financing and non-financing
- Aim to maximize customers' experience based on comprehensive understanding of our customers
- Create value-based growth model including global channel growth, localization, and DT

#### The most respected group

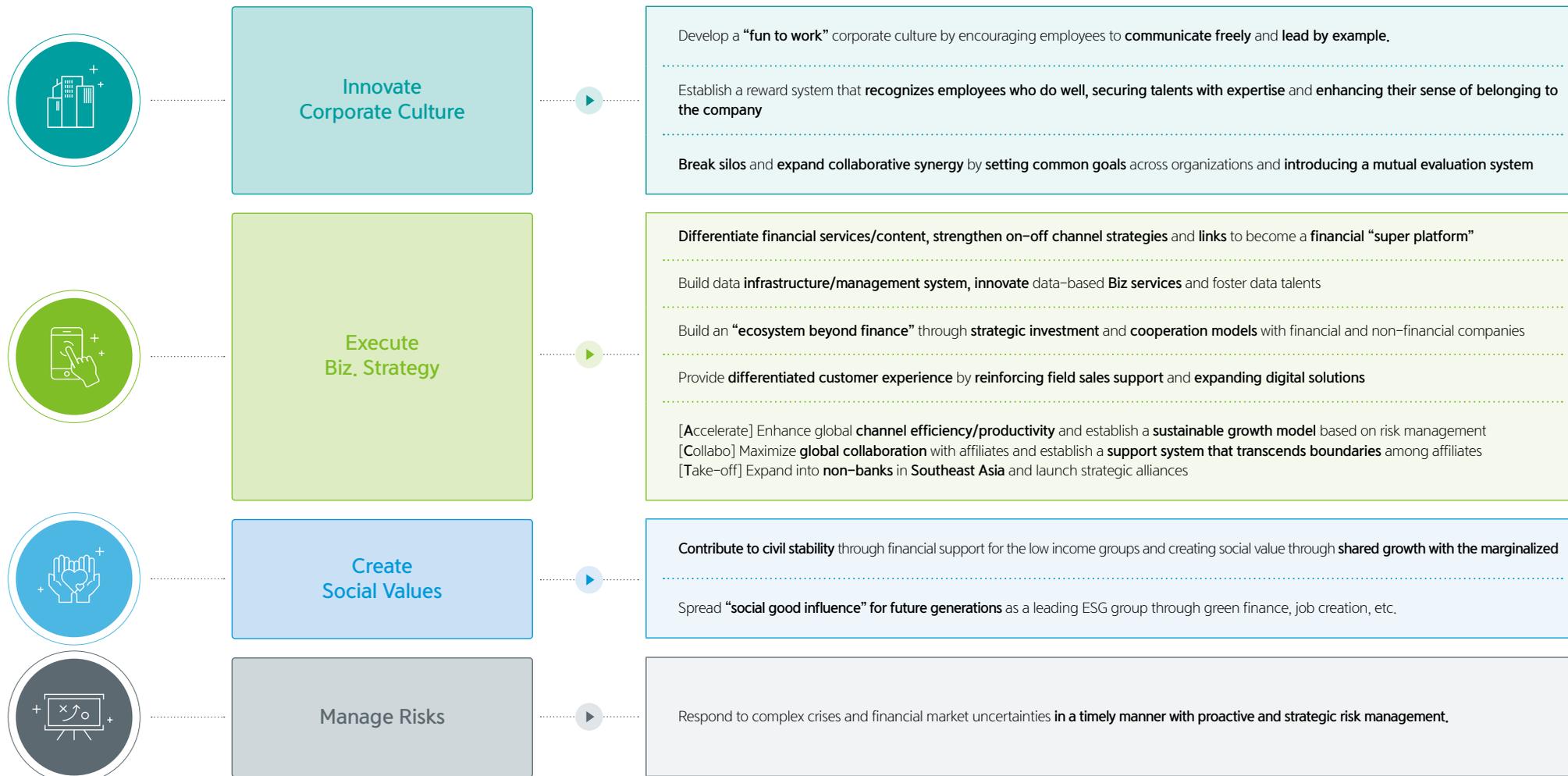
- Move from passive fast-follower to ESG frontier
- Create shared value to make everyone happy, including guests, employees, shareholders and society

#### The most innovative group

- Secure future capacity by investing aggressively across different industries
- Build a core foundation of people, organization, and culture to actively respond to change

# Group's Mission and Vision 2030

## Group's Key Tasks for 2023



# Sustainable Management Milestones

Hana Financial Group practices sustainable management through various activities in the areas of environment, society, and governance, and discloses related performances and sustainability strategies through its annual ESG report. We are actively cooperating with global ESG initiatives, such as joining TNFD and PBAF in June 2023, and will continue to explore ways to realize ESG-centered management.

## 2005~2010

- **Dec, 2005**  
Established Hana Financial Group

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- **Aug, 2007**  
Joined the UN Global Compact

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- **Sep, 2007**  
Joined the UNEP FI 

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- **Mar, 2008**  
Introduced business unit as the first in Korea

## 2011~2020

- **Apr, 2013**  
Established the Happiness Sharing Committee

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- **Jan, 2014**  
Declared Hana Financial Group's new vision

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- **Oct, 2016**  
– Selected as an outstanding company for climate action by CDP Korea  
– Listed in DJSI Asia Pacific

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- **Apr, 2018**  
Participated in the UNEP FI's PRB project as a founding bank

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- **Jan, 2019**  
Hana Bank issued ESG bonds worth USD 600 million

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- **Jun, 2019**  
Joined the UNEP FI's PRB 

## 2021

- **Jan, 2021**  
Hana Bank issued a social covered bond worth EUR 500 million

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- **Mar, 2021**  
– Declaration of carbon neutrality & coal phase-out  
– Became an official TCFD supporter 

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- **Mar, 2021**  
Hana Bank Korea's first to mediate KRW 100 billion worth green loan

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- **Apr, 2021**  
Announced the Group's mid- and long-term ESG strategies

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- **Jul, 2021**  
Established the Hana Financial Group sustainability management framework

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- **Aug, 2021**  
Hana Bank adopted the Equator Principles 

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- **Sep, 2021**  
Hana Financial Group joined PCAF

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- **Oct, 2021**  
Hana Bank signed the UN Convention on Biological Diversity

## 2022~2023.06

- **Jan, 2022**  
Hana Financial Group listed into BGEI 

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- **Apr, 2022**  
Hana Financial Group declared support for the WEPS 

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- **May, 2022**  
Hana Financial Group joined NZBA

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- **May, 2022**  
Set the Hana Financial Group SBTi 

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- **Jun, 2022**  
Hana Financial Group declared Vision next 2030

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- **Jun, 2023**  
Joined TNFD, PBAF 

# External ESG Evaluation

Hana Financial Group is successfully achieving the ESG strategies established for sustainable management. In addition, we actively participate in global initiatives, disclosing ESG data transparently, and are highly recognized by external ESG rating institutions for our efforts to objectively measure ESG management performance.

<p><b>Received Grade AA</b> in 2022</p> <hr/> 	<p><b>Awarded Bank of the Year 2022</b> Korea by The Banker magazine</p> 	<p>Euromoney Awards for Excellence 2023 <b>Selected as Best Bank in Korea</b></p> 	<p><b>Recognized as "Excellent" (Grade A)</b> five years in a row <b>Grade A+</b> for social, <b>Grade A</b> for governance and environmental in 2022</p> 	<p>Selected by Global Finance <b>Awarded Best Bank</b> in Korea, 2023</p> 
<p><b>Newly included</b> into DJSI World in 2022 <b>Included</b> into DJSI Asia/Pacific <b>seven years in a row</b> <b>Included</b> into DJSI Korea <b>four years in a row</b> in 2022 <b>Ranked #1</b> in the world in banking Sustainability Yearbook Member in 2023</p> 	<p>Included in the Bloomberg Gender Index for <b>the second consecutive year in 2023</b></p> 	<p><b>Awarded</b> the Carbon Management Honors Club <b>three years in a row</b></p> 	<p>24,5 Medium Risk</p> 	

# ESG Key Tasks

## ESG mid- to long-term Strategies and 3 Key Tasks

### Big Step for Tomorrow



**E**  
Encourage the transition to a low-carbon economy



**S**  
Make social contributions through finance



**G**  
Make decisions based on corporate responsibility & transparency

**1** Limit new coal investments under the coal phase-out commitment 

**2** Expand ESG bond issuance 

**3** Expand green finance and ESG-themed finance 



**4** Reinforce consumer protection and expand financial accessibility 

**5** Create social value through charitable contributions 

**6** Foster social ventures to address social issue 



**7** Increase transparency in 07 non-financial disclosures (climate finance) 

**8** Establish a dedicated organization for sustainability management (including ESG) 

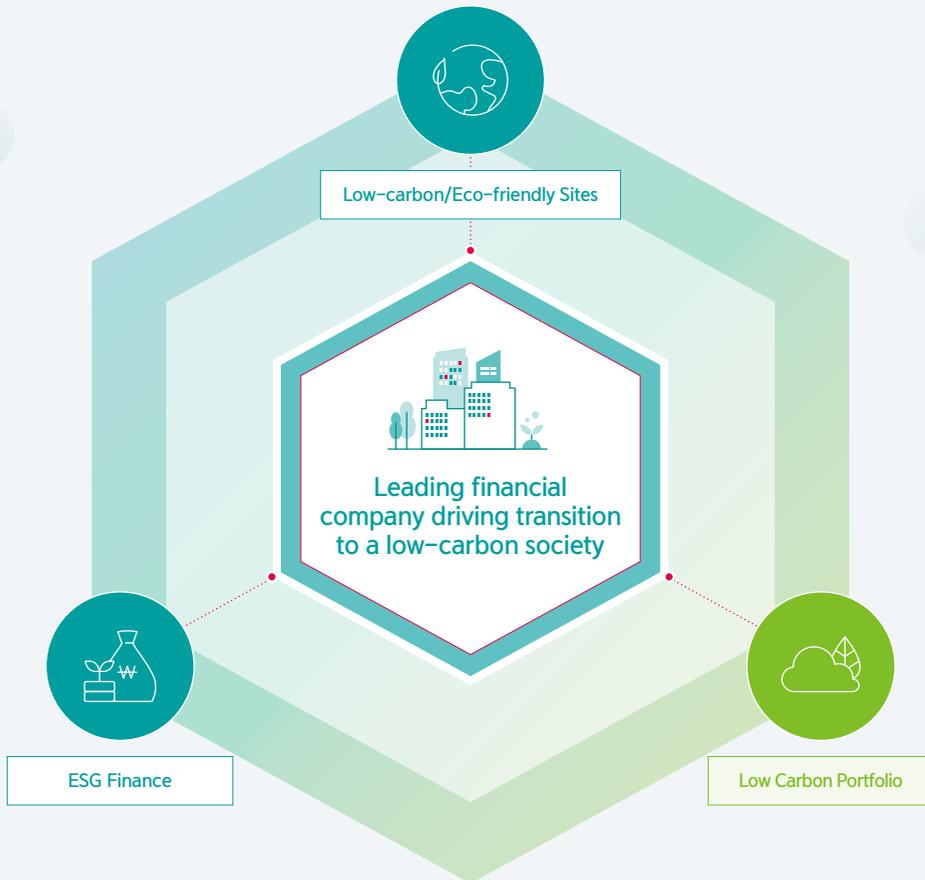
**9** Build an environmental and social risk management (ESRM) system 



## Driving Transition to Low-carbon Economy

Hana Financial Group has established ESG goals for the transition to a low-carbon society, including areas such as low-carbon/eco-friendly facilities, Low Carbon Portfolio, and green finance. These goals are articulated as the '2030&60' ESG targets, 'Zero&Zero,' and the '2050 Carbon Neutrality Roadmap'.

### Group's Low-carbon/Eco-friendly Targets



**2030 & 60** Goal **1**

- Strengthening financial support for ESG area of Hana Financial Group
- Providing **KRW 60 trillion** in loans, investments and financing for green and sustainable sectors by 2030 (\$25 trillion in bonds, \$25 trillion in loans and \$10 trillion in investments)

**Zero & Zero** Goal **2**

- **Zero GHG at work sites** by 2050 by improving energy efficiency and expanding renewables
- **Zero coal project financing** balance by 2050

**Portfolio GHG Reduction** New Goal **3**

- GHG reduction activities in line with SBTi targets where Hana Financial Group's funds are utilized, including loans, investments, and bonds.
- **Reduce carbon emissions in the portfolio** by eliminating high-carbon emitting industries and expanding investments in eco-friendly/low-carbon companies

## Driving Transition to Low-carbon Economy

Since establishing its ESG key tasks, Hana Financial Group has been successfully achieving its detailed targets. Year-on-year, we reduced greenhouse gas emissions by 1.93%, while steadily increasing the amount of ESG bonds issued as well as ESG financial support and investment.



## Social Contribution through Finance

Key Tasks 4

Hana Financial Group is leading the way in strengthening consumer protection, expanding financial access, and contributing to the society as a financial institution. We have established the first consumer risk management committee in the financial sector and opened the first joint store and convenience store bank branches in the banking sector to ensure financial access for consumers of different backgrounds.



### Reinforcing Consumer Protection

<p>Amount of financial fraud prevention</p> <p><b>KRW 181.4 billion</b></p>	<p>13,015 financial fraud cases prevented in '22</p> <p>Voice phishing fraud prevention increased 15% year-over-year</p>
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### Expanding Financial Access

<p>Customer accessibility</p> <p><b>454,932 access points</b></p>	<p>Hana Bank On-the-Road Tablet Branch</p> <p>Portable Hana Bank ATM for wheelchair users</p>
<p>ATM</p> <p><b>8,563 units</b></p>	<p>ATM with braille and audio guidance</p> <p>ATM with biometric authentication</p>

\* Data from Hana Bank

Hana Bank



#### Preventing the damage caused by financial fraud and strengthening protection against it

Hana Bank is expanding the scope of scenario development and monitoring to address the increasingly diversified and sophisticated patterns of voice phishing, including messenger phishing and face-to-face extortion, and implementing voice phishing prevention activities through various channels, including the mobile app Hana One Q.

#### Selecting 3 policies and 5 key tasks for consumer risk management

We aim to establish an effective policy for customer-centered risk management and select key issues to build a financial consumer protection system that can actually help financial consumers.

Hana Bank

#### Digital transformation channel where finance and retail converge

Hana Bank opened its fourth convenience banking store, CU Okjeong Nobland, in Yangju, Gyeonggi-do.

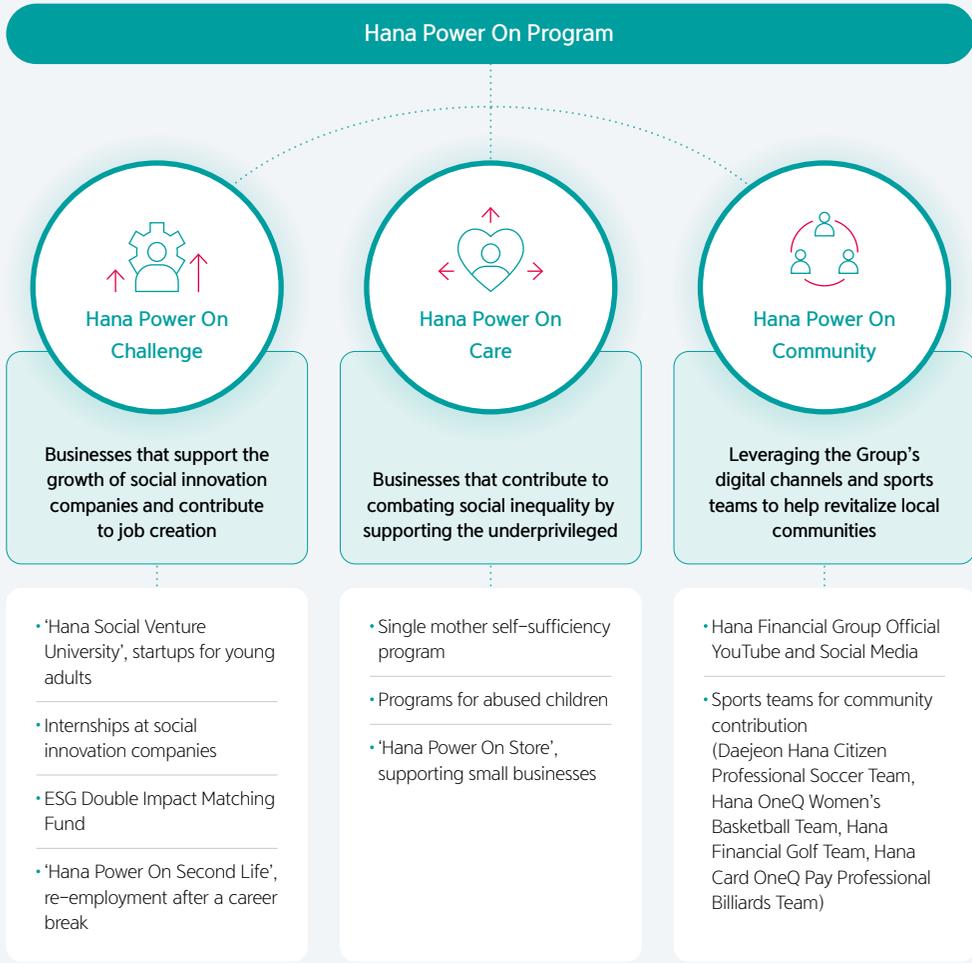
The bank's financial convenience store, which combines the roles of a convenience store and a bank, was opened in 2021 following the Macheon Park store, Bisanxi store, and Galmae CM Park store to resolve the inconvenience of customers in financial blind spots. The bank has installed ITM (Interactive Teller Machine), which is a step up from the existing STM (Smart Teller Machine), to provide various services.



## Social Contribution through Finance

Key Tasks 5 6

Hana Financial Group operates Hana Power On, a representative social contribution program. The group is working to eliminate blind spots and create social value by promoting projects centered on the Hana Power On Challenge, Hana Power On Care, and Hana Power On Community, as well as supporting socially innovative companies and the socially vulnerable, such as single mothers.



### Nationwide youth entrepreneurship support program

Hana Financial Group operates the 'Hana Social Venture University' to support local youth entrepreneurship and job creation in cooperation with the Ministry of Employment and Labor and universities across the country. With the goal of solving the problem of regional depopulation and outflow of youth population and building a sustainable youth entrepreneurship ecosystem, in 2022, the program provided employment/startup education for 550 people in partnership with 10 universities in five regions, fostering 500 young entrepreneurs. The program was recognized as an excellent program for local universities and youth and received the Minister of Employment and Labor Award.

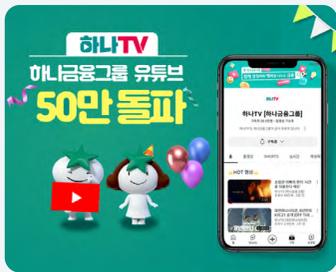
### Single mother self-sufficiency program

Hana Financial Group supports single mothers with housing, employment, and psychological and emotional support. For single mothers and teenage parents who have been exposed to poor housing conditions, we seek to secure their dwelling by providing short-term housing with appliances and furniture for six months to one year, or by providing housing deposits. We also provide internships and job training to help them achieve full economic independence, and support GED education and certification for dropouts. Moreover, we offer individual counseling to single mothers and group counseling to share child-rearing know-how in order to build a foundation of emotional support.



### Official YouTube channel surpasses 500,000 subscribers

Hana Financial Group's official YouTube channel, Hana TV, has surpassed 500,000 subscribers in just over three years of operation, a first for a financial group's YouTube channel. The group's channel not only provides basic financial information for each age group, such as financial education for young people preparing for independence, but also provides various contents such as ESG campaigns with guests, lesson programs with sports stars, and introductions to local restaurants.



# Hana Financial Group's 100th Daycare Center Project

"We Growth with the Future of South Korea."

SOCIAL

'Hana Financial Group's 100th Daycare Center Project' aims to create social value by expanding 100 daycare centers nationwide to address the low birthrate in Korea, support work-family balance for working families, and alleviate regional disparities in childcare facilities for raising future generations. Hana Financial Group's daycare centers are special. We build daycare centers in rural and depopulated areas, specialized and integrated daycare centers for children with disabilities, as well as daycare centers in collaboration with local communities. These specialized daycare centers provide children with at least minimum childcare opportunities and contribute to social integration.

### Build child care centers that reflect diverse issues and characteristics

Public daycare centers (90 locations)

	General daycare centers	32		Daycare centers in rural and vulnerable areas	30
	Daycare centers for children with disabilities	18		Multi-functional daycare centers	10

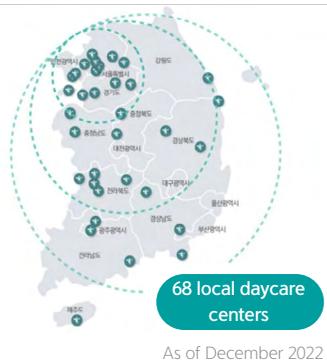
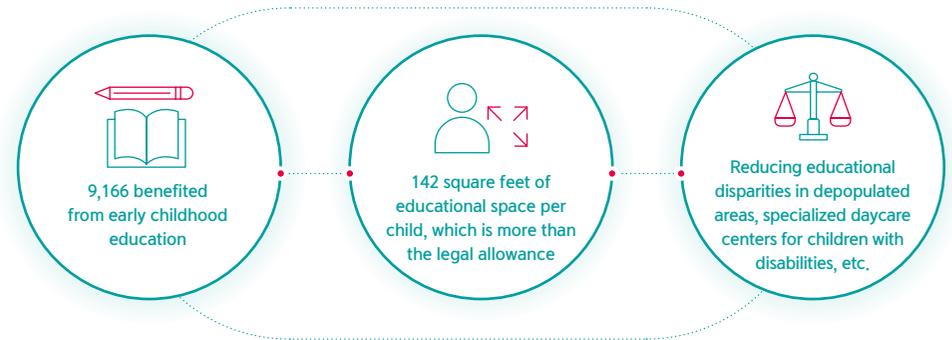
Specialized in children with disabilities 5, integrated care for children with disabilities 13

Local communities 4, Age 0 nursery town 1

Workplace daycare centers (10 locations)

	In-house daycare centers	5		Shared daycare centers	5
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Also available to external SMEs



Status of daycare center construction (as of December 2022)

Category	Unit	National/public	Workplace	Total
Completed	Place	59	9	68
Under construction	Place	31	1	32

Number of jobs created and people trained (based on completion of 100 daycare centers)

Category	Unit	National/public	Workplace	Total
Number of daycare providers	persons	1,788	195	1,983
Number of children	persons	8,383	783	9,166

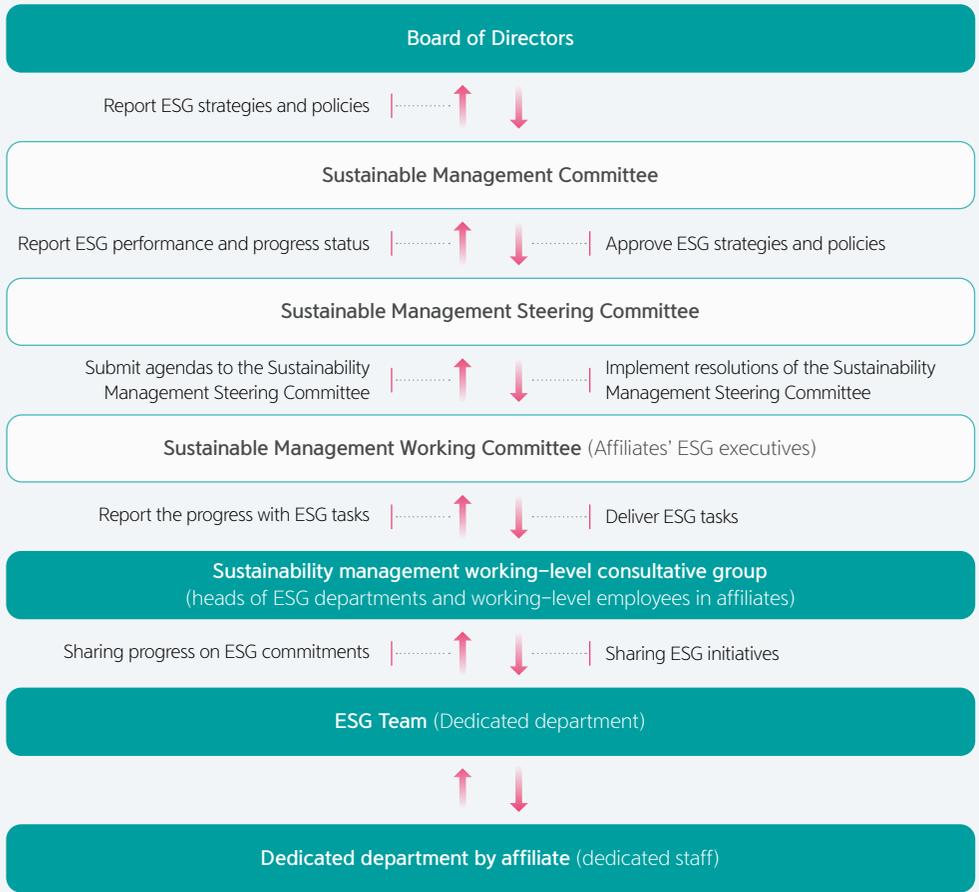


## Practicing Transparency and Accountability

Key Tasks 0

Hana Financial Group is establishing an ESG management system and practicing full-scale ESG management. In particular, the establishment of the Sustainability Management Committee will contribute to identifying the status of the Group's ESG management implementation and setting the direction of the Group's sustainability management, thereby enabling more transparent and responsible decision-making.

### ESG Management System



### Activities of Sustainable Management Committee

Hana Financial Group regularly holds the Sustainable Management Committee on a semi-annual basis.

- 

**Hana Financial Group's 2050 Carbon Neutrality Plan**

  - Adjusting emissions reduction targets based on Partnership for Carbon Accounting Financials (PCAF) and Science Based Targets (SBT)
  - Determination of asset portfolio emissions reduction targets
- 

**Joining ESG Global Initiatives**

  - Science Based Targets Initiative (SBTi)
  - Net-Zero Banking Alliance (NZBA)
  - UN Women's Empowerment Principles (UN WEPs)
- 

**Hana Financial Group's 2023 ESG Key Tasks**

<Setting 3 Key ESG Themes for 2023>

  - Strengthening Sustainable Finance Management
  - Strengthening social impact
  - Strengthening climate change response capacity
- 

**External ESG Evaluation Results and Response Plan**

  - Global top in DJSI Banking sector
  - Achieved MSCI ESG rating of AA

## Practicing Transparency and Accountability

Key Tasks 7 9

Hana Financial Group is making multifaceted efforts to expand the transparency of its management system. We published our first ESG Impact Report, quantitatively measuring our performance in non-financial factors and providing it to our stakeholders, and established an Environmental and Social Risk Management System (ESRM) to review and respond to environmental and social risks based on international standards.

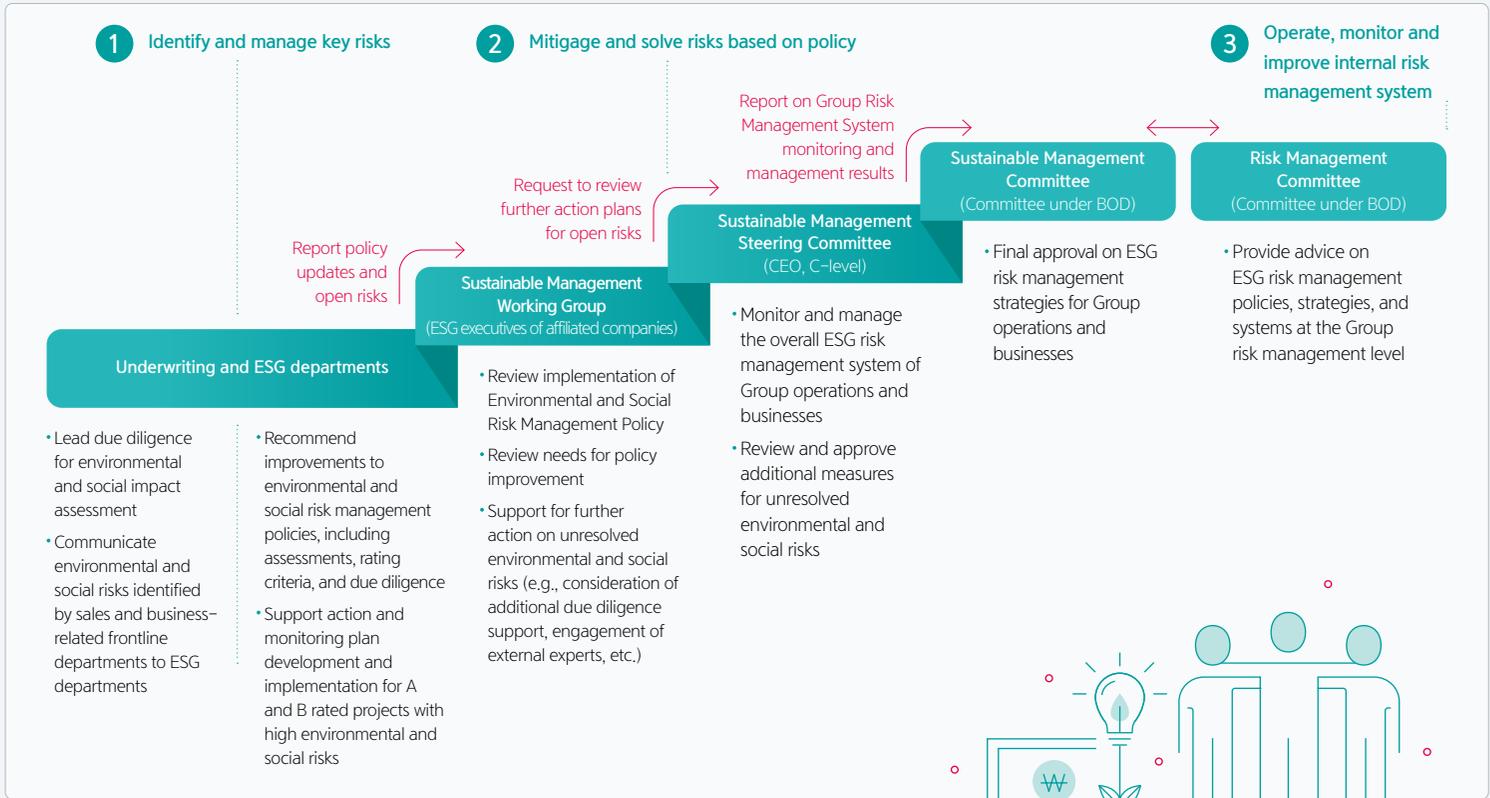
### Publication of ESG Impact Report



In April 2021, Hana Financial Group announced the group's ESG vision, "Big Step for Tomorrow," and ESG mid- and long-term strategies to promote ESG management in earnest. At the same time, the company measured its environmental and social impacts to quantitatively demonstrate its ESG management performance and streamline communication with stakeholders, and published the ESG Impact Report in 2022. We adopted a monetized measurement methodology to enable comparative analysis of a company's environmental, social, and indirect economic performance (benefits and costs) with its financial performance, thereby capturing Hana Financial Group's direction and intention to pursue environmental and social values simultaneously. Hana Financial Group plans to create an impact measurement foundation for its existing social contribution activities and to expand the scope of measurement and manage non-financial data in the future so that the impact of ESG management on corporate sustainability can be confirmed through objective indicators.

### ESRM (Environmental and Social Risk Management System)

Hana Financial Group manages environmental and social risks by integrating them into the company-wide risk management system to strengthen internal risk management. Hana Financial Group's management of risks is divided into three stages: 1) identification and management of major risks, 2) policy-based risk mitigation and resolution, and 3) monitoring and improving the operation of the internal risk management system. As for environmental and social risk management, the roles and responsibilities of the entities and organizations in charge of managing related risks are stipulated for each step.



# 2

# Special Report

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Diversity and Inclusion (D&I)

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Sustainable Finance

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Response to Climate Change  
and TCFD

# 2 Diversity and Inclusion (D&I)

As a leading financial company, Hana Financial Group is advancing diversity and inclusion both internally and externally. We will meet our corporate social responsibility to build a society where nobody is left out.

# Special Report

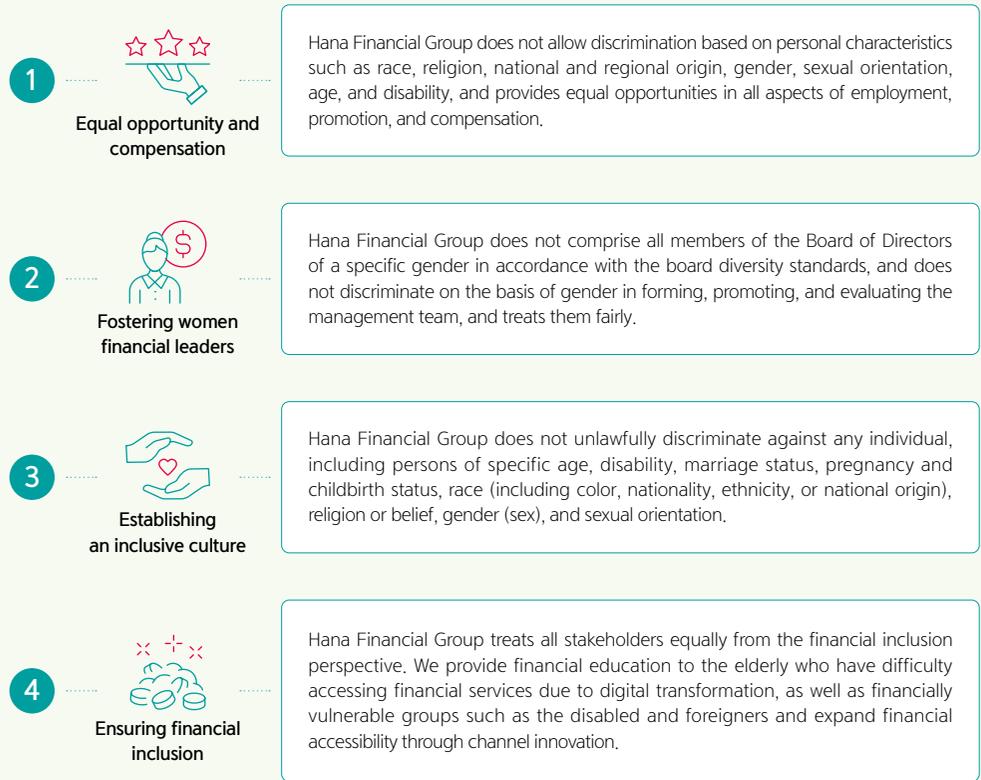


# Reinforcing Diversity

## Diversity Goals and Mid- to Long-term Roadmap

### Diversity and Inclusion Principles

As part of the implementation of the Group’s mission, “Growing Together, Sharing Happiness,” Hana Financial Group strives to create an inclusive workplace that respects the individuality and diversity of each member of the Group and grows as a whole. The following “Hana Financial Group Diversity and Inclusion Principles” were established in 2023 based on Code One, the Group’s code of ethics, the Hana Financial Group Human Rights Statement, which serves as the basis for human rights management, and global standards such as the UN Universal Declaration of Human Rights, International Labor Organization (ILO) Conventions, and UNGC Principles, which outline global diversity and inclusion principles:



### Key Tasks for Diversity and Inclusion

	2030 Goals	Key Activities
<b>Equal opportunity and compensation</b>	<ul style="list-style-type: none"> <li>Increase Diversity in Recruitment Process: 15% of Recruitment from Diverse Groups – disabled, veteran, multicultural, etc. –</li> </ul>	<ul style="list-style-type: none"> <li>Provide equal opportunity in hiring and promotion without discrimination on the basis of race, religion, country and region of origin, sex, or disability</li> <li>Ensure fair and equitable compensation without discrimination on the basis of sex.</li> </ul>
<b>Fostering women financial leaders</b>	<ul style="list-style-type: none"> <li>Manage the proportion of women in the pool of independent director candidates</li> <li>Achieve 30% female manager ratio</li> </ul>	<ul style="list-style-type: none"> <li>Include and manage women candidates to ensure gender diversity in the pool of board candidates (currently 26.2%)</li> <li>Operate a self-training program for the next generation of women leaders (Hana Waves): 300 cumulative participants by 2030</li> <li>Expand the number of female financial professionals: current percentage of women participating in the Corporate Lending training program is 61 percent</li> <li>Participate in global gender diversity initiatives: joined the UN Women’s Empowerment Principles (WEPs) (’22), listed on the Bloomberg Gender Equality Index (’22, ’23)</li> </ul>
<b>Establishing an inclusive culture</b>	<ul style="list-style-type: none"> <li>Expand the number of beneficiaries of inclusive culture programs, including support for single women and career discontinued women</li> </ul>	<ul style="list-style-type: none"> <li>Support empowering female employees with career breaks: currently 89</li> <li>Provide housing and employment support to unwed mothers for self-sufficiency: currently 115</li> </ul>
<b>Ensuring financial inclusion</b>	<ul style="list-style-type: none"> <li>Expand financial inclusion (infrastructure and beneficiaries)</li> </ul>	<ul style="list-style-type: none"> <li>Expand support for financial services to small businesses, youth, and others</li> <li>Support expanding access to finance through various channels for the disabled and foreign customers</li> <li>Provide seamless access to financial services for the financially vulnerable, including the elderly</li> </ul>

# Establishing Culture for Greater Diversity

## Fostering Female Talent and Increasing Female Executives

### Female Talent Fostering Program

<p><b>Hana Financial Group</b></p>	<ul style="list-style-type: none"> <li>• Launched Hana Waves, a program to foster the group’s next generation of female leaders</li> <li>• Conducted with assistant store manager-level employees in the group: 34 in Stage 1, 36 in Stage 2</li> </ul>
<p><b>Hana Bank</b></p>	<ul style="list-style-type: none"> <li>• Corporate Finance Academy for Retail Managers (approx. 60 participants for expanding work scope to male-dominated roles)</li> <li>• Managing guests for all (approx. 560 participants in enhancing competencies in jobs where women have strengths)</li> </ul>
<p><b>Hana Savings Bank</b></p>	<ul style="list-style-type: none"> <li>• Women’s leadership course for female leaders (26 participants in total)</li> <li>• Conducted in June 2022 for 23 female leaders</li> <li>• Percentage of female managers increased from 7.6% in 2021 to 12% in 2022</li> </ul>
<p><b>Hana Securities</b></p>	<ul style="list-style-type: none"> <li>• Conducted external training (forum) for female managers (1 department head participated)</li> </ul>
<p><b>Hana Capital</b></p>	<ul style="list-style-type: none"> <li>• Women’s leadership training for each level (planned for 2023)</li> </ul>

### Listing in Bloomberg Gender Equality Index (BGEI)

The Bloomberg Gender Equality Index is an index published by Bloomberg to select listed companies based on evaluation of their gender equality efforts in five key areas, namely “female leadership and talent development,” “same pay and gender pay equality,” “inclusive culture,” “sexual harassment policy,” and “women-friendly brand,” and to inform investors on ESG corporate status. Hana Financial Group was included in the Bloomberg Gender Equality Index (BGEI) for the second consecutive year in 2023 in recognition of its institutional efforts to promote women’s welfare, its gender equality education programs, and its “Hana Waves” program to foster female leaders. With the goal of achieving 30% female managers by 2030, we will continue to strive to empower female talent and advance diversity.

### Joining UN Women’s Empowerment Principles (WEPs)

The UN Women’s Empowerment Principles (WEPs) is an initiative jointly launched by the UN Global Compact (UNGC) and UN Women in 2010 to advance women’s human rights and strengthen women’s competitiveness in their workplaces and communities. Hana Financial Group joined the Women’s Empowerment Principles (WEPs) in May 2022, and is committed to adhering to the 7 principles of women’s empowerment and referring to international best practices to solidify its status as a company of excellence in gender equality.

### Hana Waves

Hana Financial Group operates Hana Waves to foster next-generation female leaders. “Waves” stands for “Women’s Actions, Voices, Emotions,” and represents the idea of creating waves of diversity-based innovation through women’s actions, voices, and emotions. Hana Waves is offered to female general manager-level employees within the Group, and each year, they receive a six-month systematic program that includes leadership, strategy, communication, group coaching, and professional courses to strengthen their professional capabilities and provide them with opportunities to grow as leaders. Since 2021, the program has produced a total of 70 female leaders and has played a substantial role in fostering next-generation female leaders within the group, including 6 executives appointed through the Hana Waves female talent pool.

# Establishing Culture for Greater Diversity

## Supporting Work-Life Balance

### Childcare Support Programs

Hana Financial Group strives to create an optimal working environment for its employees to focus on their work and balance work and family.

Category	Support System	Support Details
Benefits for childbirth and parenting of primary and secondary caregiver	Maternity/ paternity support	<ul style="list-style-type: none"> <li>• Prenatal diagnosis leaves provided for six months (including the parental leave period) before and after childbirth, which is more than the legal standard (90 days)</li> <li>• Paid parental leaves for primary caregivers and secondary caregivers: Guaranteeing one year of paid parental leave per child, equally for male and female employees (up to two years of parental leave total)</li> <li>• Providing in-house lactation rooms (operating at the Yatap Station Finance Center, Suyu Station Finance Center)</li> <li>• Paternity leave (10 days) for male employees at childbirth</li> </ul>
	Shorter working hours	<ul style="list-style-type: none"> <li>• Shortened working hours for pregnant employees who are soon to give birth (2 hours shorter working hours per day)</li> <li>• Shortened working hours for employees with children entering elementary school (Allow to commute to work at 10:00 for any two months of March and May)</li> </ul>
	Fertility support	<ul style="list-style-type: none"> <li>• Fertility leave (1 year)</li> <li>• Infertility treatment leave (3 days per year)</li> <li>• Support for women's fertility screenings and egg freezing procedures</li> </ul>
	Childcare facilities	<ul style="list-style-type: none"> <li>• Childcare centers for Hana Financial Group affiliates' employees who have children of ages 1-5</li> </ul>
	Childcare subsidies	<ul style="list-style-type: none"> <li>• Childcare subsidies for children with disabilities (KRW 300,000 or 500,000 per month)</li> <li>• Preschool tuition support preschoolers</li> </ul>
Paid leave support for family support other than parenting	Extended leave for family care	<ul style="list-style-type: none"> <li>• Leave (10 days) and extended leave (one year) for family care that can be used when employees' or their spouse's parents, employees' spouse, or their children are sick, requiring long-time care</li> </ul>

### Creating a Family-friendly Workplace

Hana Savings Bank

Hana Financial Group operates various welfare programs to support employees' work-family balance. Hana Savings Bank has been certified as a family-friendly company since 2014 for its exemplary operation of family-friendly systems such as supporting various congratulations and condolences, introducing employee health management systems, implementing 'Family Day' and providing family recreation facilities, and has been included in the Bloomberg Gender Equality Index (BGEI) for two consecutive years since January 2022. We will continue to strive to empower female talent and promote diversity, with the goal of achieving a 30% ratio of female managers by 2030.

### Pregnant Employee Protection Program

Hana Bank

Hana Bank protects pregnant employees by installing signs at customer-facing branches that identify them as pregnant employees, as well as name badges that ask them to refrain from using abusive language.



### Operation of a Group Workplace Daycare Center

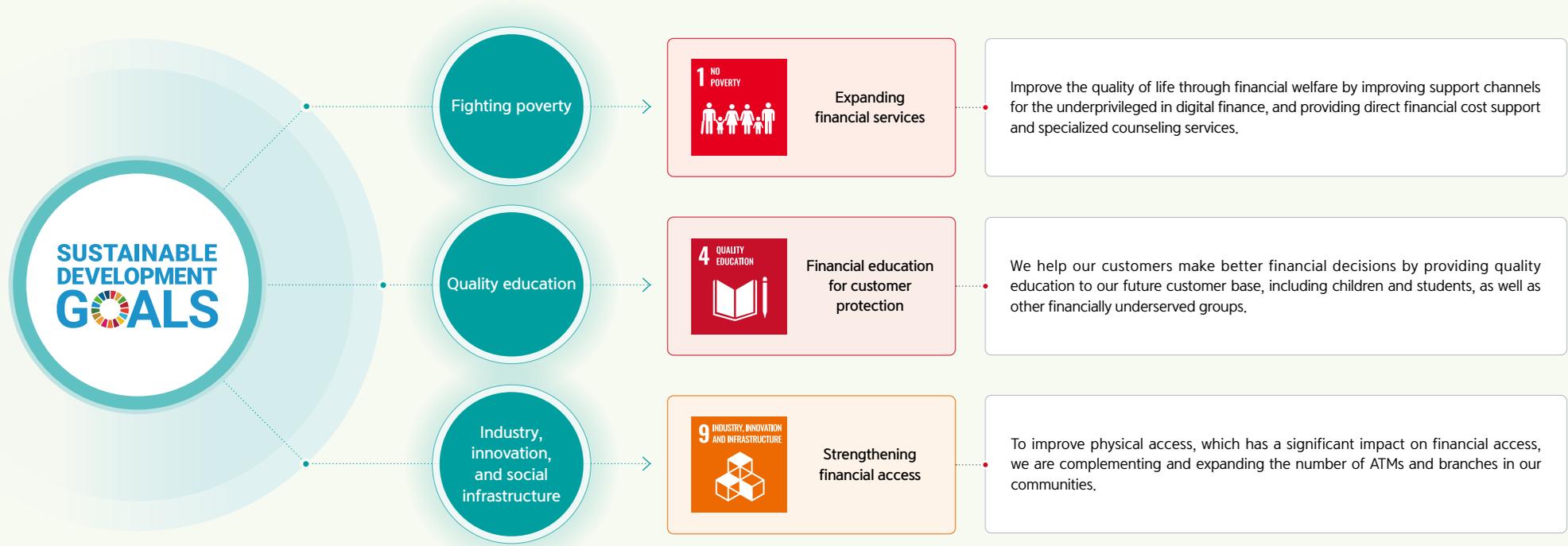
Hana Financial Group operates workplace children's centers for its employees. Hana Financial Group operates two types of workplace children's centers: in-house and shared. The in-house type is located in Myeongdong, Mokdong, Anam-dong, Yeuido, and Euljiro, while the shared type, which can be used jointly by Hana Financial Group employees and local SMEs, is located in Gwangju, Dunsan, Busan, Seongsu, and Cheongna. A total of 10 workplace children's centers are available to employees of all Hana Financial Group companies and priority is given to working families with multiple children.

# Reinforcing Financial Inclusion

## Definition of Financial Inclusion

Financial inclusion means facilitating access to a range of financial services at an affordable cost for individuals, households, or businesses, regardless of their economic level. As more and more demands are made on the social role of finance, the level of commitment is becoming heightened, and the need to promote financial inclusion, especially for vulnerable groups, is increasing.

Hana Financial Group is broadening financial services for various underserved groups, including seniors, foreigners, and disabled people; providing financial education to protect customers from problems arising from a lack of financial literacy; and strengthening physical financial accessibility for customers so that they can use Hana Financial Group's financial services more conveniently.



# Reinforcing Financial Inclusion

## Expanding Financial Services

### Innovating Channels for the Underserved Groups

Hana Financial Group supports technical improvements and various programs to facilitate the use of financial services by digital vulnerable groups, such as seniors over 65, disabled people and foreigners. In particular, we make efforts to improve financial accessibility through various programs that consider the characteristics of financial products and services of each affiliated company.

	Service Types	Main Services	2022 Performances
 Seniors	<ul style="list-style-type: none"> <li>• Technical improvements to provide convenient financial services</li> </ul>	<ul style="list-style-type: none"> <li>• Digital Kiosk STMs                             <ul style="list-style-type: none"> <li>– Deployed highly functional digital unmanned channel, Smart Teller Machines (STMs) in branches and regions with channel gaps where there are many elderly customers.</li> </ul> </li> <li>• Smart ARS and large font mode                             <ul style="list-style-type: none"> <li>– Using (video consultation) service while viewing the smartphone screen of Hana1Q app</li> <li>– Changing the font size and UI/UX of the smartphone screen for older customers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 46 STM installations (as of end of 2022)</li> <li>• 170,120 cases handled via STM</li> <li>• 13,362 video consultations</li> </ul>
	<ul style="list-style-type: none"> <li>• Support programs</li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated senior consultation manuals and consulting staff at call centers                             <ul style="list-style-type: none"> <li>– Dedicated consultants for seniors providing slow talk consultation and using 65+ consulting manuals</li> </ul> </li> <li>• Videos on how to use digital services for the elderly</li> </ul>	<ul style="list-style-type: none"> <li>• 30 financial consultants specializing in consulting seniors</li> <li>• 40,529 transfers and inquiries through slow talk consultation</li> </ul>
 Disabled	<ul style="list-style-type: none"> <li>• Technical improvements to provide convenient financial services</li> </ul>	<ul style="list-style-type: none"> <li>• Video and sign language consultation, smart ARS                             <ul style="list-style-type: none"> <li>– App and website services for the hearing impaired</li> </ul> </li> <li>• Braille and voice-activated ATMs, wheelchair accessible ATMs</li> </ul>	<ul style="list-style-type: none"> <li>• 644 cases of sign language consultation</li> <li>• 3,527 Braille and voice-activated ATMs</li> <li>• 3,025 wheelchair accessible ATMs</li> </ul>
	<ul style="list-style-type: none"> <li>• In-house support services</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of fax services for the speech impaired</li> <li>• Video guide for using digital services for people with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• 14 YouTube how-to videos produced</li> </ul>
 Foreigners	<ul style="list-style-type: none"> <li>• Technical improvements to provide convenient financial services</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting overseas remittance via smart ARS → voice and subtitles in 7 languages</li> <li>• HANA EZ Direct Remittance                             <ul style="list-style-type: none"> <li>– Real-time, no-fee overseas bank transfers to countries frequently used by foreign workers</li> <li>– HANA EZ Direct Transfer supported countries: 7 countries (Thailand, Mongolia, Vietnam, Sri Lanka, Nepal, Uzbekistan, Philippines)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 6,156 overseas remittances via Smart ARS</li> <li>• 1,896,899 HANA EZ direct remittances to 7 countries (including SWIFT and Western Union methods)</li> </ul>

# Reinforcing Financial Inclusion

## Expanding Financial Services

### Supporting Financial Services for Underserved Communities

Hana Financial Group supports financial services for underserved groups.

<b>ATM fee waivers for seniors</b>	Banking is made more accessible by waiving ATM fees for seniors aged 65+ in light of banks' digital transformation and shrinking branch channels
<b>Long-term installment repayment program</b>	Long-term installment repayment program provided a 0.5% interest rate reduction for new borrowers, helping 1,085 borrowers save KRW 16,045,000
<b>Financial cost support</b>	Support of a total of KRW 2,243,000 provided to 76 good faith loan holders (personal credit loans) with interest rates exceeding 6%

\* Number of beneficiaries 1,161, Number of transactions 1,161

### Supporting Financial Costs for Underserved Communities

Hana Bank

Hana Bank provides financial cost support for underserved groups.

<b>Charge-off debt waiver</b>	• 867 charge-offs amounting to KRW 53.9 billion to support the poor and the marginalized
<b>Agreement to restructure debts related to New Start Fund</b>	• Agreement in principle to support more than 350 small business owners with a total of KRW 10.8 billion to restore credit and re-establish their businesses
<b>Agreement to restructure debts and recover credit</b>	• Agreement in principle to support 3,986 individual borrowers with a total of KRW 65 billion to help them rebuild their credit and restructure debts

### Opening Financial Support Consultation Desks

Hana Bank

Hana Bank opened Financial Support Consultation Desks targeting underserved communities at its major branches. The counters counsel underserved borrowers whose repayment capacity has diminished, offering repayment deferrals and changes to repayment methods, and are being rolled out nationwide. We plan to reduce the interest burden on the underserved people by providing information on the right to request a rate reduction once a month for borrowers with an annual income of KRW 40 million or less.

### Providing Mid-interest Loans to the Financially Vulnerable

Hana Card

Since July 2021, Hana Card has been expanding its inclusive financial practices for the low-income group by supporting the low-income policy financial system and contributing funds to the Korea Inclusive Finance Agency to alleviate the burden of high interest rates. The low-income policy financing scheme offers credit loans to low- and middle-income creditors at an interest rate of up to 11.88%, and the contribution to the Korea Inclusive Finance Agency aims to support the economic independence of low-income people and the business of small business owners.

Contribution	2021	2022
Low-income policy financing	KRW 92 billion	KRW 100.7 billion
Korea Inclusive Finance Agency Fund	KRW 220 million	KRW 800 million

### Emergency Financial Services

Hana Card

Hana Card provides emergency financial services to support customers' financial difficulties and situations more specifically. In 2022, the company implemented a total of 4 emergency financial services that typically involved up to six-month deferment of charges for customers. Hana Card will continue to identify customers' economic difficulties and social issues and actively support their needs.



### Supplying Private Rental Housing REITs

Hana Asset Trust participates in the supply of publicly supported private rental housing to support the housing-vulnerable. In 2022, we supplied more than 300 homes through publicly supported private rental housing REITs and more than 2,000 homes near subway stations through 6 youth rental housing projects, totaling more than 2,300 homes.

# Reinforcing Financial Inclusion

## Expanding Financial Services

### ARS Services

<p><b>Hana Bank</b></p>	<ul style="list-style-type: none"> <li>• Smart ARS service that combines voice ARS guide and mobile screen to make transfers, transaction history inquiry, exchange rate inquiry, overseas remittance transactions, etc. easier and more convenient for foreign customers</li> <li>• Supports international remittances in 7 languages: Vietnamese, Indonesian, Cambodian, Mongolian, Myanmar, English, and Chinese</li> </ul>
<p><b>Hana Card</b></p>	<ul style="list-style-type: none"> <li>• Provided a variety of services to increase convenience at call centers</li> <li>• Provided service that adjusts the speed of speech for customers selecting the Slow Speech service in ARS (approximately 56,000 calls per month on average from June 2022 to February 2023)</li> <li>• Provided sign language consultation and chat consultation for the hearing impaired regardless of location (22 calls per month on video phone and 33 calls per month on IMO app from October 2022 to February 2023)</li> </ul>
<p><b>Hana Insurance</b></p>	<ul style="list-style-type: none"> <li>• Implemented 'Visible ARS' service to Hana1Q insurance app</li> </ul>

### Video Consultation Desk

Hana Bank

Hana Bank introduced and operates a video consultation desk that performs functions complementary to STMs. The desks are capable of handling fund and foreign exchange transactions, providing a new digital customer experience. As of June 2023, we operate a total of 5 video counseling desks and plan to continue to expand.

### Creating User Guide Videos for the Digital Vulnerable

Hana Card

Hana Card created and distributed videos to introduce various programs for ease of use for elderly and disabled customers who are prone to digital marginalization, including large print statement request, slow talk consultation, and designated person notification services, as well as sign language consultation, mobile direct customer center, AI chatbot real-time consultation, and Braille card plate issuance services for the disabled.

### Introduction of Digital Kiosk STMs

Hana Bank

Hana Bank introduced Smart Teller Machines (STMs), a highly functional digital unmanned channel, to operate at partner convenience stores and branch lobbies.

The STM is a space (device) where customers can directly handle teller services through a video call (agent) and biometric authentication, and is a digital self-banking window that can be used outside of branch hours. With STM, customers can use teller services 365 days a year, and through video consultation service, they are gaining a new channel experience from simple transactions to product sign-up. In particular, in preparation for the reduced financial accessibility of the elderly due to the downsizing of branches, we are expanding STM by utilizing unmanned stores and external partnership channels, and assigning one dedicated manager for each elderly customer who has difficulty using STM. In 2022, we deployed a total of 46 STMs, processing more than 170,000 jobs in the year, and we plan to increase the number of STMs in the future.

### Utilizing Digital Kiosk STM and Video Consultation Desks

Hana Bank

Hana Bank is expanding its non-face-to-face digital innovation channels by partnering with BGF Retail, the number one convenience store operator (16,787 as of the end of 2022). Hana Bank installed and operates STMs at CU convenience stores in unbanked areas (cumulative total of 3 stores in 2022), and plans to increase the number of partner stores while installing video consultation desks in addition to STMs so that customers can handle most of their banking needs at convenience stores. In addition, Hana Bank is deploying more STMs at branches with a large number of elderly customers to improve customer convenience, such as shortening the waiting time at teller counters, and has also deployed STMs at 365 ATM corners to provide banking services outside of branch hours. In September 2022, Hana Bank remodeled the closed Sangroksuji Branch in Ansan, Gyeonggi-do, and opened the Hana Tok Tok Lounge, which provides both banking services and community functions for local residents. The Hana Tok Tok Lounge is equipped with STMs and video consultation desks to enable self-banking, and we strive to provide convenience for the underbanked, such as the elderly who are not familiar with machines, by assigning dedicated managers.

# Reinforcing Financial Inclusion

## Happiness Finance Connecting in Hana Project

CASE

Hana Financial Group plans to provide KRW 26 trillion in financial support to approximately 1.4 million people annually for new shared growth with underprivileged groups experiencing economic difficulties due to the prolonged COVID-19 pandemic and rising interest rates. This will be carried out in 4 main areas of focus: micro businesses and self-employed; low-income, youth, and vulnerable borrowers; household loan users; and social value creation. Hana Bank, Hana Card, and Hana Savings Bank will deliver and operate various financial support programs systematically through organic alignment and collaboration.

Category	Small business owners/self-employed	Youth, seniors, the low income	Household loan borrowers	ESG
Support amount	KRW 19 trillion	KRW 3 trillion	KRW 4 trillion	KRW 1 trillion (for 5 years)
Beneficiary	353,000 people	250,000 people	94,000 people	700,000 people

### New Start Fund Program

Hana Bank | Hana Card

Hana Bank and Hana Card participated in the New Start Fund program, a joint financial sector initiative to reduce the financial burden on small businesses and self-employed people affected by COVID-19. After COVID-19 financial support terminated, Hana Bank extended its own maturity extension and installment repayment deferral program, and continues to provide financial support for small businesses to alleviate the burden of high-interest loans. Hana Card also offered a 1%p interest rate discount on short- and long-term card loans to small business owners whose sales fell by 30% or more from levels before COVID-19.

### Support Programs for Youth, Low-income Groups, and Seniors

Hana Bank | Hana Savings Bank

Hana Bank offers a 0.7%p interest rate reduction on new loans to young entrepreneurs who are either prospective entrepreneurs or have been in business for less than seven years, and by implementing interest reduction for vulnerable borrowers who have been faithfully repaying their loans, Hana Bank allows borrowers who pay more than 6% interest to apply their excess interest payments toward repayment of the loan principal each month.

Hana Savings Bank expanded its low-income policy financing programs, including Sunshine Loan and Saitdol 2 Loan, and further increased the preferential interest rate on fixed-term installment savings by 2.6%p for socially disadvantaged groups, including basic living subsidy recipients with disabilities.

### Household Loan Support

Hana Bank

Hana Bank provided \$4 trillion in customized support for approximately 90,000 household loan borrowers and implemented a program to convert variable-rate mortgage loans to fixed-rate loans for household loan borrowers who are not eligible for Safe Conversion Loan. Furthermore, the Bank raised convenience by making Safe Conversion Loan available through non-face-to-face application.

### Job Security Fund Loan

Hana Bank

In an effort to help alleviate the business burden of micro, small, and medium-sized enterprises and ensure the employment of workers, Hana Bank has been supporting business owners with the Job Security Fund with a total sales limit of KRW 500 billion per year since 2018.

(as of end of 2022)



Target businesses

1,233 businesses



Support amount (balance)

Approx. KRW 510 billion

# Reinforcing Financial Inclusion

## Financial Education for Customer Protection

### Children and Youth Financial Education with Financial Education Council

<p><b>1 company-to-1 school program</b></p>	<p>Hana Bank and Hana Securities have formed alliances with elementary, middle and high schools through the Financial Services Agency to provide students with customized financial education for each grade level. The 1 company-to-1 school program, which provides basic financial education on topics such as currency and exchange rates, savings and investment, and other topics that students need to know, is conducted by trained financial education instructors, including retired Hana Bank employees, who visit schools in person or conduct training virtually, depending on the circumstances. As of the end of 2022, 17,208 students from 107 schools participated in the program.</p>
<p><b>Global financial experience</b></p>	<p>Hana Bank conducted a financial education program for junior and senior high school students providing them with opportunities to experience careers, including tours of a money museum, a dealing room, and meetings with professionals (counterfeit examiners and foreign exchange dealers), and 281 students from 11 schools participated in the program in 2022.</p>
<p><b>Education for independence of financially vulnerable youth</b></p>	<p>To support the children aged out of foster care by establishing sound values on finance and supporting their stable growth as members of society by attaining economic independence, Hana Financial Group provided financial education and mentoring to children in child welfare facilities across the country and produced educational videos on essential financial topics necessary for independence. The financial education videos were provided through Hana Financial Group's YouTube channel, "Hana TV," to allow not only the young people preparing for independence but also other audiences to watch the educational videos.</p>

### Education Programs by Age Group

Category	Preschools	Elementary schools	Middle schools	High schools
Education program	Hana Good Child Financial Education	Children Economy Musical "Jack's Magic Wallet" Let's Play Finance, 1, 2, 3 Economic Currency Money	Experiencing Global Finance	Financial Education for Youth Preparing for Independence

### HANA TV, Story of Finance 'Money'

	Number of storytelling videos	20 videos		Total streaming count	46,000 times
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### Financial Education for the Children Aged out of Foster Care

	Number of Education videos	3 videos		Total streaming count	114,757 times
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### Children's Financial Education, "Let's Play Finance, 1, 2, 3"

[Hana Bank](#)

Hana Bank is providing online financial education for young customers under two themes, "What is Money?" and "I Can Manage My Pocket Money on My Own". The financial education lecturers provide hands-on lessons using bill puzzles to teach at the children's age level. In addition, they explain the meaning of pocket money and how to budget pocket money and make piggy banks. In particular, the Bank strives to narrow the gap in financial education by providing education to underprivileged children at child welfare facilities nationwide.

### Customized Financial Education Seminars

[Hana Bank](#)

Hana Bank conducted the MZ Investment Meet Up to provide systematic education on financial issues such as proper investment strategies and taxes to university students in the MZ generation. Moreover, the Hana Investment Meet Up, which was expanded to include working professionals, reflected the increased need for financial education following the rapidly changing financial environment, and provided programs for forming sound asset management, such as common sense on taxes and tax saving strategies, common sense on real estate and investment strategies, and stock market trends and investment guides, for free. In 2022, MZ Investment Meet Up was held 6 times and Hana Investment Meet Up was held 28 times throughout the country, with a total of 1,434 attendees.

### Counterfeit Detection Education for MZ Generation

[Hana Bank](#)

In order to prevent losses due to counterfeit bill fraud, Hana Bank has produced three educational videos on how to recognize counterfeit, altered, and imitation bills, how to detect counterfeit bills, and precautions when exchanging money while traveling abroad. Hana Bank released the videos on Wevengers, a YouTube channel specializing in counterfeit bills jointly launched by the Bank of Korea, Korea Federation of Banks, and the National Intelligence Service, to prevent further losses from counterfeit fraud.

### Participation in OECD International Financial Education Week

[Hana Bank](#)

Hana Bank hosted a promotional booth at Cheonggyecheon Plaza in Jung-gu, Seoul, from March 20 to 26, 2023, for OECD's International Financial Education Week, providing financial education programs and participating in the Financial Supervisory Service's "Learn Online Financial Education" event (providing self-diagnosis of financial knowledge at the Financial Supervisory Service's e-Financial Education Center, followed by recommendation of customized online financial education courses, and issuing certificates and products upon completion of the courses). The experience zone, one of the two zones of the booth, received great popularity among citizens of various generations, who participated in programs such as issuing mock passbooks, solving banknote puzzles by denomination, making consumption plans, and making their own piggy banks. The promotion zone introduced various financial education-related videos on Hana TV, the group's official YouTube channel, to spread Hana Bank's financial education programs.

# Reinforcing Financial Inclusion

## Financial Education for Customer Protection

### Financial Education for Hana Institute of Finance Customers

Hana Institute of Finance provides “Hana Financial Focus,” a bi-weekly publication that analyzes major issues in the financial industry, trends, financial market monitoring, and key financial indicators. “Hana Financial Focus has dramatically improved the accessibility of the contents by providing them not only in print but also through the KakaoTalk channel, and the contents are written not only by in-house researchers but also by experts from external organizations (financial research institutes such as the Korea Institute of Finance and the Korea Capital Market Institute, as well as universities), which contributes significantly to enhancing the financial knowledge of our customers.

### Production of Financial Consumer Protection Education Content

Hana Securities

Hana Securities created financial consumer protection education content for the financially disadvantaged. The contents include “Financial Consumer Protection Act,” “How to Invest Thriftily and Prevent Financial Fraud,” “Consumer Protection Education for the Elderly,” and “Consumer Protection Education for the Disabled.” The “Consumer Protection Education for the Disabled” was additionally produced in sign language.

## Strengthening Financial Access

### Improving Financial Access through Partnerships

Hana Bank

Hana Bank has formed a business partnership with Korea Post (in November 2022) to enable customers to use deposit, withdrawal, inquiry, and automated teller machine (ATM) services at more than 2,500 post offices nationwide without additional fees. As 53.8% of financial outlets at post offices are located in rural areas, this is expected to significantly improve access to finance for a wide range of customers, including the elderly and residents of small communities. Hana Bank is also working with Woori Bank to open joint branches in areas where branches have been closed. In April 2022, Hana Bank opened its first joint branch in Yongin, Gyeonggi-do, followed by a second “joint automated store” in Hanam, Gyeonggi-do. The Yongin location handles simple teller services such as small deposits and withdrawals, various filing services, e-finance, and utility bill payments, which are in high demand among elderly customers. The Hanam joint automated branch is open 365 days a year from 7 a.m. to 11:30 p.m. with two automated machines from both banks in one space.

### Supporting the Financially Marginalized through Culture Bank

Hana Bank

Hana Bank’s Culture Bank is a project that utilizes bank branches to create open cultural spaces for local communities, and we have opened 9 Culture Banks nationwide. The Cheonan Station and Daejeon Station branches operate as dedicated channels for local foreign residents to increase access to finance for foreigners. In particular, the Cheonan Station branch provides cultural exchanges and free medical services in collaboration with local governments and medical welfare organizations, and the number of foreign customers has been steadily increasing, from about 2,100 in 2020 to about 3,000 in 2022. The Gwangju branch has established itself as a local cultural hangout by serving as a community space exclusively for the elderly. At the Gwangju branch’s Lounge 1968, the Bank conducts financial education for the elderly, provides cultural contents, and supports social gatherings with local celebrities.

### Free ‘Cyber Financial Crime Insurance’ for small businesses

Hana Bank

Hana Bank has provided free cyber financial crime insurance to vulnerable small businesses, which is designed to protect them from cyber financial crimes that impersonate financial institutions and cause financial losses. The support targets are about 100,000 small business owners who are receiving COVID-19-related loans. Small business borrowers who newly received a loan secured by a local foundation guarantee from January 2020 to the end of July 2022 that includes a special clause for COVID-19 support, or who newly received a ‘Hope Plus Special Guarantee and Credit Loan’ from January 2022 to the end of July 2022, can purchase free insurance until the end of September 2023. The free ‘Cyber Financial Crime Insurance’ covers damages caused by domestic cybercrimes such as phishing, pharming, smishing, and memory hacking, and the compensation limit is up to KRW 5 million during the coverage period. As of the end of June 2023, there were 3,236 subscribers and the total amount of support was KRW 9,672,748.

\* Number of beneficiaries 3,236, Number of transactions 3,236

Hana Bank

### Launched ‘Simple Payroll Transfer Service’ for small businesses and individual business owners

Hana Bank has partnered with startups such as Jabber, Jarvis & Billions, and iBizOn, which provide B2B solution services for small and medium-sized enterprises, to provide ‘Easy Payroll Transfer Service’ utilizing the Hana Bank Open API. This service is for small businesses and individual business owners, and improves the convenience of payroll transfers by allowing them to easily register their transfer details with just a few clicks, without the inconvenience of having to enter the recipient account information and amount for monthly payroll transfers. Launched in March 2020, the service was used by about 180 companies in the first quarter of 2022, and the cumulative amount of payroll transfers exceeded KRW 40 billion.

# 2 Sustainable Finance

Hana Financial Group recognizes the role of finance in realizing a sustainable society and strives to support areas where finance is needed in our society. We will continue to realize finance that grows and shares happiness with our stakeholders by providing financial products and services at the right time and in the right place.

# Special Report



# ESG Finance

## Hana Financial Group Sustainable Finance Framework

### Revision of Sustainable Finance Framework

Hana Financial Group established the Sustainable Finance Framework in July 2021 to manage performance toward ESG financial goals and manage environmental and social risks. In July 2023, the Sustainable Finance Framework was revised following the resolution of the Sustainable Management Committee under the BOD to strengthen ESG financial management capabilities and establish a financial decision-making process that reflects environmental and social risks. In addition, through this revision, new policies were established to respond to biodiversity issues, which are now emerging second only to climate change. The revised Sustainable Finance Framework will be used to inform climate change-related business strategy decisions, with the aim of making the Group's carbon neutrality by 2050.

### Composition of Sustainable Finance Framework

The newly revised Sustainable Finance Framework comprises a total of five policies for managing, overseeing, and mitigating various environmental and social risks:



Policy	Details	New/Strengthened
Sustainable finance policy	<ul style="list-style-type: none"> <li>Basic guide to sustainable finance practices, detailing the scope and applicable principles for: corporate and personal finance, project finance, and investment and advisory services.</li> <li>Stipulates strengthening stakeholder communication on sustainable finance</li> </ul>	new
Environmental and social risk management policy	<ul style="list-style-type: none"> <li>Expanded application of the Equator Principles, a global standard for environmental and social risk management systems of financial institutions (current bank internal regulations)</li> <li>Improved the process of applying ESRM across corporate finance</li> </ul>	strengthened
Environmental and social risk integration policy	<ul style="list-style-type: none"> <li>Extending integrated ESG management by financial instruments (utilizing external certification) to risk management in general</li> <li>Specified system for identifying, monitoring, and managing environmental and social risks</li> </ul>	strengthened
Sector Policy	<ul style="list-style-type: none"> <li>Strengthened the binding effects of environmental and social risk-focused industrial policies: agriculture and fisheries, forestry, mining, oil and gas, and energy</li> <li>Designated high GHG emitting industries as special managed industries</li> </ul>	strengthened
Biodiversity policy	<ul style="list-style-type: none"> <li>Provides principles and detailed policies for biodiversity management</li> <li>① Disclosure standards and required disclosures, such as TNFD, etc.</li> <li>② Provides biodiversity risk assessment process, risk assessment criteria, and strategy implementation plan</li> </ul>	new

# ESG Finance

## ESG Financial Process (ESRM)

Hana Bank

Hana Bank joined the Equator Principles in August 2021 to promote environmental, social, and governance (ESG) management by establishing an environmental and social risk management system and fulfilling its responsibilities. By adhering to the Equator Principles, Hana Bank seeks to make responsible judgments in its lending and investment decision-making processes, and further to minimize negative environmental and social impacts caused by projects financed by our Bank. We plan to publish an annual report on the implementation of the Equator Principles to transparently disclose the status of our implementation, and to promote ESG management by practicing the Equator Principles.

### Equator Principles

The Equator Principles are a voluntary agreement among financial institutions around the world to refrain from lending to large-scale development projects with issues such as environmental degradation or human rights abuses.

### Equator Principles Education

Hana Bank

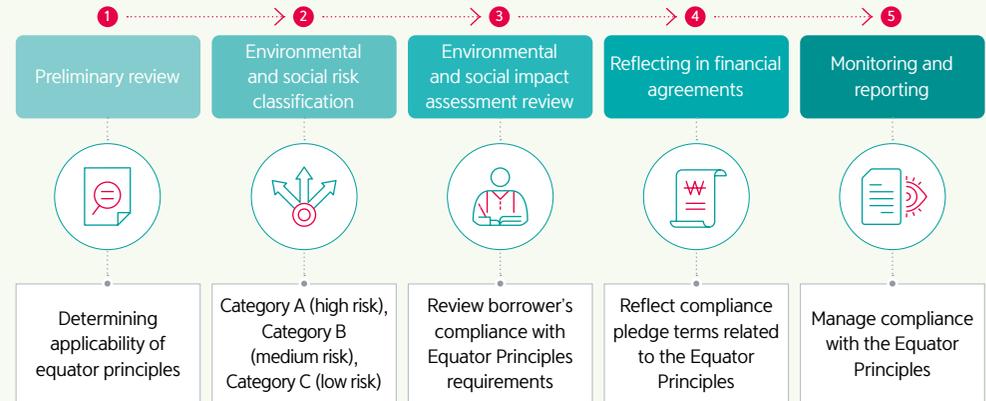
Hana Bank designated a dedicated organization for the Equator Principles and established internal regulations and implementation guides that establish environmental and social screening procedures and standards based on the Equator Principles. We introduce the Equator Principles through employee training and share implementation manuals to make them applicable at work. We also provide customized training based on actual cases of the Equator Principles to strengthen employees' environmental and social risk management capabilities.

## Equator Principles applied Products

Applied to the following five financial instruments in principle

- 1 Financial advisory service for project finance with total project value of USD 10 million or more
- 2 Project finance with total project value of USD 10 million or more
- 3 Corporate loans related to projects in which the customer has substantial control, a contract amount of USD 50 million or more, and a term of two years or more
- 4 Bridge loans with a term of less than two years that are intended to be converted into project-related business loan
- 5 Refinancing and acquisition financing that meets all of the following conditions:
  - Existing project was subject to the Equator Principles
  - There is no material change in the scale or scope of the project
  - The project is not complete at the time the agreement is signed

## Equator Principles Application Process



\* Risk analysis is conducted based on the Sustainable Finance Framework when implementing project financing, and internal experts and independent third-party experts are engaged to ensure compliance with the Sustainable Finance Framework.

# ESG Finance

## ESG Financial Process (ESRM)

### Equator Principles Implementation Status

Category		A rating	B rating	C rating
By industry	Mining	-	-	-
	Infrastructure	1	3	3
	Oil and gas	-	-	-
	Power	-	-	3
	Others	-	-	-
	<b>Total</b>	<b>1</b>	<b>5</b>	<b>6</b>
By region	Americas	1	-	-
	Europe/Middle East and Africa	-	-	1
	Asia/Pacific	-	5	5
	<b>Total</b>	<b>1</b>	<b>5</b>	<b>6</b>
By country assignment	Country assigned	1	-	-
	Country unassigned	-	-	1
	<b>Total</b>	<b>1</b>	<b>5</b>	<b>6</b>
Independent audit	Yes	1	5	1
	No	-	-	5
	<b>Total</b>	<b>1</b>	<b>5</b>	<b>6</b>

### Project Financing Cases

#### Anjwa Inland Solar PV Project PF

CASE 1

This project is to construct a 204MW solar power facility in Anjwa-myeon, Shinan-gun, Jeollanam-do, and Hana Bank as the lead arranger plans to invest KRW 271.1 billion out of the total project amount of KRW 285.3 billion. According to the Environmental Impact Assessment, the project is a large-scale power generation facility construction near a wetland protection area that will have an impact on the marine environment. An Action Plan was established to reduce negative impacts, and is being implemented after sufficient opinion gathering procedures.

#### Status of fuel cell development in Chuncheon

CASE 2

This project is to construct a fuel cell power plant with 30MW generating capacity, and Hana Bank is participating as an advisor. By implementing this project, we hope to contribute to improving the country's energy competitiveness through stable supply of eco-friendly, high-quality energy and sharing of advanced technologies. Furthermore, 26,000 tons of greenhouse gas emissions are expected to be reduced by fuel cell power generation.

#### Project Mars

CASE 3

The project is part of an expansion project to improve the problems of aging and insufficient terminals at JFK International Airport in New York, US, and the Bank participated with US\$20 million out of a total syndicated loan amount of US\$6.6 billion for the redevelopment and operation of Terminal 1. The project is an essential infrastructure project driven by the continued growth in aviation demand and is judged to have minimal adverse environmental and social risks or impacts relative to its business viability.

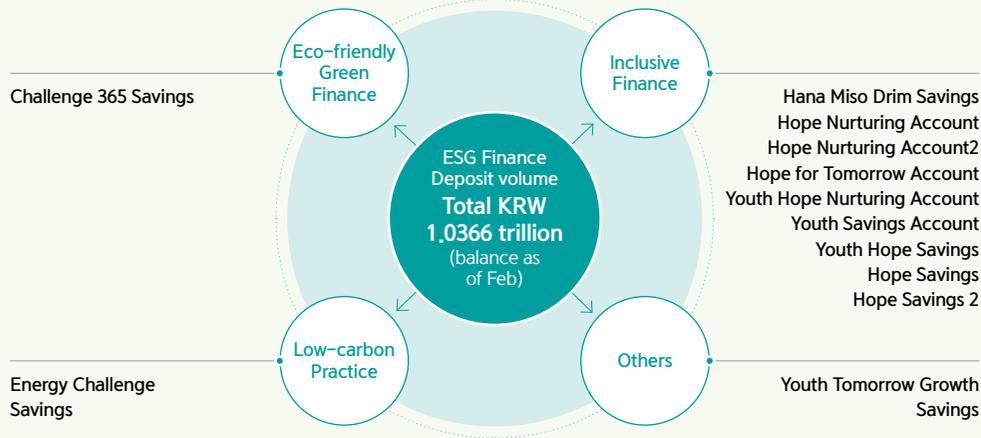
\* The environmental and social assessment of this project was conducted by Jessica Collins, Bryan Murty, and Stephne Kaplan of VHB Engineering.

\* Number of projects reviewed: 12, ratio of projects reviewed to total projects: 100%, number of projects having reached financial close: 12, number of projects rejected: 0

# ESG Finance

## ESG Financial Products

### Hana Bank Deposit Products



### Housing Financial Products

<b>HFCGF Jeonse</b>	<ul style="list-style-type: none"> <li>• For newlyweds*, multi-child households</li> <li>• 0.1% discount on guarantee fee</li> </ul>
<b>Multi-child Jeonse</b>	<ul style="list-style-type: none"> <li>• Two or more minor children in household</li> <li>• 90% of the jeonse security deposit, 0.5 times the guarantee limit by repayment capacity</li> <li>• Minimum guarantee fee applied (0.02% of loan amount)</li> <li>• 0.15% preferential rate</li> </ul>
<b>Newlywed Rent Guarantee by City of Seoul</b>	<ul style="list-style-type: none"> <li>• 90% of the jeonse security deposit, 0.5 times the guarantee limit by repayment capacity</li> <li>• Minimum guarantee fee applied (0.02% of loan amount)</li> <li>• Preferential rate according to income, number of children (interest support by city of Seoul)</li> <li>• Interest support period extension in case of child-birth during loan period</li> </ul>
<b>Jeonse Safe Loan</b>	<ul style="list-style-type: none"> <li>• For newlyweds* with a combined annual income of KRW 60 million or less</li> <li>• Preferential guarantee limit (90% of jeonse security deposit)</li> <li>• Discounted guarantee fee (50%)</li> </ul>

\* From within 3 months before marriage to within 7 years of marriage

### Youth Asset-building Support Policy

Category	Youth Tomorrow Growth Savings	Youth Hope Savings
Target	Youth aged 15~39	Youth aged 19~34 (up to 6 years of military service not counted)
Support details	Support for matching grants from the Ministry of Health and Welfare to support asset building of youth making up to KRW 24 million per year	Support for preferential rates by the Financial Services Commission • 2% in first year • 4% in second year
No. of customer	47,000	220,000
Type of product	Installment savings	Installment savings
Maturity	3 years	2 years
Sales period	Twice a year	Once a year

### Maternity and Paternity Support Products

<b>Hana Child-rearing installment savings</b>	<ul style="list-style-type: none"> <li>• For parents raising 2 or more children</li> <li>• Installment savings account with 1-year maturity available for deposits between KRW 10,000 and KRW 300,000</li> <li>• Base rate of 2.0%, with preferential rates for households receiving child support and those with two or more minor children</li> <li>• Providing up to 4% rates per annum and up to 8% per annum when special preferential rates of up to 2% per annum are applied</li> </ul>
<b>Interest rate reduction on loans for families with multiple children</b>	<ul style="list-style-type: none"> <li>• For multi-child households applying for a new or refinanced housing loan or jeonse loan</li> <li>• For multi-child households applying for a new or refinanced housing loan or jeonse loan interest rate reduction for housing-related loans for those with a home of 85 square meters or less and two or more minor children under the age of 19</li> <li>• 0.4 percentage point rate reduction regardless of the size of the home if you have 3 or more minor children</li> </ul>
<b>Fertility and childbirth benefits card</b>	<ul style="list-style-type: none"> <li>• Discounts on hospitals and pharmacies, drugstores, and partner travel services, as well as furniture and interior services related to preparing for and after childbirth, in order to alleviate the cost of fertility treatments</li> </ul>

# ESG Finance

## ESG Financial Products

### Financial Support for Firefighters Hana Bank

Hana Bank launched the Hana1Q Credit Loan (Firefighters), a loan product exclusively for firefighters, to provide practical support to firefighters who are dedicated to serving the country and its people. It offers preferential rates for new loans and the lowest interest rates in the financial sector, and provides free insurance services for firefighters who use the Hana1Q credit loan. Hana Life Insurance's (Firefighter) Protection Plan, which covers firefighters' accidental death and disability, was offered for free for one year to help firefighters prepare for unexpected accidents.

As the end of 2022



Number of firefighters who received free insurance

**255**  
persons

### Launch of Hana Sharing Savings Hana Bank

Hana Bank will donate up to 100 million won to the socially disadvantaged by collecting 100 won per transaction (up to a maximum of 1,200 won) for each love heart piece that Hana Sharing Savings account holders receive when they log in to the Hana1Q app.

As the end of 2022



Hana Sharing Savings performance

**32,150**  
accounts

### High Hana Ordinary Deposit Account Hana Savings Bank

Hana Savings Bank is encouraging customers to participate in environmental protection by offering a preferential rate of 0.1% per annum to customers who do not use paper passbooks when signing up for a new account since the launch of High Hana Ordinary Deposit.

As the end of 2022



High Hana Ordinary Deposit performance

**19,011** persons  
**KRW 250,2** billion

### Blue Sky CD Hana Savings Bank

Since the launch of the Blue Sky Fixed Installment Savings, Hana Savings Bank has been donating KRW 1,000 per new account opened to environmental organizations, providing customers with the experience of contributing to the environment just by signing up for a financial product.

As the end of 2022



Blue Sky CD performance

**5,909** persons  
**KRW 9,3** billion

## SME Shared Growth Support Connecting in Hana Program CASE

Hana Bank implemented a total of KRW 230 billion in financial support for mutual growth with SMEs through the SME Shared Growth Support Connected in Hana Program.

Category	High-interest rate borrower support	Fixed-interest rate borrower support	Underprivileged borrower support	Credit support by theme
Target	Approx. 6,400 companies	Approx. 4,000 companies	Approx. 6,200 companies	-
Support volume	KRW 43 billion	KRW 70 billion	KRW 13	KRW 105

### Support for High-interest Rate Borrowers

Hana Bank offered interest rate reductions of up to 2%p for SMEs bearing the burden of loan interest due to the steep rise in interest rates, if the calculated interest rate exceeds 7% when extending the maturity of the loan. In addition, when a non-externally audited entity with a relatively low credit rating extends the maturity of a credit loan, and the interest rate exceeds 7% even after the maximum interest rate reduction, Hana Bank will automatically convert the interest amount exceeding 7% to be used for loan principal repayment through the Principal Repayment Conversion Program every month for a year. As a result, we plan to provide interest rate reduction worth KRW 43 billion to approximately 6,400 SMEs.

### Support for Borrowers Choosing Fixed Interest Rates

Hana Bank is providing interest rate reductions to SMEs that choose a fixed interest rate with a limit of KRW 3 trillion in the first half of 2023 and plans to expand the limit in the second half of the year. In addition, Hana Bank will launch a safe fixed interest rate special loan that allows borrowers to autonomously choose their interest rate based on changes in the base rate and sell it with a limit of KRW 1 trillion.

### Support for Underprivileged Borrowers

Hana Bank decided to temporarily lower its late surcharge rate applied to overdue loans until the end of this year. The Bank plans to ease the financial burden of vulnerable SMEs by reducing the late payment surcharge by 3% points by the end of 2023, and continue to offer principal repayment waivers and interest reductions through expedited financing programs, workouts, and corporate rehabilitation.

### Credit Support by Theme

Hana Bank plans to support SMEs with KRW 1.4 trillion by expanding the bank's own thematic products to SMEs and extending loans secured by letters of guarantee to those lacking credit. In addition, the bank plans to provide interest rate reductions and liquidity support for leasing businesses, and extend financial support to manufacturing and export companies, including interest rate reductions, liquidity support, preferential export fees, and KRW 5 trillion in loan support.

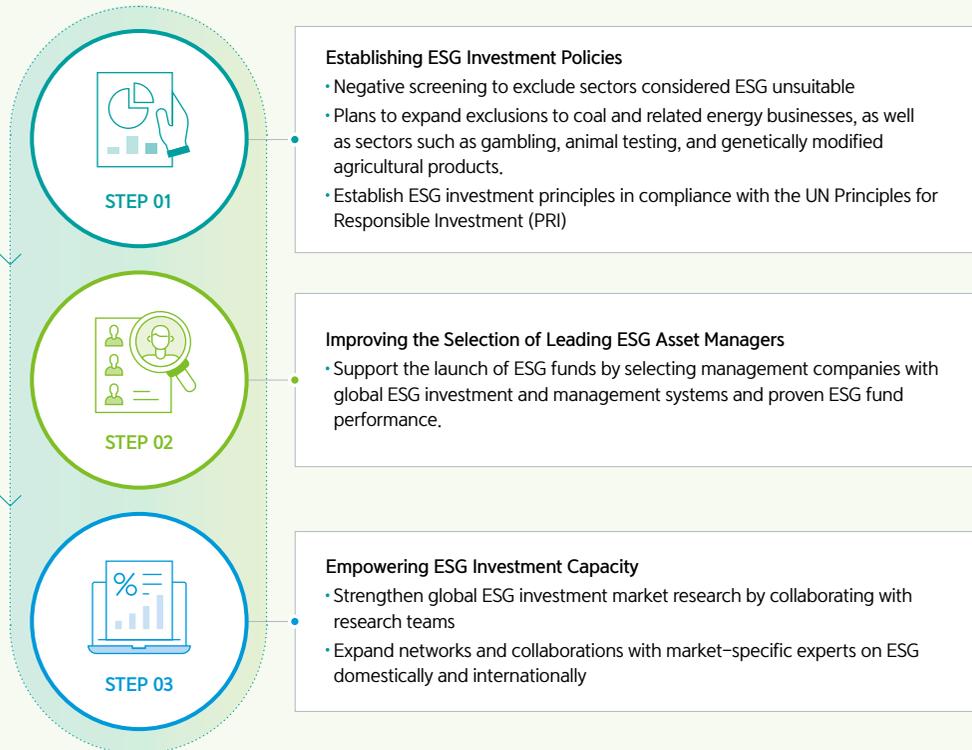
# ESG Finance

## Expanding ESG Investment

### Establishing the Hana ESG Investment Framework

Hana Securities

Hana Securities, serving as an intermediary between managers and investors, is leading the domestic asset management market in terms of investment direction and management. In order to establish a sustainable investment infrastructure and culture, we are establishing the Hana ESG Investment Framework to create an ESG-friendly investment environment for both managers and investors.

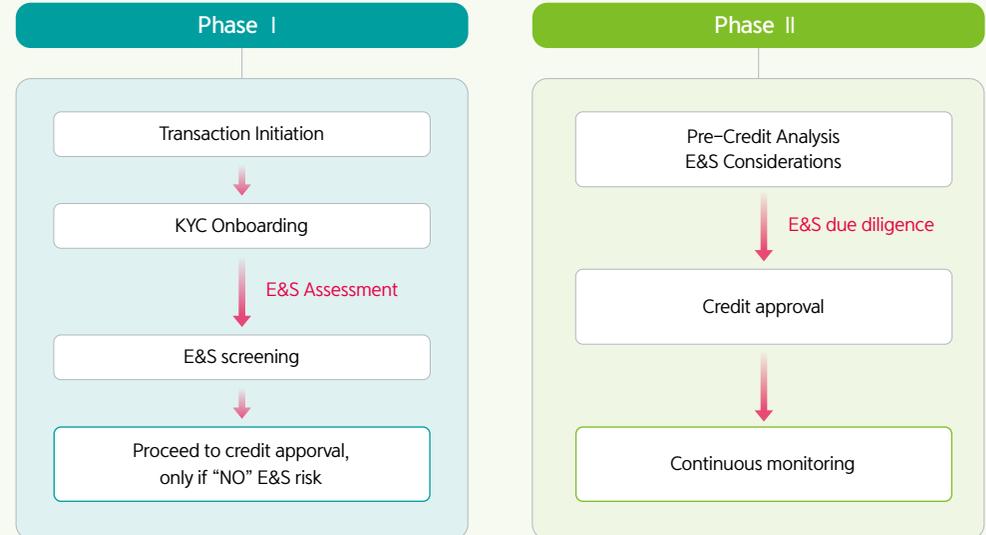


## ESG Loan and Investment Decision-Making

Hana Bank

Hana Bank is committed to identifying E&S risk factors associated with loan and investment decision-making. The company accordingly established a screening process to rule out or minimize potential negative impacts. Hana Bank has improved the monitoring, evaluation, and management systems as well as increasing clarity of definition of its E&S risk management processes that include in-depth screening and monitoring to minimize negative E&S impacts that may arise directly or indirectly in business activities or operations. By monitoring and controlling environmental and climate risks along with traditional financial risks, Hana Bank will be able to come up with a comprehensive and rigorous, integrated risk management system for business-wide monitoring. Hana Bank strictly adheres to its internal ESG regulations throughout its business, and it undertakes separate analyses and evaluations of any business opportunities that could occur significant E&S risks. Furthermore, the Bank shall reject or suspend certain transactions with high potential E&S risks throughout its Know Your Customer evaluation process.

### Decision-making on ESG lending loans and investments



# ESG Bonds

## ESG Bond Management System

### Sustainable Finance Management System

Hana Bank

Hana Bank established a sustainable finance management system based on the Use of Proceeds requirement with the goal of funding projects in 6 eligible green environmental categories and 4 eligible social categories. This is in line with the 4 core elements defined in the Green Bond Principles 2021, Social Bond Principles 2021, and Sustainable Bond Guidelines 2021 of the International Capital Market Association (ICMA) and the Green Lending Principles 2023 and Social Lending Principles 2023 of the Loan Market Association.

In March 2022, Hana Financial Group updated its ESG Framework, received third-party certification and an opinion from DNV that it is in line with the 2021 Sustainability Bond Guidelines, and became the first Korean commercial bank and the second Korean company to receive a sustainability quality score of 'SQS2' (Superior) from Moody's.



#### Green Environmental Categories

- Renewable energy
- Energy efficiency
- Green transportation
- Green building
- Pollution prevention and control
- Sustainable management of natural biological resources and land use



#### Social Categories

- Access to essential services
- Affordable housing
- Creating jobs
- Socioeconomic development and empowerment

## ESG Bonds Issued

### ESG Bonds Issued in 2022

Hana Bank

In 2022, Hana Bank issued ESG bonds worth approximately KRW 1.1 trillion. Under Hana Bank's ESG Framework, the proceeds were used to produce new and renewable energy, support companies and small businesses affected by COVID-19, and support companies that create jobs, and reports of their environmental and social impacts are disclosed on the Hana Financial Group website.



### Investment in ESG Bonds

The Hana Financial Group is expanding its investments in ESG bonds, which are issued for the purpose of corporate social responsibility investments such as environmental, social, and governance improvements. As of the end of 2022, the Group's total investment in ESG bonds was approximately KRW 16.2 trillion, and we have set a target of achieving KRW 17 trillion in ESG bond investment by 2030 through steady increase in investment volume.

### Hana Financial Group ESG Bond Investment Status in 2022

Affiliates	Category	Amount (KRW 100 million)
Hana Bank	FCY	19,055
	KRW	133,433
Hana Securities	FCY	2,743
	KRW	5,728
Hana Life	KRW	1,300
Hana Insurance	KRW	94
<b>Total</b>	-	<b>162,353</b>

# ESG Bonds

## ESG Bonds Issued

### Lead Arrangement and Underwriting Participation for Green Bonds

Hana Financial Group provides advisory services for ESG bonds, including green bonds. Hana Securities was selected as the lead arranger for the issuance of green bonds by Kookmin Bank and KB Securities in 2021, and participated as an underwriter in the issuance of green bonds by SK, Hyundai Mobis, Lotte Holdings, and KOSPO from 2011 to 2021. Additionally, Hana Securities was selected as the lead arranger for Woori Bank's KRW ESG Bonds in 2019, 2020, and 2022, and participated in the issuance of ESG bonds by Mirae Asset Life, KOSMES, and Korea Development Bank.

### Lead Arrangement and Participation in Underwriting for Green Bonds (2021~2022)

Category	Issuing Company	Issued Amount (KRW 100 million)	Issued Date
Lead Arranger	Kookmin Bank	1,000	2021.03
	KB Securities	1,100	2021.03
Underwriting Team	SK	1,500	2021.02
	Shinhan Bank	4,000	2021.05
	Korea Investment&Securities	1,500	2021.06
	Lotte Property&Development	3,000	2021.06
	Hyundai Mobis	1,500	2021.07
	KOSPO	1,600	2022.04
	Korea Western Power	1,000	2022.10

\* Estimated issued amount KRW 100 billion or more

### Hana ESG Sustainability-Linked Loan

Hana Bank

Hana Bank launched the "Hana ESG Sustainability-Linked Loan," a product that diagnoses a company's ESG management level based on an ESG assessment and provides interest rate reductions based on the degree of improvement, in collaboration with the Korea Chamber of Commerce and Industry to support ESG management of SMEs as part of the action process to become an ESG-leading financial group (July 2023). Participating companies are required to undergo an ESG assessment through the Korea Chamber of Commerce and Industry, and after verification of the ESG assessment, Hana Bank supports interest rate reduction of up to 1.2% based on the ESG management performance certificate issued by the Korea Chamber of Commerce and Industry. The level of interest rate is adjusted every year depending on the change in ESG assessment score of participating companies, and the maximum loan term is 5 years. Hana Financial Group plans to expand the Sustainability-Linked Loan to provide substantive aid to SMEs in improving their level of ESG management.

### System for Preferential Treatment of ESG-recognized Companies

Hana Bank

Hana Bank offers preferential interest rates to companies with excellent ESG ratings from domestic credit rating agencies, such as eCredible and NICE, and job creating companies recommended by the Human Resources Development Service of Korea. While the ESG Assessment Certification System implemented by Hana Bank in 2021 was a program to support the cost of ESG assessments, the system for preferential treatment of ESG-recognized companies allows companies to directly benefit from interest rate discounts by improving their ESG management activities.

### Research on Sustainability Risks

As a strategic think tank for Hana Financial Group, the Hana Financial Management Institute conducts research on sustainability risks and communicates with all stakeholders. The recent 'Research Report: Sustainability Risks of Loanees' published by the Hana Financial Management Institute covered the changes in government regulations related to sustainable finance, the status of loans by borrowers, environmental and social risk factors, and ESG issues in the financial industry. It provides the group and financial society with an understanding of the importance of managing sustainable risk management factors. The research report is available on the Hana Financial Management Institute website ([www.hanaif.re.kr](http://www.hanaif.re.kr)).

# 2 Response to Climate Change and TCFD

In response to the global challenge of climate change, Hana Financial Group declared 2050 Net Zero as its mid- to long-term goal and established a roadmap. Hana Financial Group will never cease its endeavors to respond to climate change until we achieve carbon neutrality, and will take great strides to become an eco-friendly financial company by systematically tracking the progress in achieving the goal.

# Special Report



# Decarbonization Management

## Leading Decarbonization Management



### Recipient of the 2022 CDP Korea Awards for the Third Consecutive Year

Since its first participation in the CDP in 2016, Hana Financial Group has been listed in the Carbon Management Sector Honors in the financial sector for four consecutive years since 2019, and earned the Carbon Management Honors Club award for three consecutive years in recognition of its excellence in governance, risk management, business strategy, carbon emission goals, and performance management system in responding to climate change. In particular, Hana Financial Group applied the PCAF methodology, a global environmental initiative, to measure carbon emissions from its business sites and its asset portfolio, and proved its excellence by receiving approval of SBTi on its goal for achieving net zero carbon neutrality by 2050.



### Signing MOU to Revitalize the Voluntary Carbon Credit Market

Hana Securities

Hana Securities has signed a business agreement to promote the voluntary carbon credit market with Singapore carbon credit exchange CIX (Climate Impact X). The Voluntary Carbon Market (VCM) is a market where companies and institutions with no carbon reduction obligations voluntarily trade carbon credits to protect the environment and strengthen ESG. Hana Securities is the first in the industry to accelerate the acquisition of overseas carbon credits and is leading the way in financializing the market by proactively establishing its presence in the global voluntary carbon market. Hana Securities is conducting various activities to create a voluntary carbon credit market and will continue to pursue a virtuous cycle of carbon finance.



### Awarded the Grand Prize for 2022 Best Brand Chosen by Consumers

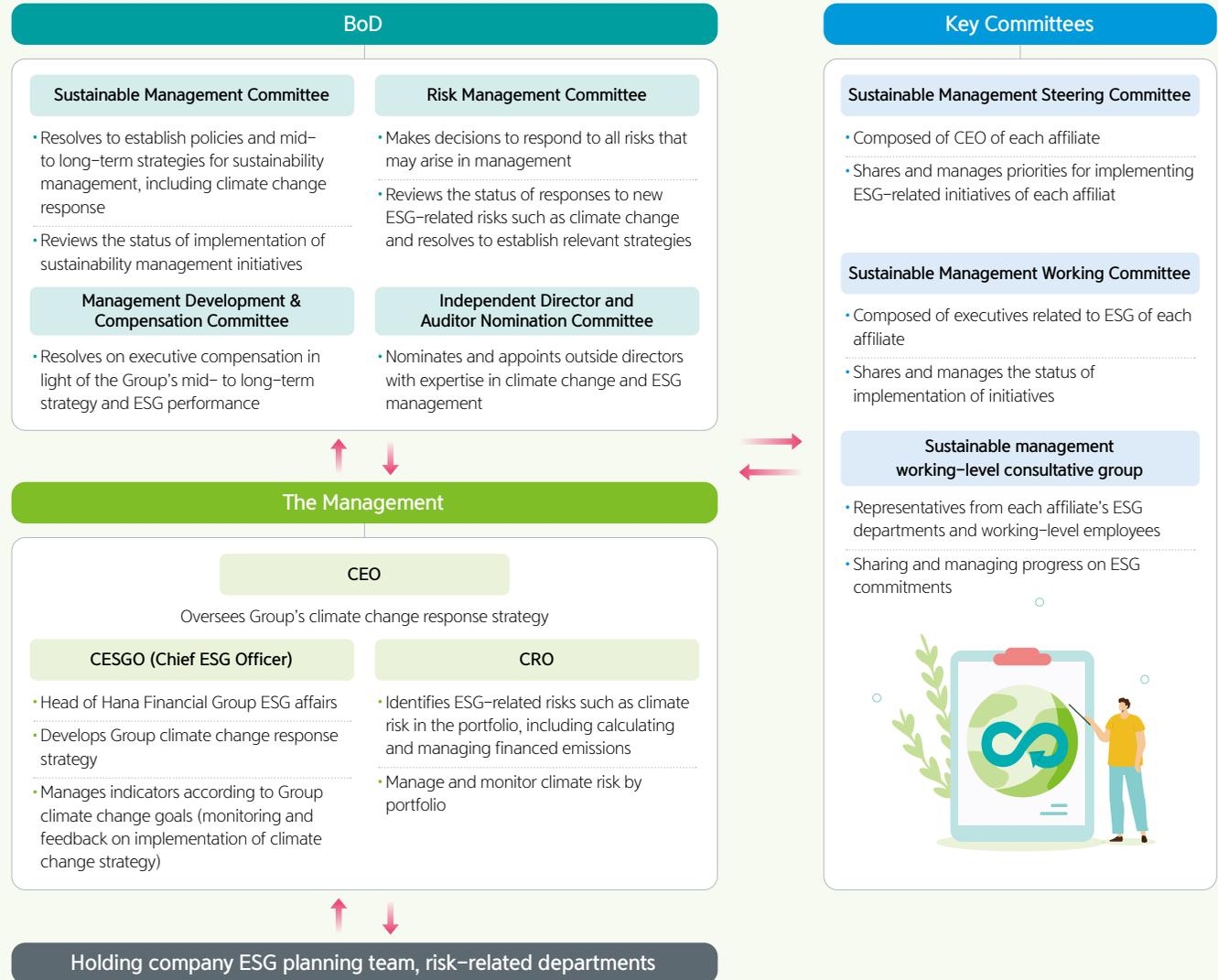
Hana Insurance

Hana Insurance launched Hana EcoPlus auto insurance, which aims to reduce carbon emissions and improve the environment by driving less. Hana EcoPlus consists of three plans, My Plan, EcoMile Plan, and Standard Plan, and offers discounts of up to 44% to 50% depending on the plan. It was highly praised for suggesting the best customized products based on the driver's mileage and driving habits, allowing customers to save on insurance premiums while protecting the environment by driving less.

# TCFD

## Governance

- As climate change issues become increasingly important, Hana Financial Group’s climate change response strategy is managed and supervised by the BOD and Group Executive Management, the top management of Hana Financial Group, and headed by the CEO himself.
- Hana Financial Group recognizes ESG management, including climate strategy, as an important management principle and strategy, and integrates it into all processes and activities of each affiliate. In order to systematically implement ESG management in all affiliates, Hana Financial Group has established a group-wide climate change response system by assigning roles to the BOD, management, and working teams.
- To ensure that the CEO’s ESG commitment is reflected in management and that climate change issues are discussed at the BOD level, the Sustainable Management Committee was established within the holding company’s BOD, and the Sustainable Management Steering Committee is in operation with members representing each affiliate. Moreover, the working committees under the Sustainable Management Steering Committee share the status and performance of ESG management among affiliates. All affiliates systematically respond to climate change by identifying and evaluating climate risks and opportunities that are unique to different affiliates and establishing related systems.
- Hana Financial Group aims to fulfill its role as a leading sustainable finance institution by responding to climate change more proactively through this group-wide climate change response system.



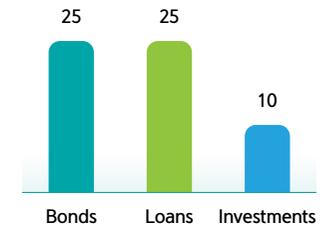
# TCFD

## Strategy

- To accelerate ESG-focused management, Hana Financial Group has established an ESG mid- and long-term strategy in line with changes in the international financial order. For the implementation of the mid- and long-term vision "Big Step For Tomorrow", Hana Financial Group aims to fulfill nine core tasks to promote the development of a low-carbon economic system, contribute to society through finance, and practice decision-making based on transparency and responsible management. In order to establish a climate change response strategy, we have set 2030&60 and ZERO&ZERO targets reflecting the analysis of risks and opportunities.
- 2030&60 aims to source and provide a total of KRW 60 trillion in ESG financing to the sustainable sector by 2030, including KRW 25 trillion in ESG bond issuance, KRW 25 trillion in ESG loans, and KRW 10 trillion in ESG investments, to resolve social issues and provide extensive support to eco-friendly businesses.
- In addition, Hana Financial Group is pursuing ZERO&ZERO, which aims to achieve zero carbon emissions from the Group's business sites and zero coal project financing (PF) by 2050, and plans to have all affiliates achieve carbon neutrality and zero coal PF balances in the next 30 years.
- Hana Financial Group is not only implementing its mid- and long-term goals, but also monitoring the ESG performance of its affiliates and actively responding to climate risks and opportunities by conducting various activities, including joining initiatives and responding to global assessments, to create tangible results.



### Goal 1 ▶ 2030&60 (KRW trillion)



**KRW 60 trillion** in loans, investments, and financing for green and sustainable sectors **by 2030**

### Goal 2 ▶ ZERO&ZERO

#### Business sites



#### Coal PF



# TCFD

## Risk Management

### Climate Risk Impact Assessment

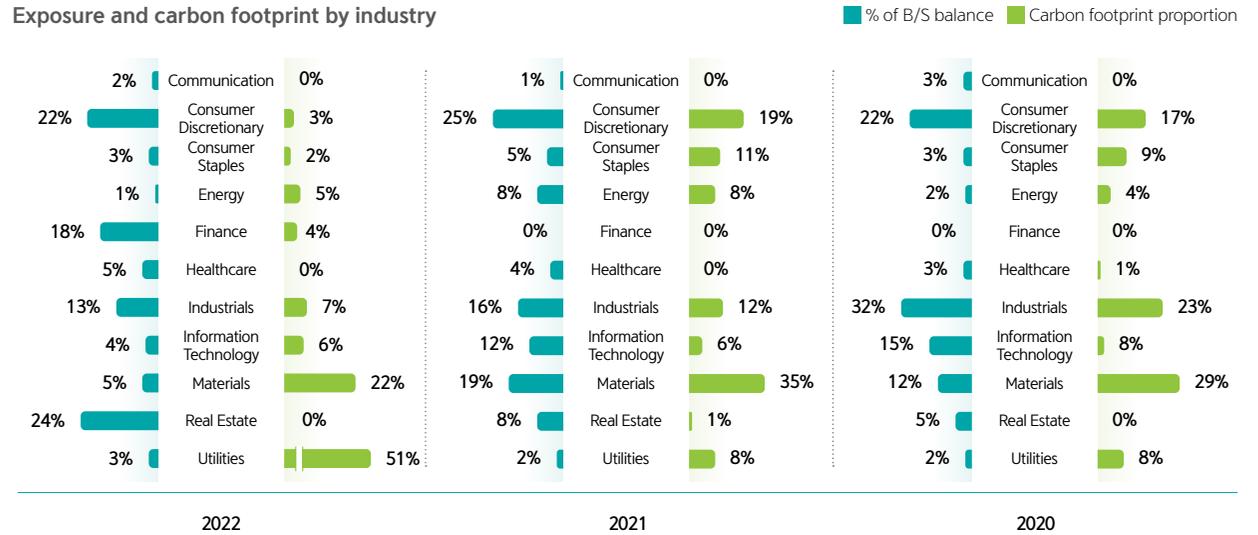
Hana Financial Group intends to curtail its portfolio GHG emissions by reducing exposure to industries with high GHG emissions. As such, we are comparing the portfolio's exposure ratios to each GICS industry category with the ratio of total allocated carbon emissions to each industry category in order to understand the climate change response risk of the portfolio.

According to the analysis of Hana Financial Group's 2022 portfolio, we found that the carbon intensity of the portfolio is the highest in utilities followed by materials, and then industrials. Although the utility sector's C/R, which includes power generation, has recently risen sharply due to high demand for bonds issued by KEPCO, Hana Financial Group's carbon intensity has steadily improved in both the C/R (Carbon emissions to revenue ratio) and WACI (Weighted Average Carbon Intensity).

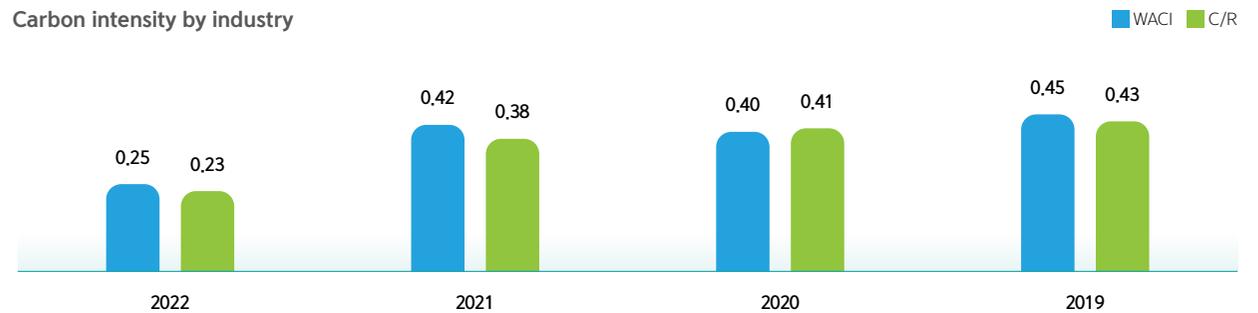
\* Difference in trend from previous year in 2021 due to expansion of PCAF application criteria and adjustment of GICS-KSIC classification to apply the criteria

### Comparison of Portfolio Carbon Footprint by Industry

#### Exposure and carbon footprint by industry



#### Carbon intensity by industry



1) C/R (Carbon per Revenue): Intensity calculated by dividing the allocated CO<sub>2</sub>e by the corresponding annual revenue

2) WACI (Weighted Average Carbon Intensity): Intensity reflecting the weight of the asset in the portfolio and the individual C/R intensity of the borrower

# TCFD

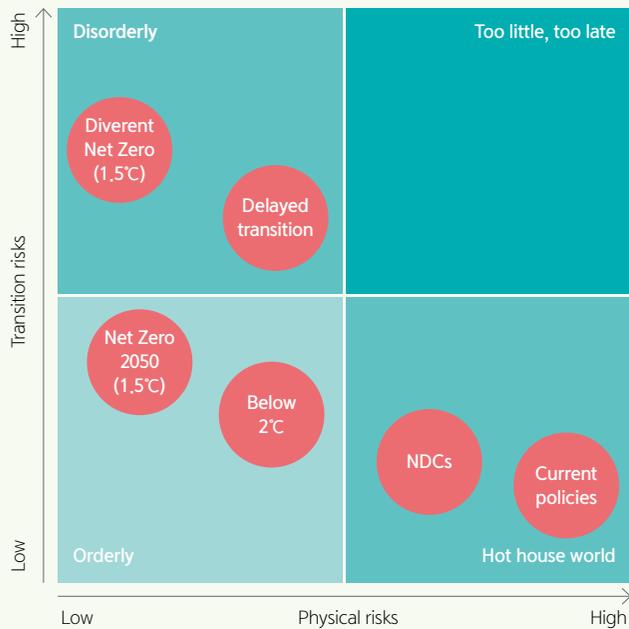
## Risk Management

### Transition Risk Scenario Analysis

Hana Financial Group analyzes the ability of each funded company to pay for future carbon costs based on the Unpriced Carbon Cost (UCC) to help investors understand carbon price risks by scenario. Using the Net Zero and Below 2°C scenarios among the NGFS (Network for Greening the Financial System) scenarios, we calculate the UCC of the entire portfolio and track changes in credit rating of each company according to the forecast to examine financial impacts.

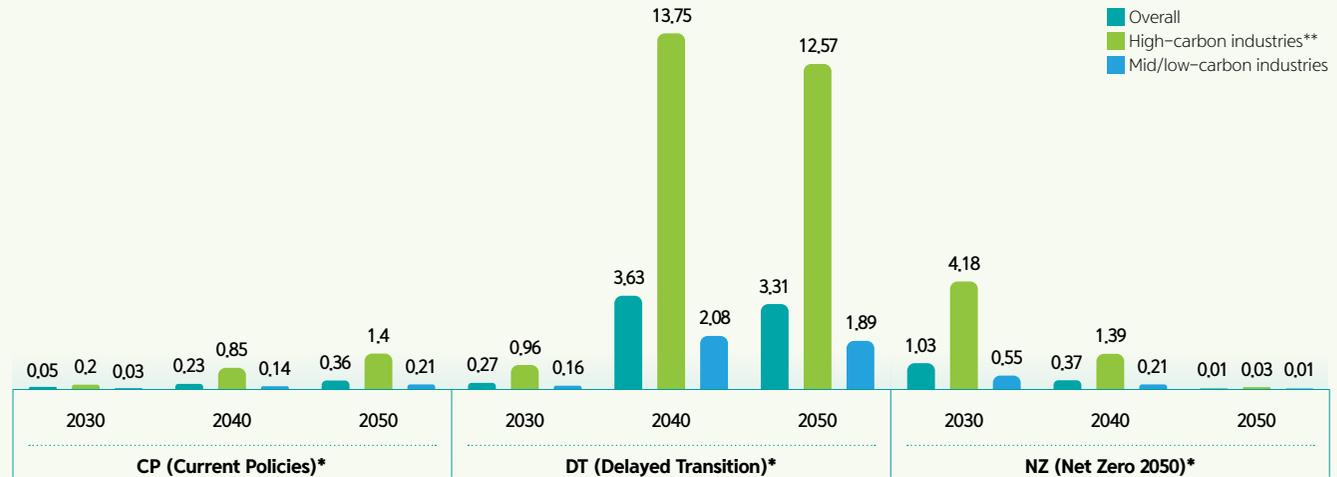
Based on the financial impact analysis according to the scenarios in the NGFS, the change in the 2050 probability of default for high-carbon industries due to transition risk shows an increase of 0.03%p (NZ scenario) to 12.57%p (DT scenario) compared to the baseline, while the 2050 default rate for low- and medium-carbon industries with relatively low GHG emissions shows an increase of 0.01%p (NZ scenario) to 1.89%p (DT scenario) compared to the baseline. The significant increase in the default rate after 40 years under the DT scenario is attributed to the fact that in the CP and NZ scenarios, emissions prices are relatively stable in the long-term given policy consistency, while in the DT scenario, emissions prices are expected to be higher after 30 years due to the sudden increase in mitigation activities.

### NGFS scenarios Framework



### Change in PD (Probability of Default) by Scenario Due to Transition Risk<sup>1)</sup>

(Unit: %)



1) Compared to the baseline scenario

\* Current Policies (CP): Assuming a global temperature increase of 3°C due to the international community's failure to transition to a low-carbon society

DT (Delayed Transition): Assuming a global temperature increase of 2°C due to disorderly transition by the international community starting 2030

Net Zero 2050 (NZ): Assuming a global temperature increase of 1.5°C due to orderly transition by the international community

\*\* Among 77 business types according to the standard industrial classification, 9 business types including electricity supply (coal power generation, etc.), chemical substances and products (petrochemical, etc.), nonmetal minerals (cement, etc.), primary metals (steel, etc.), refined petroleum (oil refinery, etc.), textile products (spinning, weaving, etc.), processed metal products (metal structures, etc.), other transportation equipment manufacturing (vessels, etc.), and metal mining (ferrous, nonferrous metals, etc.)

# TCFD

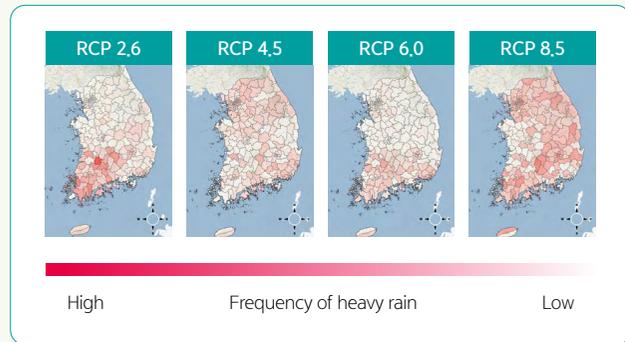
## Risk Management

### Physical Risk Scenario Analysis

Hana Financial Group signed a MOU (memorandum of understanding) with the Financial Supervisory Service, the United Kingdom (Embassy), Ewha Womans University, and major domestic companies to develop an advanced climate risk management model for risk assessment and scenario analysis of physical risks, and analyzed related impacts.

Hana Financial Group identified exposures by industry and region to measure the physical risk of assets and applied impact factors for major physical risks such as flood.

### Setting Climate Risk Scenarios by RCP



To better understand physical risks, we analyzed four scenarios of RCP 2.6 to 8.5\* in the climate risk management model and identified chronic risks (sea level rise, etc.) and sudden risks (floods, landslides, heat waves, wildfires, etc.) according to the borrower's industry characteristics and business location, and determined the impact on the borrower at different levels of credit rating downgrade for each scenario.

The analysis result showed overall, physical risks increasing in line with rise in RCP index\*\*, with higher risks in areas with relatively high distribution of borrowers, such as Seoul and Gyeonggi, and in industries such as manufacturing, real estate, and leasing. Hana Financial Group manages climate risks of its portfolio by considering transition risks related to greenhouse gas regulations and technological changes, as well as physical risks reflecting regional characteristics.

\* RCP2.6: If the Earth can recover from the impacts of human activities (assuming a CO<sub>2</sub> concentration of 420 ppm in 2100)

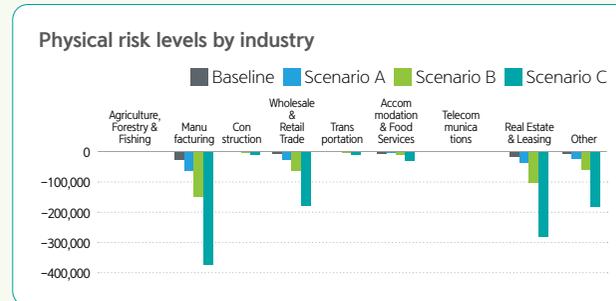
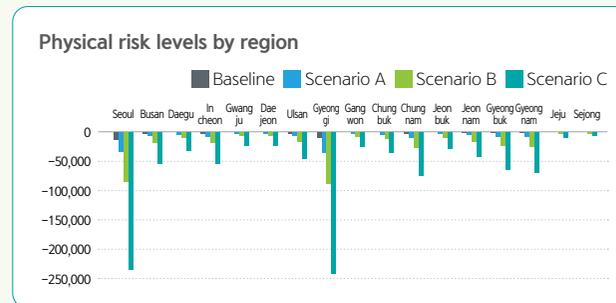
RCP4.5: If substantial GHG mitigation policies are realized (assuming a CO<sub>2</sub> concentration of 540 ppm in 2100)

RCP6.0: If GHG mitigation policies are moderately realized (assumes a CO<sub>2</sub> concentration of 670 ppm in 2100)

RCP8.5: If GHGs are emitted at current trends (without mitigation) (BAU, assuming a CO<sub>2</sub> concentration of 940 ppm in 2100)

\*\* Representative Concentration Pathways (RCP) Index: The extent to which a GHG concentration pathway alters the energy equilibrium.

### Identifying Physical Risk Level by Scenario



### Managing Physical Risk Levels by Region/Industry



- Scenario A: Market Sensitivity = Stable
- Scenario B: Market Sensitivity = Sensitive
- Scenario C: Market Sensitivity = Very Sensitive
- Baseline Loss: The loss expected by default in the absence of a physical risk

# TCFD

## Risk Management

### Financed Emissions Measuring Results

Hana Financial Group analyzes the carbon emissions of the Group's credit portfolio and incorporates them into revenue or investment values to identify risks. To do so, Hana Financial Group is calculating emissions based on the PCAF methodology. In 2022, Hana Financial Group calculated emissions for only three categories (listed stocks and corporate bonds, corporate loans and unlisted stocks, and project finance) based on PCAF, but expanded the scope to a total of seven categories (commercial real estate, mortgages, auto loans, sovereign bonds) in 2023 to reinforce management of GHG emissions as a financial institution.

The analysis of Hana Financial Group's portfolio in 2022 showed high carbon intensity in the utilities and industrial sectors, which use a lot of fossil fuels, and in the consumer staples and material sectors, which consume a high proportion of electricity. In terms of intensity, the intensity of listed stocks and corporate bonds, corporate loans, and unlisted stocks showed an improvement of 35% to 39% year-on-year, while project finance showed an increase.

**Assets measured** **KRW 253.9 trillion**

Compared to KRW 76 trillion in 2021  
Covering 50% of Hana Financial Group's total assets of  
KRW 502 trillion in 2022

#### Existing Measurable Asset Classes

- PCAF 1** Equity (listed)/  
Corporate Bonds
- PCAF 2** Equity (Unlisted)/  
Corporate Loans
- PCAF 3** PF (power generation/  
other)



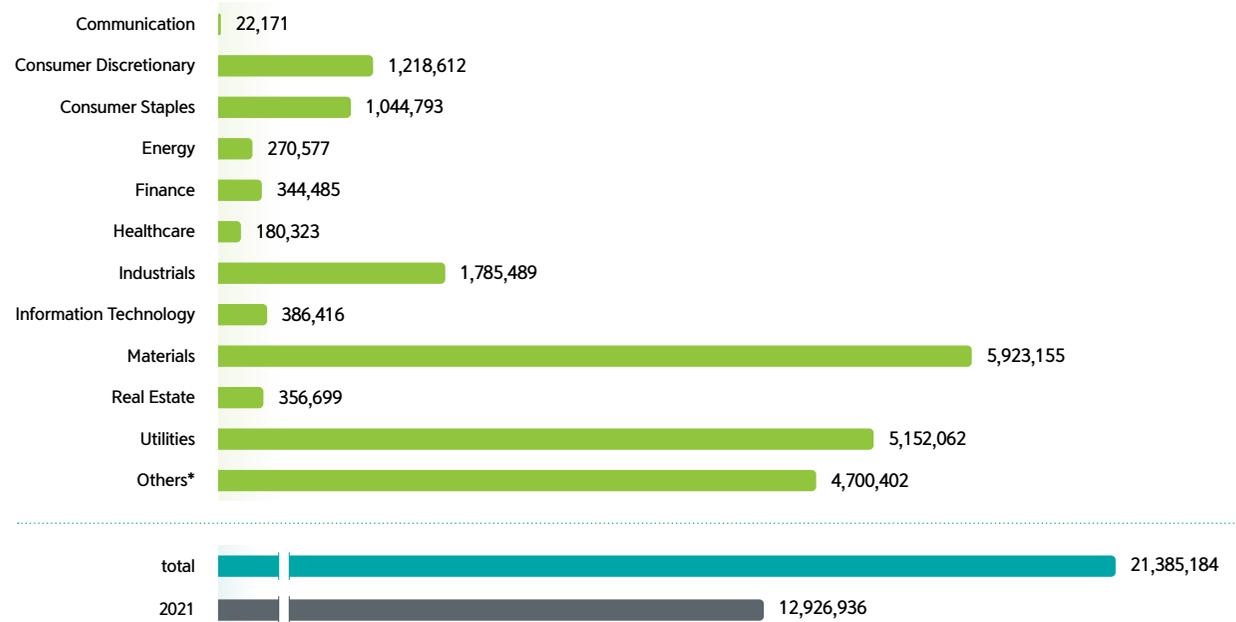
#### New Asset Classes to be Measured

- PCAF 4** Commercial real estate
- PCAF 5** Residential Mortgage
- PCAF 6** Auto Finance
- PCAF 7** Sovereign Bonds  
(added Dec. '22)

### Financed Emissions Measuring Results

#### Emissions by industry

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



\* Other: PCAF 4 to 7 (commercial real estate, mortgages, auto loans, government bonds)

#### Emissions by asset

	Data Score	Intensity (WACI)		
		2021	2022	Difference %
Listed equity and corporate bonds	3.4	1.06	0.69	▼35%
corporate loans and unlisted equity	4.1	0.28	0.17	▼39%
project finance	4.4	2.08	3.69	▲77%

# TCFD

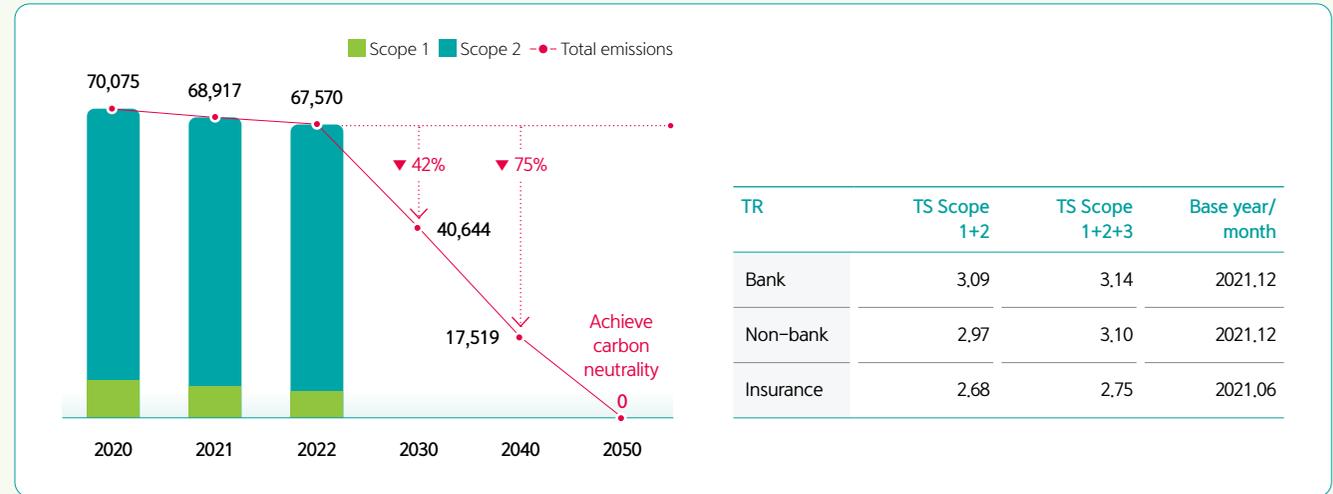
## Targets and Indicators

### Establishing and Executing SBT (Science Based Target)

In order to achieve the goals of Zero&Zero established under the ESG vision "Big Step for Tomorrow" and contribute to the global effort to curb the 1.5°C rise in global temperature, Hana Financial Group established the Hana Financial Group 2050 Roadmap to Carbon Neutrality in accordance with the Science-Based Target Initiative (SBTi) guidance and PCAF standards, which have become international standards. Based on the science-based target, which is becoming an international standard, we not only established targets for reducing scope 1 direct emissions and scope 2 indirect emissions from our business sites, but also established carbon reduction targets for our asset portfolio, which is classified as scope 3 for financial companies, aligned to the implementation path for achieving carbon neutrality, and obtained official certification from the SBTi (Science-Based Target Initiative) in October 2022.

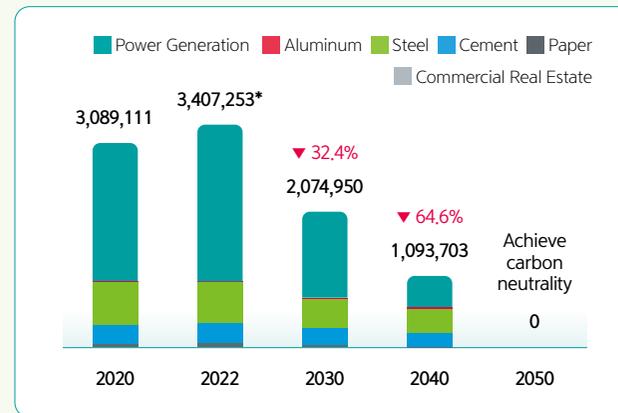
### Workplace Carbon Neutrality Goals

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

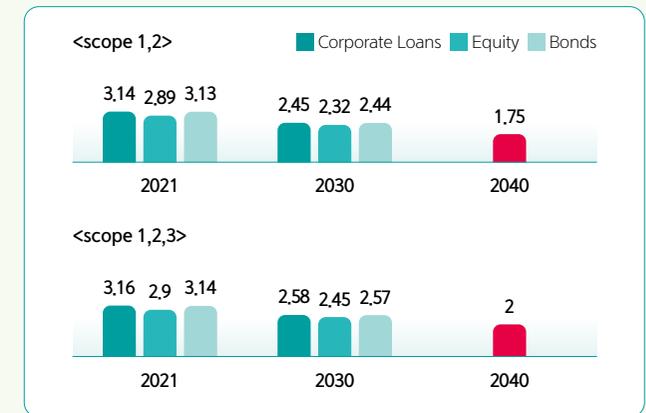


### Portfolio Carbon Neutrality Goal (SDA)

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



### Portfolio Carbon Neutrality Goal (TR)\*



\*TR: Temperature Ratings

# 3



# ESG Management Report

51  
Environmental Performance

61  
Social Performance

102  
Governance Performance

# 3 Environmental Performance

Hana Financial Group is committed to sustainable management by establishing an environmental management system and developing a range of environmentally friendly businesses and services. We actively participate in building eco-friendly infrastructure, including carbon emission reduction and energy conservation, and aim to create an eco-friendly corporate culture.

# ESG Management Report

## Key Performance

Establishing a biodiversity policy



Eco-friendly Cheongna Group Integrated Data Center

Solar 85,883 kWh,  
Geothermal 21,129 kWh generated



Hana Securities' afforestation project in India  
500,000 tons of carbon emission reduction



2023 Climate Energy Welfare Culture Award  
Trade, Industry and Energy  
Ministerial Award



# Environmental Management

## Environmental Management System

### Hana Financial Group’s Environmental Management Policy

- A** • All executives and employees of the Group understand the importance of environmental conservation activities and strive to realize eco-friendly activities.

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- B** • The Group seeks to minimize waste and environmental pollutants by promoting resource conservation and recycling as well as efficient use of energy throughout its business activities, and strives to dispose of them appropriately to preserve the global environment.

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- C** • The Group strives to promote greenhouse gas reduction activities to respond to climate change.

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- D** • The Group is committed to complying with environmental laws and regulations and proactively incorporating the views of stakeholders.

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- E** • The Group endeavors to continuously improve the environment by establishing an efficient environmental management system.

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- F** • The Group strives for continuous improvement of the environmental system through periodic review of the implementation status of the environmental policy.

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- G** • The Group aims to fulfill its role as a financial institution by expanding eco-friendly finance for a sustainable future.

### Basic Principles

Hana Financial Group pursues happiness in finance and actively supports global efforts to respond to the climate change crisis, and implements and practices environmental management in line with the following basic principles.

#### Environmental Impact

Efficient use of resources

- We use energy and resources efficiently at our worksites and perform continuous improvement activities through annual performance inspections.
- We set standards for efficient management of waste and environmental pollution generated by business activities and work towards minimizing environmental pollution.
- We develop various greenhouse gas reduction measures to promote the transition to a low-carbon economy, and establish and implement greenhouse gas management and carbon neutrality promotion policies to achieve the 2030&60 and Zero&Zero carbon neutrality goals.
- We endorse the support of biodiversity for coexistence with nature and engage in environmental responsibility through cooperation with various external partnerships to protect biodiversity and prevent deforestation.

### Environmental Management System

- 1) Environmental management organization: We establish and operate an environmental management system by organizing a dedicated department for efficient execution of environmental management promotion plans.
- 2) Compliance with environmental laws and regulations: We promote continuous supplementation of the environmental system through periodic reviews in compliance with environmental laws and regulations.
- 3) Disclosure of environmental information: We transparently disclose plans and goals for environmental impact and the status of implementation to stakeholders in accordance with reasonable and objective standards.
- 4) Enhancing employees’ environmental management capabilities: We support the reinforcement of environmental and social risk management capabilities by providing training to employees to contribute to climate change mitigation and spreading awareness of the importance of environmental preservation.

### Expanding Green Finance

- 1) Green Bond Management System: Establish a sustainable finance management system to conduct environmental impact assessment and transparent green finance monitoring.
- 2) Development of Environmental Contribution Products and Services: We strive to fulfill the eco-responsibility role of financial institutions by launching environmental products and expanding financial investments for a sustainable future.
- 3) Environmental and Social Risk Management: We implement transparent and responsible decision-making through analysis and evaluation of potential risk impacts based on the principle of preventing or minimizing environmental destruction and social issues in investment decision-making.
- 4) Climate Risk Management: In order to minimize potential negative impacts in investment decision-making, we define climate risks that cause fluctuations in portfolio and asset values due to climate change, and identify and manage climate change response risks in the portfolio.

### Dedicated Organization for Environmental Management

Hana Financial Group established a dedicated department to efficiently execute environmental management. The ESG Planning Team, a department dedicated to environmental management, conducts periodic monitoring while executing the Environmental Management Action Plan. ESG related departments are in charge of practical environmental management, including managing greenhouse gas emission rights. The Group ESG Executive Officer establishes environmental policies, establishes/changes environmental targets, reviews management, and makes final decisions, while striving to operate a systematic environmental management system and improve performance.



# Environmental Management

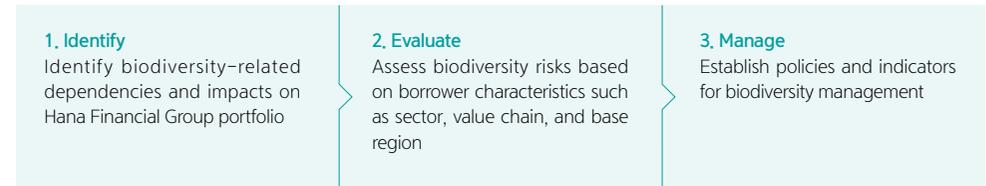
## Biodiversity Management System

Our economy and society are highly dependent on natural capital, while our business and social activities have a significant impact on nature and ecosystems.

Therefore, the positive and negative impacts of natural capital have a significant impact on the economy and require risk management. Biodiversity is a concept that refers to such natural capital and suggests standards for its management. Given the dependence of economic activities on natural ecosystems, biodiversity loss adversely affects corporate production and industry through imbalances in the supply of raw materials and lower the ability to mitigate and adapt to climate change, which in turn leads to loss for investors.

Therefore, as a leading financial institution in Korea, Hana Financial Group recognizes biodiversity issues as an important component of corporate management, analyzes related risks and potential impacts, and establishes a management system to minimize risks.

Risk Type	Risk Impact	Corporate Impact	Financial Institution Impact
<ul style="list-style-type: none"> <li><b>Physical risk</b></li> <li>- Ecosystem impacts from climate change, invasive species, soil use, overuse of resources, pollution, etc.</li> </ul>	Air quality and local climate impacts, food security and supply chain issues, species habitat loss, water scarcity, etc.	<ul style="list-style-type: none"> <li>Increased losses in value chains and activities</li> <li>Greater volatility in commodity prices</li> </ul>	<ul style="list-style-type: none"> <li>Credit risks</li> <li>Market risks</li> </ul>
<ul style="list-style-type: none"> <li><b>Transition risk</b></li> <li>- Changes in stakeholder behavior due to decline in natural capital</li> </ul>	Strengthening policies/legislation, advances/declines in relevant technologies, evolving business models, and changing consumer preferences	<ul style="list-style-type: none"> <li>Shifting and repositioning of business activities</li> <li>Increased externalities</li> <li>Loss of assets</li> <li>Loss of capital, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Liquidity risks</li> <li>Business risks</li> </ul>
<ul style="list-style-type: none"> <li><b>Legal/litigation risk</b></li> </ul>	lawsuits		



### Identifying Biodiversity-related Dependencies and Impacts

The first step in evaluating biodiversity-related risks is to identify biodiversity-related dependencies and impacts that affect Hana Financial Group's portfolio.

Dependencies and impacts are drivers that must be identified to analyze biodiversity-related risks, and the TNFD recommends utilizing data from ENCORE, which defines ecosystem service dependency impacts based on the causes of natural losses defined by IPBES (2019). As such, Hana Financial Group identified biodiversity-related dependencies and impacts according to 11 GICS industry categories based on the ENCORE database for 21 indicators related to ecosystem service dependencies and 11 indicators related to impacts.

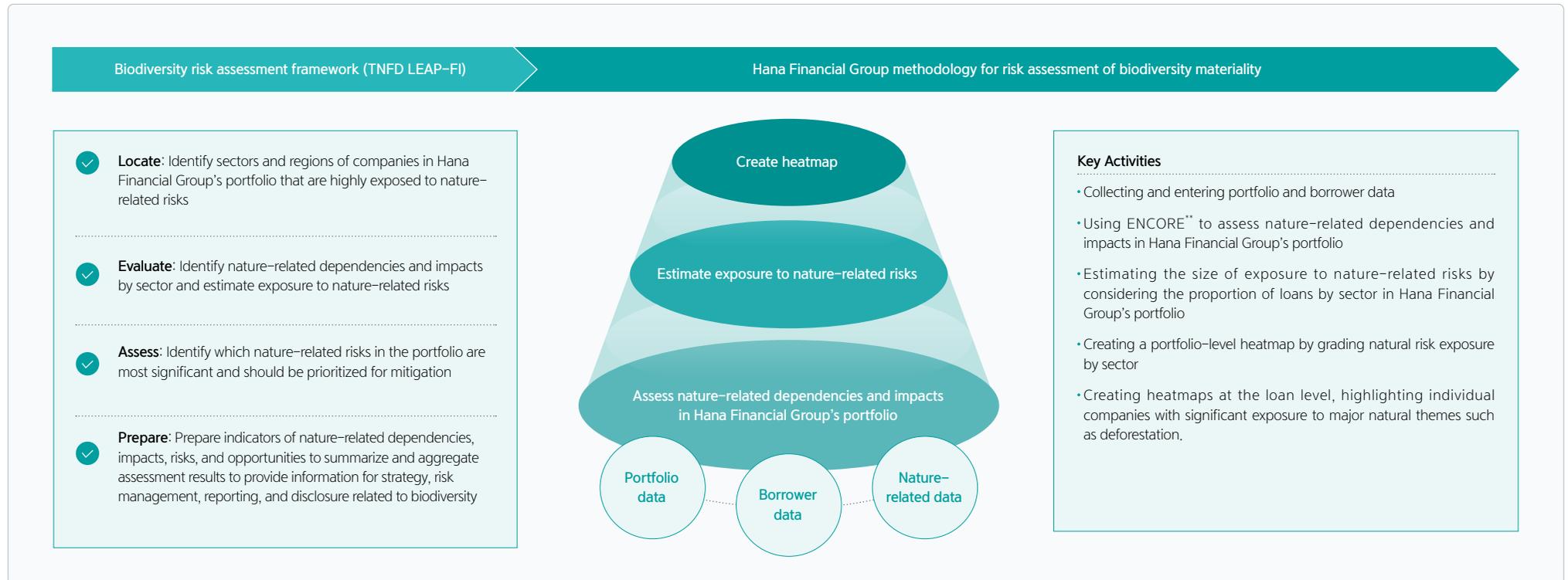
# Environmental Management

## Assessing Biodiversity-related Dependencies and Impacts

Hana Financial Group seeks to understand the scope of its portfolio exposure to nature-related risks through a biodiversity materiality heatmap assessment, and to identify key sectors and companies that are highly exposed to risks, and establish a management system.

Therefore, Hana Financial Group became the first Korean financial company to conduct a heatmap assessment based on the TNFD LEAP-FI\* methodology and identified the degree of exposure of Hana Financial Group's portfolio to nature-related risks by sector.

While the current analysis only covers direct dependencies and impacts by sector, future analyses will further consider the geography of individual companies and dependencies and impacts across the value chain to achieve the level of data required by the TNFD.



\* TNFD LEAP-FI: TNFD's biodiversity risk assessment framework for financial institutions

\*\* An online tool developed by the Natural Capital Finance Alliance to estimate biodiversity-related risks, enabling identification of nature-related impacts and dependencies

# Environmental Management

The results of natural dependency and impact analysis are as shown in <Figure #>. Hana Financial Group selected key sectors (Consumer Staples, Materials, and Industrials) to focus on among the 11 GICS sectors, by considering the results of the ENCORE analysis and the size of AUM\*. In order to focus on the selected sectors, we will incorporate management items that reflect the characteristics of the industry into our sustainable finance industry policy and implement measures to reduce related impacts in the future.

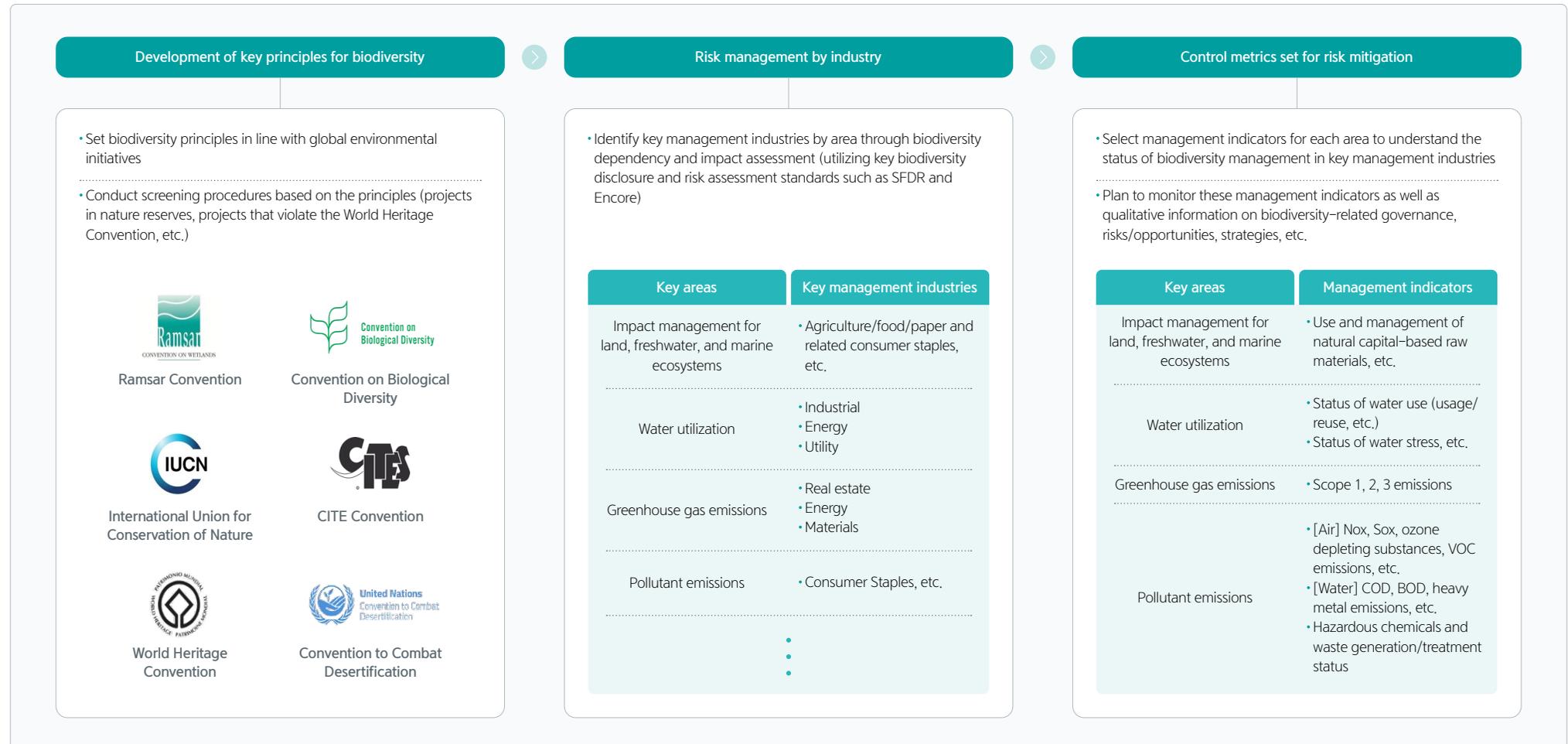
\* AUM: Asset under management

GICS Sector	Dependency		Impact					AUM (Unit: %)
	Land	Water	Change in ecosystem	Resource utilization	Climate change	Pollution		
			Land ecosystem	Water resources	Greenhouse gas emissions	Water pollution	Soil contamination	
Financials	Low	Low	Low	Low	Low	Low	Low	7
Health Care	Low	Mid	Low	Low	Low	Mid	Mid	4
Real Estate	Low	Mid	High	Low	High	High	High	19
Industrials	Low	Mid	Low	High	Mid	High	High	18
Energy	Low	Mid	Mid	High	High	Mid	Mid	2
Utilities	Low	Mid	Mid	High	Mid	Mid	Mid	4
Consumer Discretionary	Low	Mid	Low	Low	Low	Mid	Low	25
Materials	Low	Mid	Mid	High	High	High	Mid	8
Information Technology	Low	Low	Low	Mid	Low	High	High	6
Communication Services	Low	Mid	Mid	Low	Low	High	Low	2
Consumer Staples	Mid	High	Low	Mid	Low	High	High	5

# Environmental Management

## Biodiversity Management Policy

Hana Financial Group established management principles based on the principles of global environmental and social agreements related to biodiversity to manage biodiversity, and defined core management areas and indicators in line with these principles. In order to minimize biodiversity risks and potential impacts on borrowers, core management areas related to biodiversity are set for high-risk industries based on Encore's industry-specific risk analysis, and management indicators for air, water, soil, and pollutant emissions are selected for continuous monitoring. Hana Financial Group aims to use these as the criteria for evaluating biodiversity-related customers and assessing the suitability of loans and investments.



# Environmental Management

## Environmental Management Activities

### Construction of Hana Dream Town Group HQ

Hana Financial Group aims to complete the construction of Hana Dream Town Group HQ, an eco-friendly complex that harmonizes people, nature, and the environment, in 2025. Using eco-friendly materials and high-efficiency certified electrical materials, the entire building will be equipped with LED lighting systems, solar power generation facilities, Building Energy Management System (BEMS), and DALI system (a power-saving device that adjusts the brightness of indoor lighting automatically). As of March 2023, construction is underway with preliminary certification of “Best Grade” for green building and “1+ Grade” for building energy efficiency.

### Eco-friendly Cheongna Group Integrated Data Center

Hana Financial Group’s Cheongna Integrated Data Center, with the goal of operating an energy-saving data center, is dramatically reducing energy usage through an air conditioning system that uses heat exchange with outside air. The PUE (Power Usage Effectiveness), a standard for eco-friendly data center management, averages 1.54 per year while targeting at 1.51. In the case of solar and geothermal power generation facilities, 85,883 kWh and 21,129 kWh were generated in 2022, accounting for 3.2% of total electricity, respectively, and 707,808 kWh were saved by improving the air conditioning environment, resulting in energy savings of approximately KRW 77 million. In addition, we installed additional electric vehicle charging stations in the data center. From the existing 12 charging stations in the underground parking lot, we added four more in the outdoor parking lot, two of which are fast-charging facilities, so that many employees can use them conveniently at a faster speed.

### Implementation of Hana Alpha, a Robotic Process Automation (RPA) Program Development Platform

Hana Financial Group developed an RPA portal system to maximize robotic process automation (RPA). It is the first financial company to build an RPA control tower and intends to increase productivity and efficiency by systematically managing RPA from development to operation. Currently, the system is applied to more than 550 tasks of affiliated companies within the Group, saving about 2.4 million hours of work per year. It consists of participatory, active, communicative, and managed RPA, with participatory RPA providing processes for idea proposal and registration, review, and screening, and active RPA providing common modules for developing operation manuals and training programs, and supporting employees’ internalization of RPA development capabilities.

### Adopting and Advancing RPA for Business Automation Systems

Hana Card

As of the end of 2022, Hana Card automated a total of 66 tasks and a cumulative annual workload of 45,347 hours. In 2022, we focused on the development of operational RPA and implemented card business automation processes, such as uploading risky transaction data to the monitoring system. As a result, RPA enabled employees to increase work focus and efficiency by freeing up existing work time.

### Joint Workplace Daycare Center Awards

Hana Financial Group’s Cheongna Co-Op Hana Financial Daycare Center was awarded a Grand Prize and a Special Prize in the Spatial Environment Design category at the Workplace Daycare Center, THE-Growth Daycare Competition awards ceremony. The center received high scores in the category of architecture and space configuration suitable for infant and toddler education, with the construction of a village that resembles origami to help with visual perception and emotional development, the reflection of different floor heights in the interior design and the ideal arrangement of outdoor gardens and rest areas suitable for age-specific daycare rooms, and the highest grade of green building certification and 1+ building energy efficiency rating.

### Selected for the Ministerial Award at the 2023 Climate Energy Welfare Culture Awards

Hana Financial Group was selected for the Minister of Trade, Industry and Energy Award at the 2023 Climate Energy Welfare Culture Award organized by the Energy Economic News. Hana Financial Group was recognized for implementing low-carbon management and providing emergency resources to the energy underprivileged.

# Environmental Management

## Environmental Management Activities

### Green Conversion of Work Vehicles

Hana Financial Group is switching to eco-friendly vehicles to reduce greenhouse gas emissions from its business vehicles. As of the end of 2022, we own 42 electric vehicles and have installed 20 electric vehicle charging stations at 16 offices. We plan to install five more charging stations by the end of 2023.

In line with our goal to reduce carbon emissions, we converted two of our 34 business vehicles to electric vehicles in 2022, saving approximately 1,441 liters of gasoline compared to 2021. In 2023, we plan to order additional electric vehicles.

### Donation of 10 Eco-friendly Electric Vehicles to Social Welfare Facilities in Seoul

Hana Financial Group donated 10 eco-friendly electric vehicles to social welfare facilities in Seoul for carbon reduction and better convenience for the mobility impaired. We provided one eco-friendly electric vehicle each to 10 social welfare facilities in Seoul, including senior welfare centers, women's shelters, and facilities for the disabled, which have outdated diesel-powered vehicles or are in critical need of using a vehicle, and achieved an annual carbon emission reduction of about 15 tons.

### Card Products and Preferential Interest Rates to Promote Eco-friendly Vehicles

Hana Card

Hana Card offers discount benefits on its card to support the spread of eco-friendly vehicles by offering 20% Hana Money credit at electric and hydrogen vehicle charging merchants as the main benefit of the Hana Members 1Q Card Living. In addition, it offers preferential interest rates to customers who purchase electric, hydrogen, and hybrid vehicles, benefiting approximately 2,900 customers as of the fourth quarter of 2022.

### Launch of Money Dream Campaign, an Eco-friendly Pillow Made from Recycled Bills

Hana Bank

Hana Bank launched the Money Dream campaign, in which eco-friendly pillows are made from recycled paper bills and given as gifts to customers. The Money Dream campaign was designed to address the declining recycling rate of discarded bills. Waste paper and eco-friendly EPP material are combined to make the pillow filling, and even the pillow cover and packaging are made of recyclable materials. The safety of the product was also secured by passing the safety standards for children's textile products of the Ministry of Trade, Industry and Energy after safety tests conducted by the Korea Apparel Testing & Research Institute and FITI Testing & Research Institute. A total of 5,000 eco-friendly pillows filled with recycled bills and EPP, an eco-friendly material, were given away free to guests who participated in the event. By the end of 2023, we aim to recycle a total of 20 tons of discarded bills worth KRW 142.4 billion.

### Introduction of Deposit Return Service for Multi-use Cups

Hana Bank

Hana Bank introduced a new feature on December 30, 2022, that allows customers who use multi-use cups at coffee shops and other places to return them to unmanned return machines. When the customer generates and reads the cup return barcode in Hana 1Q after selecting an account, the deposit is immediately returned to the Hana Bank account. As a result, a total of 2,277 cups were returned as of the end of May 2023.

### Environmental Protection Activities

Hana Investors Services

Hana Investors Services has replaced paper cups with tumblers in its offices and informed employees not to use disposable cups. Hana Investors Services organizes monthly checks and guides by departmental information security officers on powering down PCs and monitors and turning off the lights in the office. The company also turn off the power during lunch breaks and strive to power down electronic devices.

# Environmental Management

## Environmental Management Activities

### Going Paperless in Card Issuance and Delivery

Hana Card

Hana Card has been minimizing the use of plastic and paper in card issuance and delivery since the second half of 2021. The form of the credit card carrier has been changed to be “fully printable” and have no expiration date to eliminate unused disposal, and “pre-printed” card brochures have been replaced with “instant printable” ones to allow printing and use according to needs

### Using of Eco-friendly Card Plates

Hana Card

Hana Card applied eco-friendly wooden card plate to “As I Want” cards and launched HAPPY BIRTH card made of eco-friendly plate using recycled PVC material (Recycling-PVC). In 2022, 16,870 wooden-design “As I Want” cards were issued, and Hana Card plans to expand the issuance of eco-friendly cards in the future.

### Installation of Energy-efficient Electrical Equipment

Hana Card

Hana Card is raising energy efficiency from “grade 5” to “grade 3” through replacement of large, aging air conditioners within the card issuance date.

### Employee ESG 3-3-3 Campaign

Hana Card

In an effort to achieve sustainable growth, Hana Card conducted an internal employee campaign to reduce carbon emissions by 30%, expand low-carbon facilities by 30%, and reduce unnecessary costs by 30%. The company reduced carbon emissions by reducing fuel costs with two new electric vehicles. It also expanded low-carbon facilities by maintaining appropriate indoor temperatures in both summers (26 degrees) and winters (20 degrees), refraining from using individual air conditioners and cleaning air conditioners at customer centers to increase energy efficiency, upgrading meeting rooms with multi-use TVs and video conferencing systems to support smart work, and encouraging employees to avoid printing paper during meetings. In addition, the company made efforts to reduce unnecessary costs such as cutting the cost of purchasing A4 paper, joining the Net-Zero paper saving program, and producing Hana Card multi-use bags.

### Hana Card’s Participation in the Ministry of Environment’s Green Consumption-ESG Alliance and Green Consumption Activities

Hana Card

Hana Card is participating in the Green Consumption-ESG Alliance, organized by the Ministry of Environment, to promote green consumption and ESG activities. The company organized the 2022 Green Consumption Week during the month of November 2022, which involved purchasing green products and shopping for eco-friendly groceries, and conducted joint promotions with BC member companies of the Hana BC Green Card to actively promote green consumption.

### Paperless Certified Electronic Document Center, Datarium

Hana TI

Hana Financial TI is leading environmental protection by preventing unnecessary paper production by spreading paperless culture to the Group and external parties through the certified electronic document center, Datarium. In particular, the number of digitalized paper documents produced by Datarium compared to e-documents has increased year-on-year and exceeded twice the amount in 2022. This shows that the electronic document market is expected to expand and Datarium is expected to grow in the future. In 2022, 8,774,738 MB of e-documents were created and 78,903,640 sheets of digitized documents were created, resulting in total CO<sub>2</sub> and electricity savings of 202 tCO<sub>2</sub> and 2,106 MWh, respectively. You can check the status of environmental protection and paperless saving in real time through the ESG dashboard on the Datarium website.

### Activities to Clean Up Endangered Species Habitats

Hana TI

Over 90 employees and their families of Hana TI cleaned up the habitat of spoonbills, an endangered and nationally-protected species that lives in the wetlands of Namdong-gu, Incheon. Through ecological jogging, 100 kilograms of trash were collected, which helped secure a healthy habitat for the spoonbill to breed, resulting in a 7.4% year-on-year increase in the number of breeding pairs. Hana TI will continue to conduct various activities to preserve the environment in the Incheon community, such as educating and experiencing the importance of ecological preservation of wetlands and tidal flats for biodiversity.

### Reforestation Project in India

Hana Securities

Hana Securities launched a greenhouse gas reduction project to plant 2.6 million trees in India. The company plans to certify the project as an overseas voluntary emission reduction (VER) project from VERRA, a voluntary emission reduction certification organization, and the carbon credits generated from the reforestation project in India are approximately 500,000 tons. The project is expected to contribute to the creation of employment opportunities, soil fertilization, and biodiversity and ecosystem conservation along with GHG removal.

# Environmental Management

## Environmental Management Activities

### Management System for Association Activities

Hana Financial Group supports the Paris Climate Change Agreement and the subsequent National 2050 Carbon Neutrality Declaration, and is aligned with the current trend by establishing climate change response strategies and managing risks. We also support the implementation of the Paris Climate Agreement by executing association membership dues when it conforms to public policies to achieve carbon neutrality. Group management established a responsible governance system, including the responsibility to ensure that the execution of association dues, including our direct donations or sponsorships, does not contradict the public goal of achieving carbon neutrality. Furthermore, we must review and monitor whether the activities of the associations to which we pay dues are consistent with the Paris Agreement, so that we can challenge the associations if they fail to do so. For example, if the Bankers' Association engages in activities that are inconsistent with the Paris Agreement, the Group's ESG Planning Team will directly communicate with the Bankers' Association's Sustainability Management Department to resolve the issue. Recently, the Bankers' Association became the first domestic financial institution to join as a UNEP FI Supporting Organization and is actively supporting its participation in the Bankers' Green Classification System pilot project.

### UNEP Finance Initiative (UNEP FI) Membership

Category	Unit	2020	2021	2022
Annual membership fee	USD	21,505	29,455	34,875

\* The management system for association activities applies to the jurisdictions in which domestic and foreign companies of the Group are located, and is equally applicable to employees of companies in those countries or regions.

## Environmental Training

### Environmental Performance Evaluation System

Hana Bank

Hana Bank is driving the internalization of ESG by reflecting ESG as an organization-wide KPI. For departments that handle ESG finance, such as green finance and social finance, the growth of ESG finance is reflected in executive KPIs, and for environmental management, greenhouse gas emissions, energy usage/water/waste reduction targets and activities, and environmental investment plans and implementation are reflected in executive KPIs, while performance evaluations are conducted quarterly.

Compensation is offered in accordance with the results of performance evaluations based on quantitative environmental management indicators included in the KPIs or based on environmental management indicators established to realize environmental management and include quantitative target figures such as the year of achievement and reduction targets, as well as specific targets that can be realized. The compensation system covers both monetary and non-monetary compensation, with monetary compensation referring to performance pay, etc. and non-monetary compensation referring to mileage, compensatory leave, etc.

Category	CEO	CESGO	Executives in environmental management
KPI	ESG performance, including climate change response	Addressing climate change and achieving carbon neutrality	GHG emissions/energy usage/water/waste reduction activities

### Environmental Management Education for Employees

Hana Financial Group conducts environmental education every year to realize practical environmental management. In September, 2022, we provided face-to-face education on environmental management system for employees at the head office, in which about 2,000 employees participated. Through this training, we shared the Group's environmental policy, environmental targets, and environmental action plans to raise employees' awareness of environmental management.

# 3 Social Performance

Hana Financial Group endeavors to fulfill its social responsibilities for various stakeholders, including customers, employees, and local communities. We also respect the human rights and diversity of our stakeholders, and strive to strengthen cooperation among companies by supporting small businesses and startups.

# ESG Management Report

## Key Performance

Participants in the Hana Power On Challenge Program **1,928**persons



**Conducted ESG training** for all employees of all affiliated companies



Amount of voice phishing prevention **KRW 181,4 billion** (based on Hana Bank)



Developed the first 'Consumer risk monitoring system' in the financial sector



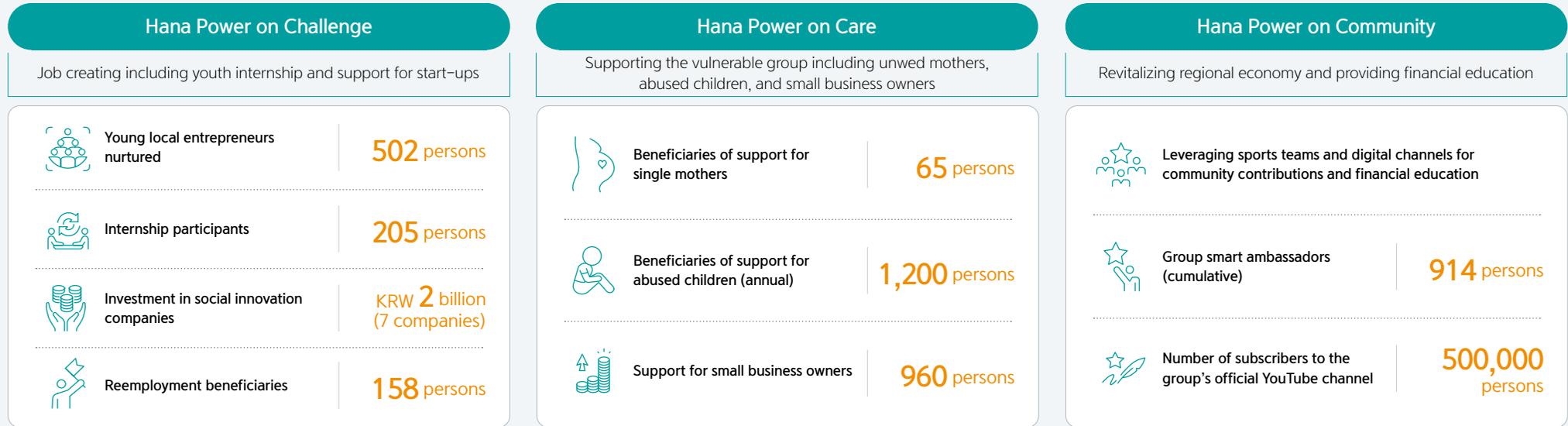
# Local Community

## Hana Power On program

### Social Contribution Strategy

Under the group’s mission of “Growing Together, Sharing Happiness,” Hana Financial Group promotes social contribution strategies aligned with the UN Sustainable Development Goals (UN SDGs) for corporate sustainability and social value creation. The Hana Power On program is comprised of the Hana Power On Challenge, which aims to support development of socially innovative companies and create jobs; Hana Power On Care, which addresses social inequality by supporting the vulnerable; and Hana Power On Community, which utilizes digital channels to stimulate local economies and provide financial education. Through these programs, we aim for balanced development of local communities based on sincere ESG management with S (social) as our main focus in 2022.

### Hana Power On Program



### 2023 Main Goals



# Local Community

## Social Contribution Activities

### Supporting Regions and Residents Affected by Heavy Rain

Through 14 affiliate companies' voluntary contributions, Hana Financial Group donated a total of KRW 3 billion to the National Disaster Relief Association through the Community Chest of Korea to support the victims of the heavy rainfall. In addition, we delivered 1,111 sets of happy boxes containing daily commodities such as bottled water and masks to the victims of the heavy rainfall.

<b>Hana Bank</b>	<ul style="list-style-type: none"> <li>Support up to \$50 million in emergency life stabilization fund loans for individuals</li> <li>Support small and medium-sized enterprises with emergency management stabilization fund loans of up to KRW 500 million per company</li> <li>Support a total of KRW 200 billion in new fund</li> </ul>
<b>Hana Card</b>	<ul style="list-style-type: none"> <li>Up to 6-month deferral and up to 6-month installment payments for credit card settlements</li> <li>30% off short- and long-term credit card loan fees for 6 months after the date of incident</li> </ul>
<b>Hana Life Insurance</b>	<ul style="list-style-type: none"> <li>Defer premium and policy loan interest payments for up to 6 months</li> <li>Expedited claim settlements for damage-related claims</li> </ul>
<b>Hana Insurance</b>	<ul style="list-style-type: none"> <li>Prioritized payment of up to 50% of estimated benefits for damage-related claims, even before completion of accident investigation</li> <li>Up to 6-month premium deferral for affected long-term policyholders</li> </ul>

### KRW 600 Million in Emergency Support for Wildfire-affected Areas

Hana Financial Group offered emergency support of KRW 600 million in donations and 500 happy boxes containing daily necessities for victims of the wildfires in Hongseong, Geumsan, and Daejeon to provide relief and support for damage recovery.

<b>Hana Bank</b>	<ul style="list-style-type: none"> <li>Emergency life stabilization fund loans of up to \$50,000 for individuals</li> <li>Emergency management stabilization fund loans of up to KRW 500 million per SME company</li> <li>Extension of maturity for up to one year without repayment of principal upon maturity of existing loans</li> <li>Deferred repayment for up to 6 months for installment payments</li> </ul>
<b>Hana Card</b>	<ul style="list-style-type: none"> <li>Up to 6-month deferral and up to 6-month installment payments for credit card settlements</li> <li>30% off short- and long-term credit card loan fees for 6 months after the date of incident</li> </ul>
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### Group Volunteers Formed of Group Employees and Their Families

Hana Financial Group operates the Hana Love Volunteer Group and the Family Love Volunteer Group participated voluntarily by employees and their families. The Hana Love Volunteer Corps is organized monthly through employee applications and conducts various volunteer activities such as sharing happiness boxes for vulnerable people and children and cultivating urban forests. In particular, this year, 100 employees, delivered happy boxes containing relief supplies to the earthquake victims in Turkey through the Embassy. The Family Love Volunteer Group, composed of spouses of employees, has 15 teams in 13 regions across the country and is actively engaged in monthly activities at bread distribution centers and senior welfare facilities for those in need in the community.

Beneficiaries	Number of beneficiaries
Seniors	2,125
Multi-cultural families	0
Children·youth	194
Women	50
Disabled	0
Others	350
<b>Total</b>	<b>2,719</b>



2022 year-end donations

**KRW 15 billion**

### Support for living expenses for the financially vulnerable

Hana Financial Group provided emergency support of KRW 500 million for heating expenses to vulnerable groups suffering from the cold wave and surging energy prices. In particular, it provided support to blind spots such as people with disabilities, children of self-reliance, and single mothers, who are not eligible for government support. In addition, Hana Love Volunteers and Hana Securities delivered winter jackets to single mothers living in temporary living facilities and delivered briquettes and winter necessities for the elderly.

Hana Bank and its employees established the "Hana Bank Warmth Sharing Program" to help alleviate the difficulties of financially vulnerable people suffering from high inflation, high interest rates, and exchange rates. The labor and management established a joint labor-management fund to support energy costs, and added the bank's contribution to the funds collected by employees through voluntary "love sharing activities" to create a total labor-management fund of KRW 30 billion. The fund was used to support 150,000 selected financially vulnerable customers with cash for energy expenses.

# Local Community

## Social Contribution Activities

### Launching of 2022 “All in Hana Day” Campaign

Hana Financial Group held the 2022 “All in Hana Day” campaign. Around 350 employees participated in making and sharing kimchi and delivered kimchi and happy boxes to social welfare organizations using the Silent M-taxi, which employs people with hearing impairments. In addition, we received donations of children’s books, clothes, and toys through the “All Connected in Hana” donation campaign and delivered them to child welfare facilities. During the campaign period, Hana Bank branches nationwide also extended volunteer activities and donations to the underprivileged in local communities through the Hana Local Happiness Sharing program.



Clothes donated

14,257 pieces

### Sponsoring Dreamers, Musical Created by Artists with Developmental Disabilities

Hana Financial Group is sponsoring the fantasy musical “Dreamers” together with the Ministry of Culture, Sports, and Tourism and the Korea Disability Arts and Culture Center. Dreamers is a work that captures the stories of children with developmental disabilities and their families in a fairytale-like world. In 2018, through the Hana Power On Impact program, we selected Lahaph as a social innovation company to support actors with developmental disabilities to transition to regular jobs.

### Hosting the 2nd Hana Artverse, an Art Contest for Artists with Developmental Disabilities

Hana Financial Group hosts Hana Artverse, an art contest for people with developmental disabilities, to expand opportunities for artists with developmental disabilities to create works and provide internships linked to employment at social enterprises. This year, the contest was expanded to include children and adolescents with developmental disabilities as well as those over the age of 18, with themes of nature, environment, green, and sharing.

A total of 30 works will be selected after judging by social enterprise, Springshine, and Hanyang University’s Art and Design Education Center.



Artists with Developmental Disabilities who Submitted Artwork

588 persons

### Hana TV, official YouTube Channel Subscribers Exceed 500,000

Hana Financial Group’s official YouTube channel, Hana TV, recorded more than 500,000 subscribers, becoming the first financial group YouTube channel to achieve this milestone after three years of full-scale channel operation. In addition, the 705 videos posted have accumulated more than 98 million views. The channel actively promoted the group’s ESG management and introduced our flexible corporate culture and professional financiers to the public. Particularly, “Strong Finish,” “Unite in Hana,” and “Athletes’ Vlogs” featuring athletes from Hana Financial Group’s sports teams received great response from subscribers. In addition, employee YouTubers selected to resonate with the MZ generation have become the backbone of the Group’s YouTube channel, featuring in more than 80 videos on Hana TV, starting with the first generation in 2020 and continuing with the third generation this year.

### Children’s Economic Musical Breaking Down Cultural Barriers

[Hana Bank](#)

Hana Bank has been hosting the children’s financial musical “Jack’s Magic Wallet” for 16 years since 2007. This nation-wide financial education musical, which has accumulated 21 performances and a cumulative audience of 3,502 people, has been especially successful this year with a new barrier-free version that allows children with visual and hearing impairments to enjoy the show together. For vulnerable children, Hana Bank added sign language, subtitles, and audio commentary to the existing performance, and offered a touch tour program where they could touch stage props, costumes, etc. Furthermore, the Bank visited elementary schools and regional schools across the country to deliver performances on the theme of healthy economic habits through saving, spending, and sharing.

### Inviting Youth from 32 Countries to Experience Finance

[Hana Bank](#)

Hana Bank invited more than 100 youths from 32 countries around the world to experience global finance in order to help them grow as key players in the future generation. The youths spent four days and five nights at Hana Global Campus learning about Korean culture and finance. They experienced the work of foreign exchange dealers at Hana Bank’s dealing room, where Korea’s largest foreign exchange transactions take place; visited the Money Museum and Counterfeit Countermeasures Center to see various currencies from around the world and learn from Hana Bank’s counterfeit identification experts how to identify currencies from around the world; and met with Hana Bank PB to experience professional PB asset management services.

# Local Community

## Social Contribution Activities

### Sharing Winter Essentials Volunteer Program

Hana Securities

Hana Securities organized the Sharing Winter Essentials volunteer program in Ant Village, Hongje-dong, Seoul, to support the energy-vulnerable elderly, with 58 employee volunteers personally delivering 3,000 briquettes, happy boxes containing daily necessities such as rice and instant noodles, and 6,000 masks. In 2023, the company plans to provide free meals for the elderly, plogging in traditional hanok villages, and picnics for visually impaired children across the country.

### Braille Tool Making Volunteer Program

Hana Securities

Hana Securities made and delivered Braille tools to the Yongsan Campus of the Seoul National School for the Blind. The Braille tool, called "Versa Slate," which was hand-assembled by 95 employees, is a portable and semi-permanent tool that helps visually impaired people learn Braille. The visually impaired children who received the braille tools were able to learn various braille characters easily and comfortably by freely writing and erasing them.

### Organizing a Blood Drive with Employee Participation

Hana Securities

Hana Securities organized a blood drive to help ease the blood shortage during the prolonged COVID-19 pandemic. The "Recover from Fatigue" campaign was conducted through voluntary participation of employees at local blood donation centers.



Employee blood drive

101 persons

### Donations to Vulnerable Children and Youth

Hana Card

Hana Card supports children living in poverty and suffering from illnesses. The company donated KRW 500 million to the Green Umbrella Children's Foundation in cooperation with CCFD (Credit Card Social Contribution Foundation) to support medical expenses for 12 families with seriously ill children during the year, and selected and supported 16 families with children gifted in specific fields such as academics, art, and physical education. In addition, through the 1:1 matching grant scheme, which involved voluntary participation of employees, the company sponsored KRW 14 million during the year, with about 300 employees participating each month.

### Expanding Use of Social Enterprise Products

Hana Asset Trust

Every year, Hana Asset Trust organizes kimchi sharing volunteer activities for local low-income families and local children's centers. More than 60 employees prepared a total of 300 boxes of kimchi and delivered them to local children's centers and low-income families. The company strives to use the products of social enterprises in everyday life. By utilizing the products of social enterprises, women's enterprises, and companies certified as standardized workplaces for the disabled, the company recorded KRW 77 million in usage in 2022.

# Local Community

## Social Contribution Activities

### Everyone’s Market Bazaar with Social Enterprises

Hana TI

Hana TI, in collaboration with small businesses and social enterprises related to “zero waste” in Incheon area, held the 2022 Everyone’s Market Bazaar with items donated by employees. Employees commented that it was meaningful to experience and purchase eco-friendly products such as tableware made from eco-friendly wood and eco-friendly soap. Proceeds from the sale were donated to the Incheon Environmental Movement Alliance, which is leading the way in ecological preservation in the Incheon area.

### Making Wooden Tree Bookshelves

Hana TI

To celebrate the 100th anniversary of Children’s Day in 2022, Hana TI helped improve the learning environment for children from low-income families by making DIY wooden bookshelves that can hold many books relative to their size. Employees delivered the bookshelves to the Hope Community Children’s Center and Dreamae Community Children’s Center in Incheon.

### Canvas Art Social Contribution Activities

Hana TI

Hana TI organized the Canvas Art activity with the Incheon branch of the Miral Welfare Foundation. This is an environmentally friendly activity that recycles waste boxes and uses them as materials for frames to showcase paintings drawn by artists with developmental disabilities from Bridge on Art Group. Employees framed the canvases and delivered the finished works to the Namdong-gu Community Children’s Center.

### Producing Canvas from Upcycled Waste Paper

Hana TI

Hana TI worked with Lovely Paper, a social enterprise in Incheon, to create upcycled canvases from waste paper. Lovely Paper provides jobs for the elderly who collect waste paper, which is often purchased at 20 times the market price, by turning it into canvases and helping them work as volunteer recyclers. Upcycled canvases made by Hana Financial TI employees, along with painting tools, were donated to the Bupyeong-gu Volunteer Center to support children’s art education.

### Incheon Metropolitan Mayor’s Award for Promoting Social Welfare Sharing Culture

Hana TI

Ceremony for 2022 Achievements in Spreading a Culture of Social Sharing, Hana TI received the Incheon Mayor’s Award for its contributions to the community, including environmental protection, exhibition sponsorship, and social contribution activities for the underprivileged.

### Establishing ESG Friends, an Employee-centered ESG Committee

Hana TI

Hana TI plans to provide opportunities for employees to take an initiative in the planning and execution of company ESG activities to help address challenges in the community. The company aims to raise awareness, diversity, and consensus by establishing a committee of diverse employees to participate in company activities from the pre-planning stage, and by engaging in specialized ESG areas.

### Junior DT University Program for Coding Education to Dream Start Children

Hana TI

Hana TI held the Junior DT University program, which provides coding education for Dream Start children in Seo-gu, Incheon. Dream Start is a program that offers customized integrated services and ensures equitable opportunities for vulnerable children, and has been providing Hana Financial Coding Camp education since 2017. Through this program, employees served as instructors offering various programs such as understanding the 4th industrial revolution and new technologies, making friends under the sea using Scratch, music fusion ensemble, and coding practice for making self-driving car games.

### K-Digital Training Digital Leading Company

Hana Bank

Hana Bank became the first bank to be selected as a K-Digital Training Digital Leading Company promoted by the Ministry of Employment and Labor, and has recruited the first class of trainees. It will train a total of 180 trainees a year through two courses designed based on the current market demand for digital and ICT, and outstanding trainees will receive preferential hiring privileges when applying for internships or open positions at Hana Financial Group companies, including Hana Bank. This is expected to create social value by providing banking-specific digital education to job-seekers and secure hands-on talents specialized in the financial sector.

# Local Community

## CASE Life Journey Projects

### Opening of the First Mom Care Center, an Open Nursing Room

Hana Financial Group opened the first of its Hana Mom Care Centers at Hana Bank Yatap Station Financial Center, which is a space where anyone can freely take care of their children. The Hana Mom Care Center is a space that can be freely used by women, including Hana Financial Group customers, and consists of a stroller storage room, pregnant women’s lounge and infant nursing room, baby food zone, diaper changing zone, and an open kitchen. In particular, it is equipped with eco-friendly materials, a cooling and heating system to maintain the right temperature for each season, and an air purifier to create a comfortable and hygienic feeding and caring environment. Furthermore, we plan to operate it as a space where the whole family can take care of their children with peace of mind by allowing dads to use it as well, and we plan to open the second store in July 2023 in the Suyu Station Financial Center and the third store in Namga-Jwa-dong, and expand it nationwide in the future.

### Supporting Fertility Treatment (Egg Freezing) to Overcome Declining Birthrate

Hana Financial Group signed a business agreement with Cha Medical Center, a global fertility treatment medical institution, to overcome the declining birthrate problem. Hana Financial Group will broaden its cooperation to overcome declining birthrates by expanding fertility treatment support for female employees of the Group and its affiliates, supporting specialized medical examinations and egg freezing procedures, and establishing a mutually integrated support system for fertility support cooperation. We will expand the support to include not only female employees of the Group and its affiliates, but also 6,000 female firefighters nationwide, providing them with free professional fertility examinations at Cha Medical Center and covering the cost of egg freezing procedures.

### Improvement of Educational Environment for Local Care Institutions

Hana Financial Group is conducting a project to improve the educational environment of local childcare centers to resolve the imbalance in childcare infrastructure. Over the next three years, Hana Financial Group will provide educational contents developed by Hana Financial Group to 300 care institutions and smart educational equipment to 100 care institutions in vulnerable areas, with the aim of providing quality education to children in 400 care institutions and vulnerable areas nationwide. Through this, we will continue to support the creation of a digital environment in vulnerable childcare areas so that the digital divide between regions can be bridged.

### Daycare Center Construction Project

Hana Financial Group has been contributing to balanced regional development and supporting public education infrastructure through the project to build 100 daycare centers since May 2018. In May 2022, the 58th of the 100 centers, Cheongna Co-operative Hana Financial Group Common Workplace Daycare Center, the largest daycare center in Korea, was opened in Cheongna Hana Dream Town to serve the children of local SME employees. Hana Financial Group paid for the site, construction, and operation costs as part of its ESG management practices to support SMEs that have difficulty setting up their own daycare centers due to limited manpower and high costs. The Cheongna Co-Op Hana Financial Daycare Center is a modern building using origami materials, with a capacity to accommodate 300 children and an extra-large 1,200 pyeong of high-tech facilities. Hana Financial Group aims to open a total of 72 daycare centers by March 2023, including 63 public daycare centers and 9 workplace daycare centers in Myeongdong and Busan, and to build 100 centers by 2024.



### Free Rental of Hana Grand Hall

Hana Financial Group is running a project to renovate six spaces at its affiliated companies to offer free wedding venues to prospective newlyweds. The first venue for the free wedding venue rental is Hana Grand Hall Myeongdong, the headquarters of Hana Financial Group, which allows only one team to hold a wedding ceremony every Saturday and Sunday, allowing for a more relaxed atmosphere than a regular wedding venue. Firefighters, small business owners, multicultural families, and single-parent families are eligible to apply, and the program is planned to be extended to more couples. Applicants can apply from three months prior to their wedding, and once the candidates are finalized, we actively support them with a wedding information company to ensure their wedding budget is reasonable.

## Local Community

### Sports Support Projects

#### Declaration of Daejeon Hana Citizen's Carbon-neutral Soccer Game

'Daejeon Hana Citizen,' the professional football club of Hana Financial Group, decided to play the 'Net Zero Football Games,' attempting to achieve zero carbon emissions in consideration of future generations.

The Net Zero Football Games refer to football games that place direct efforts to reduce carbon emissions, conduct environment-friendly campaigns, and voluntarily offset carbon credits. We plan to accomplish our Net Zero goals by measuring the carbon emissions that occur during football games. Furthermore, Daejeon Hana Citizen visits local elementary and middle schools in Daejeon through 'Hana Dream School' to run football clinics. The team also engages in various social contribution activities, such as providing supplies to students of vulnerable groups who dream of becoming football players.

#### Hana Financial Group Championship, an Eco-friendly Golf Tournament

Hana Financial Group hosted Hana Bank Invitational, the Hana Financial Group championship that combined ESG and the digital world. To eliminate paper tickets, tickets were sold in advance through Hana 1Q mobile app only, and QR codes were used for entry. As in the previous year, participating players donated 1% of their prize money while Hana Financial Group matched the same amount, and together, raised a total of KRW 50 million for children and the elderly living alone in Seo-gu, Incheon.

Additionally, we prepared various event spaces with different themes, such as the Photo Zone, Play Zone, and Healing Zone, so that residents can come and enjoy football games. Moreover, Hana Financial Group sells tickets on its mobile phone, 'Hana One Q,' by combining digital technology and ESG effort. We tried to eliminate the use of paper tickets by using QR codes for the admission of spectators.

#### Hana OneQ Basketball Team

The Hana OneQ Women's Basketball Team, operated by Hana Financial Group, held an Olympic Wheelchair Basketball Tournament with the Korea Paralympic Committee to raise awareness of the disabled and promote integrated sports for the disabled and non-disabled through basketball. The players learned wheelchair basketball directly from national wheelchair basketball players and helped to revitalize amateur women's basketball by providing injury prevention supplies. In addition to providing injury prevention supplies to elite basketball teams in high schools, Hana conducts various activities to spread ESG management, such as running basketball classes for girls and holding local youth basketball tournaments to expand the base of youth basketball. We also communicate with fans through various contents centered on the YouTube channel "Hana TV" and the team's social media channels.

#### Hana Bank MZ Go Super Match

[Hana Bank](#)

Hana Bank served as the title sponsor of the 2022-23 Hana Bank MZ Go Super Match. The event featured professional Go players from the MZ generation, with five players each from the M and Z generations competing in a best-of-five series of matches. The event was designed to popularize the game of Go. Furthermore, Hana Bank will donate KRW 10,000 multiplied by the final count of moves (of placing stones on the board) of each player in each match as a donation.

#### Hosting the 2022 Hana Bank Cup KATA Tour

[Hana Bank](#)

Hana Bank participated in the Hana Bank Cup KATA Tour, the largest amateur tennis tournament in Korea, as the title company. The tournament was played in doubles, with up to 618 teams and 1,236 players from tennis clubs across the country participating in five categories, including rookie, veteran, and open.

#### Main Sponsor Signing Ceremony with the Korea Tennis Association

[Hana Securities](#)

Hana Securities became the first company to sign an official main sponsor agreement with the Korea Tennis Association, gaining the right to promote itself as the official partner of the national tennis team and the right to advertise on the national team's apparel. Hana Securities also acquired the right to use the national team and players in its promotions and marketing, as well as the right to be the title sponsor of tournaments organized by the association, gaining brand exposure at stadiums and on the association's online channels.

#### Founding of Professional Billiards Team

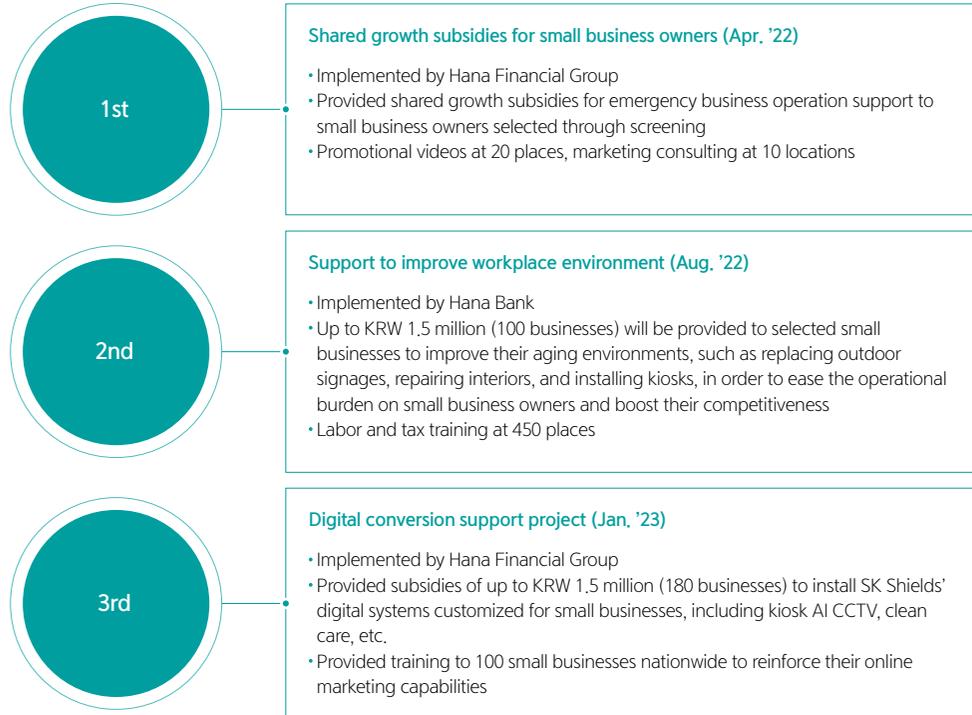
[Hana Card](#)

Hana Card created the 1Q Pay professional billiards team and joined the PBA team league starting in the 2022-2023 season. The team won the overall championship in the first team league it entered since its inception in June 2022, and to celebrate the victory, the company held events such as earning 3,000 Hana money for payments of KRW 20,000 or more at billiard halls nationwide and earning Hana money for QR payments at convenience stores, and supermarkets using 1Q Pay.

# Shared Business Growth

## Small Business Support

### Hana Power On Store, a support program for small businesses



### 2nd Hana Soho Academy, a Training Program for Small Businesses

Hana Bank

Hana Bank hosted the second Hana Soho Academy, an educational program for small businesses. The program provided customized training in areas such as finance, taxes, labor, and real estate, along with information on trends in the restaurant industry and essential information on marketing and management. In addition, well-known industry experts were invited to share their knowledge on management know-how, sales management, menu development, and other aspects of restaurant management, while outstanding participants were given the opportunity to receive professional consulting services.

### Hana Power on Together Volunteer Program to Revitalize Local Economy

Hana Financial Group implemented Hana Power on Together for small businesses that have been suffering from the effects of prolonged COVID-19, and engaged in daily environmental protection activities such as plogging as well as delivering happy boxes to support small businesses. Through plogging, we cleaned up the environment in and around Myeongdong, Seoul, where Hana Financial Group is located. We also delivered happy boxes to support small businesses and held an orchestra concert at the outdoor plaza of Hana Financial Group's Myeongdong headquarters in line with the full recovery of daily life.

### Planning the Myeongdong Light Festival

Hana Card

Hana Card organized the Myeongdong Light Festival to revitalize the local economy. Hana Card is committed to ESG management practices that promote shared growth with local small businesses by offering various benefits such as discounts at Myeongdong restaurants and famous beauty salons, and giving away vouchers through lotteries. Hana Card and the Myeongdong Merchants' Council selected a total of 34 merchants based on various criteria, including taste and customer satisfaction, and provided billing discounts when Hana Card is used to pay at participating merchants.

(Unit: Persons, KRW 1 million)

Category	Same period before event	Event period	Increase rate
Number of users	4,882	5,444	11.5%
Amount	326.6	392.8	20.3%

# Shared Business Growth

## SME Support

### Hana Power on Innovative Company Internship Program

Since 2018, Hana Financial Group has been solving the problem of unemployment by matching young job seekers with social innovation companies that have difficulty recruiting due to information imbalance, through the Hana Power on Innovative Company Internship program. The program was fully expanded in 2022 to help more young people get the jobs they want, and this round, various talents including young designers, people with disabilities, and women with experience were selected to participate in internships at social innovation companies for three months. During this period, we provide support for job skill building programs, internship salaries, etc. to social innovation companies, and further support if they are hired as full-time employees in the future.

[Hana Bank](#)

### Launch of Hana Billion Dollar Account for Global Businesses

In May 2022, Hana Bank launched the Hana Billion Dollar Account, a foreign currency deposit and withdrawal account exclusively for businesses, targeting import and export SMEs with frequent foreign currency payments and overseas remittances and a need to manage currency risk. Deposits can be made in up to 10 of 27 foreign currencies, fee exemption is offered once a month for overseas outbound and inbound remittance without any performance requirement, export letter of credit notification fees and import letter of guarantee (L/G) issuance fees are exempted without limitation, and separate account management screen, mobile overseas remittance, and FX transaction functions have been added to Hana 1Q Business, which significantly improved the convenience of import and export transactions. By the end of 2022, we achieved sales of 4,174 accounts.

[Hana Bank](#)

### “Hana 100 Years Corporate Succession Service” Provides Total Consulting Services for Corporate Succession

Hana Bank operates the “Hana 100 Years Corporate Succession Service” to support small and medium-sized business customers who want to continue to grow their companies through stable and successful corporate succession. Accordingly, we support smooth corporate succession by operating the “Hana Heritage Members” program and providing one-on-one customized consultations to business owners who are preparing to pass on to their successors. We take the lead in maintaining the competitiveness of SMEs by also sustaining and creating jobs and continuously transferring technology and know-how.



Number of corporate consulting offered in 2022

87

### Online Seminar on Preparing for Revised Retirement Pension Legislation

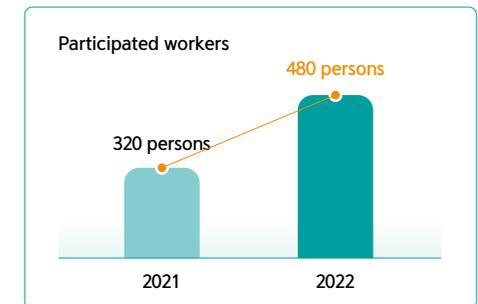
[Hana Bank](#)

Hana Bank held an online seminar on changes in retirement pension legislation and systems in 2022. The seminar targeted workers involved in corporate pensions and covered major revisions to the relevant legislation, changes to the pension system, and essential preparations for companies participating in pension plans. Labor lawyers from Hana Bank’s Pension Business Division participated as key speakers, lecturing on the changes to the Guarantee of Workers’ Retirement Benefits Act in 2022, the organization of an in-house reserve fund management committee, and how to write a reserve fund management plan, as well as introducing retirement fund asset management solutions tailored to the characteristics of each company.

### Import and Export Academy

[Hana Bank](#)

Hana Bank runs the Import and Export Academy, a field-based training program that combines the theory of import and export business with the latest practices such as currency risk management, for executives and workers of trading companies. Hana Bank’s import and export specialist lecturers and external invited customs officers participated as key speakers, focusing on the practical aspects of import and export-related foreign exchange transactions, customs clearance practices, foreign exchange market and currency risk management, and providing financial solutions specific to each company’s characteristics and cases.



### Presidential Commendation for the 27th SME Financial Support Award

[Hana Bank](#)

Hana Bank was awarded the Presidential Commendation for the 27th SME Financial Support Award in recognition of its prompt liquidity support to SMEs suffering from COVID-19 and leading innovation in digital SME finance. In particular, Hana Bank was highly recognized for improving access to digital channels for businesses affected by COVID-19, providing timely liquidity support to SMEs by strengthening its line-up of various shared growth products, and providing customized consulting support to start-ups and venture companies.

# Shared Business Growth

## Start-up Support

### ESG Double Impact Matching Fund Investment

Hana Financial Group organized an investment review committee for the ESG Double Impact Matching Fund, created to support socially innovative companies and eco-startups, and selected seven innovative companies to invest a total of KRW 2 billion. The investment is expected to contribute to job creation and environmental preservation by discovering and fostering socially innovative companies and supporting their stable growth.

### Selection of the 13th Hana 1Q Agile Lab

[Hana Bank](#)

Hana Bank selected 22 startups to participate in the 13th Hana 1Q Agile Lab, a startup support program. Since its inception until the 13th session, the Agile Lab has discovered a total of 156 promising startups, and recently showcased success stories of collaboration not only with fintech but also with other industries. In particular, Hana Bank's and Hana Financial Group's affiliates support the selected startups in activities to raise corporate value and seek ways to grow together through direct and indirect investments. Among the 13th session participants, cybersecurity solution provider, Theori, and AI sleep analysis platform, Asleep, have received equity investments.

### Hosting the 2023 Economic Outlook Seminar

[Hana Bank](#)

Hana Bank Indonesia, together with the Korean International Trade Association (KITA) Jakarta Center, hosted the 2023 Economic Outlook Seminar for Korean business owners in Indonesia. The seminar was designed to help Korean business owners operating in Indonesia with their local business activities, and was attended by approximately 500 people, including local business figures, economic experts, and local and Korean business owners.

## Strategic MOUs

### Hosting the 2023 Hana Business Leaders Forum

[Hana Bank](#)

Hana Bank hosted four sessions of 2023 Hana Business Leaders Forum for local entrepreneurs, starting with the Chungcheong region, followed by the Busan-Gyeongnam region, Honam region, and Daegu-Gyeongbuk region. In the Chungcheong region, nearly 100 local entrepreneurs attended the forum, which featured lectures on the market, exchange rate, and interest rate real estate outlook for 2023, industrial outlook for the Chungcheong region, foreign exchange market trends and outlook, import/export related concerns, and major tax updates.

### Business Agreement with Seoul Guarantee Insurance (SGI)

[Hana Bank](#)[Hana Capital](#)

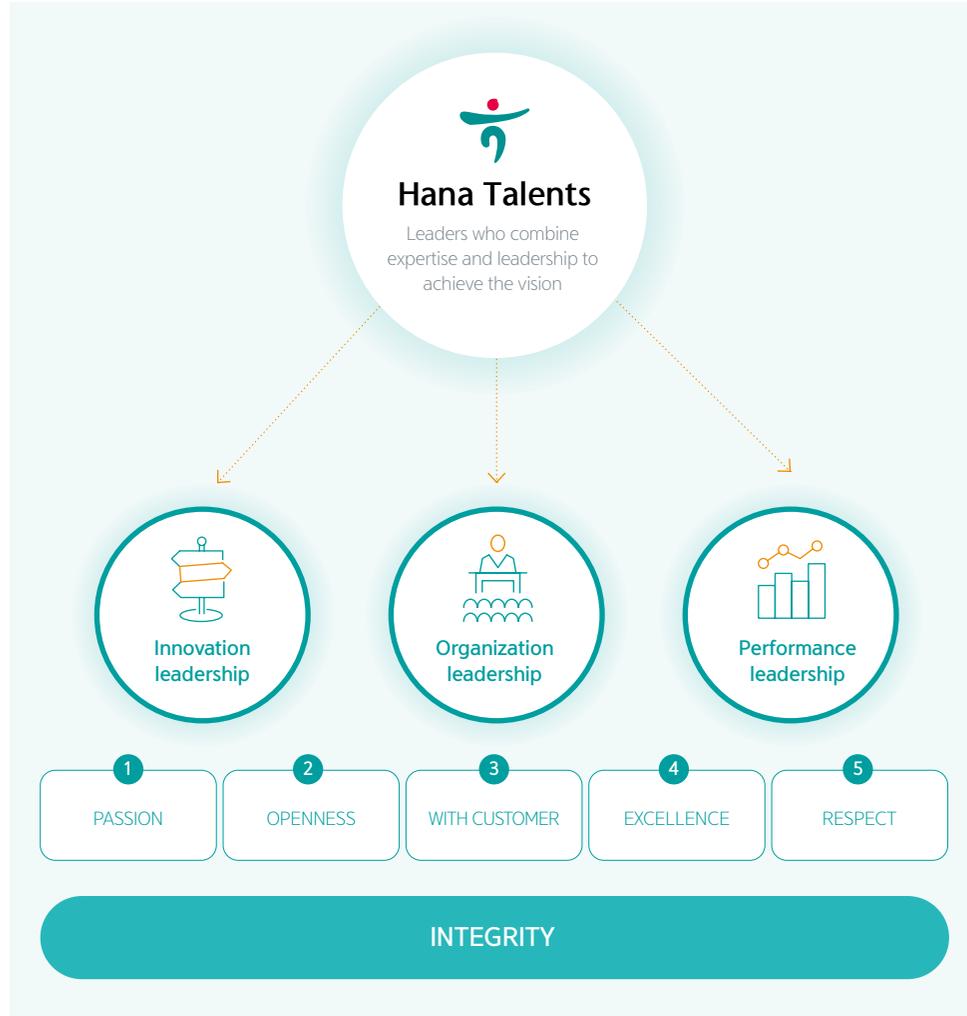
Hana Bank signed a business agreement with KEPCO and SGI for shared growth with small and medium-sized enterprises. The three companies will provide around 700 outstanding suppliers of KEPCO with the opportunity to borrow funds for business operations and provide practical benefits such as preferential interest rates and financial consulting. Hana Bank will provide loans and SGI will provide loan guarantee services once KEPCO selects outstanding suppliers and issues a recommendation letter.

Hana Capital signed a strategic business agreement with SGI to boost the rental and subscription economy. By providing factoring services to SMEs operating in the rental and subscription business, Hana Capital helped them raise working capital and made it easier for manufacturing and distribution companies to enter the rental and subscription business. In particular, it provided factoring without repayment claims and introduced specialized guarantee insurance products to discover and foster new rental businesses.

# Employees

## Talent Management

### Hana Financial Group Talents



### Talent Recruitment

Hana Financial Group seeks to strengthen its competitiveness by recruiting talented individuals with digital capabilities and expertise in future growth areas. Based on the company's mid- to long-term future strategy and business plan, Hana Financial Group establishes a talent pipeline development strategy by identifying hiring needs and providing talents based on analysis on the competencies of required employees, workload, and the ratio of employees by position, and conducts regular recruitment and open recruitment pursuant to the strategy. In addition, the group proactively discovers progressive and highly qualified talents through employment-linked internships that provide employment opportunities to talented individuals who meet the group's talent image regardless of education, major, gender, or age.

Recruitment is outsourced for fairness, using the principle of blind recruitment to ensure that no applicant is discriminated against for any reason. In addition, we are expanding recruitment opportunities for the socially disadvantaged, such as the disabled and veterans, to fulfill our social responsibility (15% of recruitment from diverse groups by 2030). After recruitment, we provide training and adjustment programs for stable adjustment, and provide continuous training based on the Career Development Program (CDP) to support growth as a financial professional through strengthened job skills.

### Employee Evaluation

#### Employee Evaluation System

[Hana Bank](#) [Hana Card](#)

Hana Bank conducts personnel evaluations semi-annually consisting of first, setting of individual achievement goals, second, mid-term check, and third, evaluation. Achievement goals are divided into quantitative and qualitative, and are evaluated based on achievement through continuous checking and feedback. In addition, performance is categorized into common, leadership, and business competencies, and leadership competencies are managed through top-down personnel evaluations and multi-faceted evaluations in which junior employees evaluate their superiors.

Hana Card operates a semi-annual evaluation system under the strategic individual performance management system. Performance evaluations are composed of achievement evaluations to assess goal achievement and competency evaluations to assess the degree of conformity to the talent image. The company also provides continuous coaching and feedback (agile conversation) through ongoing performance management. Competency evaluations are categorized into common, role, and job competencies, and job competencies in particular are regularly improved for fostering human resources who can actively respond to changes in the internal and external environment.

# Employees

## Employee Evaluation

### Multi-faceted Employee Evaluation

Hana Bank | Hana Card

After a pilot test for department heads in the second half of 2020, and an expansion to all employees in 2021, Hana Card completed the deployment of a multi-faceted evaluation system that can evaluate employees through the company's HR system, DHR (Digital Human Resources System), starting in 2022. In addition, the company provides 1:1 coaching through a team of specialized coaches based on the evaluation results to help employees gain a comprehensive understanding of the results. By comparing and analyzing the evaluation results of others and oneself and providing professional feedback from coaches on the causes of gaps, the company continues to provide opportunities to recognize internal issues of the organization and individuals and to reflect on the direction of continuous change and growth. In the first half of 2022, result coaching was offered to the requesting department members.

Category		Pilot test		Full implementation		
		H2 '20	H1 '21	H2 '21	H1 '22	H2 '22
Multi-faceted Evaluation	Target	head of departments	all employees		all employees	all employees
	System		external vendor		in-house system (DHR)	
Result coaching	Target	-	executives and head of departments		executives and head of departments members of dept (upon request only)	

In addition, Hana Bank offers job competency self-diagnosis to help employees evaluate their self-directed learning results, and held a job festival to recognize efforts and motivate continuous learning of employees by evaluating their learning outcomes based on job manuals distributed to all employees. The festival is scheduled to be held again in the second half of 2023 and will provide employees with an opportunity to evaluate their learning performance throughout the year.

Category	Preliminary	Final
Deposit	384 persons	81 persons
Foreign exchange	317 persons	88 persons
Import/export	189 persons	76 persons
Household loans	250 persons	91 persons
Corporate loans	242 persons	76 persons
Awarded employees	Individual match: 25 persons (5 persons per subject, total 5 subjects) Team match: 5 persons (1 team)	

### Employee Evaluation and Performance-based Pay

Hana Financial Group regularly evaluates the performance of its employees to provide a platform for developing their future potential, and some of its affiliates pay performance-based bonuses based on regular performance evaluations to non-executive employees. We set MBO (Management by Objective) goals for all employees twice a year, in the first half and second half of each year, and conduct performance evaluations on the level of achievement of MBO standards. This is to accurately identify the achievements and abilities of each employee to develop their capabilities and improve their performance. We also conduct individual and team-level personnel evaluations so that individual performance and organizational performance are linked and reflected in the evaluation results. The personnel evaluation consists of three stages: stage 1, setting individual achievement goals, stage 2, mid-term check, and stage 3, evaluation. We have an agile performance management program that sets performance goals into quantitative and qualitative targets, and evaluates individual performance based on the degree of goal achievement through ongoing checks, coaching, and feedback (agile conversation) between the evaluator and the evaluated. In addition, individual competencies are divided into common competencies, leadership competencies, and work competencies so that individual competencies and leadership can be identified and managed to achieve goals. In addition, we operate not only top-down personnel evaluations to form a horizontal and healthy organizational culture, but also multi-faceted evaluations (360° multidimensional diagnosis) that allow junior employees to evaluate their superiors, which are used as important indicators for leadership competencies. By doing so, we promote a field-driven, performance-based culture by linking individual performance to the bank's vision and strategy and providing developmental assessments for the improvement of employees' capabilities.

Hana Securities pays performance bonuses to its branch sales staff based on regular performance evaluations at a set distribution rate within the performance bonus fund (individual sales minus baseline expenses), and to its headquarters sales staff based on their individual profit contribution within the performance bonus fund when their organization's profit is generated. In addition, Hana Securities pays performance bonuses to its administrative staff and sales support staff based on a set payment rate linked to Hana Securities' ROE. Hana Alternative Asset Management allocates and pays performance bonuses to employees in the investment division based on their individual profit contribution within the performance bonus pool (company profit-linked independent calculating system). Employees in the management and support divisions are paid performance bonuses according to a set distribution rate from a pool of funds calculated based on the achievement of corporate profit (based on the Board of Directors' targets).

#### Sales Staff Performance Pay

Sales staff at Hana Securities' branches are paid performance bonuses based on a set distribution rate within the performance bonus pool (individual sales revenue - baseline expenses), and headquarters sales staff are allocated and paid performance bonuses based on their individual profit contribution within the performance bonus pool if their organization generated profits. In addition, headquarters management staff and sales staff are paid performance bonuses based on a set payment rate linked to Hana Securities' ROE.

# Employees

## Employee Training

### Job Development Programs

Hana Financial Group offers specialized training programs to develop job-specific competencies. In 2022, Hana Bank reorganized the Career Development Program focusing on job functions to help employees develop specialized competencies for each job field and comprehensive consulting capabilities in preparation for changes in finance. There are six job areas (Corporate Finance, Asset Management, Foreign Exchange, Risk/Funds, Global, and Digital), and employees can track their growth through Levels 1 to 3 in each area. In particular, Level 3 must be approved by the CDP Level 3 Certification Committee. To support employees in achieving CDP, Hana Bank operates various educational programs, including graduate degree programs and overseas online education, and also supports learning to obtain certifications. Hana Bank operates the Global Expert Training Course to secure a pool of experts to work in overseas branches, and its selected employees receive financial support for three months of language training and language test fees, and are given priority for future placement in overseas branches.

### Hana Bank CDP

Corporate Finance	Asset Management	Foreign Exchange	Risk/Funds	Global	Digital
Corporate Finance + IB + credit review	PB + RB trust + retirement plan	Foreign exchange + import/export	Fund management + risk management + trust (administration)	Global	Digital finance

### Hana Card CDP job-specific competency training stages

Hana Card divides the stages of competency training by job function to provide training that supports employee growth. CDP jobs are categorized into 15 in total, of which 9 core CDPs have been selected to actively support the curriculum for expert development, and the competency training is categorized into basic, advanced, semi-expert, and expert stages.



### MOU with Korea Polytechnics to Foster Digital Talents

In 2018, Hana TI signed a business agreement with Korea Polytechnics to foster customized digital talent and recruited a total of 71 non-IT trainees over a four-year period from 2019 to 2022. Through this program, Hana TI is helping non-IT trainees pursuing IT careers to acquire hands-on training to strengthen their digital core competencies and become converged talents with both liberal arts aptitude and data analysis skills. The training center provides on-site customized training for financial IT operations, including application software development, big data analysis, and cloud operations for corporate system development.

# Employees

## Employee Training

### Digital Talent Development Curriculum

Hana Financial Group operates a digital talent development curriculum split into group, internal, and external programs.

Curriculum	Content	2022 Performance
In-house DW course training (beginner/intermediate)	DW proficiency theory and practice ready to use in our environment (classroom training)	Offered 7 times, completed by 99 employees
Group DT University	Comprehensive training to foster Group digital talents (classroom, online, webinars)	Offered 78 courses, completed by 857 employees
Digital study abroad	Personalized training for employees to enhance job skills and competencies (classroom, online)	Offered 50 courses, completed by 104 employees
Data conferences and hackathons	Predictive analysis of Bank customers through machine learning and practice (classroom)	Completed by 17 employees

 **Total participants in digital-related training** 4,046 persons

\* Excluding Hana Financial Group, Hana Ventures

### DT University Digital Integrated Training Platform

Hana Financial Group launched 'DT University' to provide intuitive UI/UX, platforming of digital learning journeys, learning engagement through gamification, personalized learning, and convenience through SSO integration.

### 2022 DT University Enrollment

\* Hana Financial Group data

**Level 1** 5,239 persons **Level 2** 1,251 persons

Hana Bank trained 598 students in Level 1, 259 students in Level 2, and plans to conduct a Level 3 course in 2023 through DT University. The bank has also selected the second class of its Digital Warriors program to develop digital talent.

2nd class of Digital Warriors program	Trainees assigned to digital-related departments		
	Department of IT financial/information development	Department of platform development	Other digital-related departments
20 persons	12 persons	2 persons	6 persons

### Employee Competency Development Programs

Category	Developing digital marketers	Developing FX specialists
Program description	Digital Biz Specialist course is offered to employees at branches to foster digital talents. The course consists of Level 1-3, and upon completion of Level 3, employees can become specialists of digital marketing through an internal open competition system.	FX School is dedicated to selecting and training FX Masters, who are specialists in foreign exchange. Also, Foreign Exchange Academy is available to improve competencies related to foreign exchange and import/export.
Program objective and business benefits	The buzzword in the financial world these days is digital transformation. As fintech companies such as Kakao Bank and Toss are growing at a remarkable rate, we are strengthening our employees' contactless marketing consulting capabilities to compete with them. Through this, we plan to continue to increase sales of non-contact digital products, which are increasingly favored by consumers.	The size of Korea's overseas remittance market has grown significantly, from approximately KRW 10.1 trillion in 2015 to KRW 15.5 trillion in 2018, and recently to almost KRW 20 trillion. Moreover, fintech companies such as Kakao Bank and Toss have joined the overseas remittance market, and competition among players is becoming more intense. Hana Financial Group fosters top-notch foreign exchange specialists who combine practical and theoretical knowledge in foreign exchange business to provide differentiated services.
Quantitative business benefits	In 2022, digital products accounted for 90.6% of all credit extended, up 1.7 percentage points from the previous year, ultimately contributing to overall loan growth.	In 2022, total foreign exchange fees reached KRW 207.1 billion, up 37.0% from KRW 151.2 billion in the previous year.
No. of participating employees (Ratio to total employees (%))	6,490 persons (37%)	1,038 persons (6%)

### Human resources ROI

Classification	Unit	2020	2021	2022
Total Revenue (A)	KRW million	48,216,018	41,677,772	70,156,000
Total Operating Expense (B)	KRW million	3,917,656	4,050,460	4,432,949
Total Employee Related Spending (C)	KRW million	2,443,522	2,599,503	2,758,669
Human Capital ROI (A-(B-C))/C	-	19.13	15.47	24.82

# Employees

## Employee Training

### Leadership Development Training

Hana Financial Group enhances the management and leadership abilities of its employees through a wide range of trainings for each position, and evaluates leadership capabilities through competency assessments during personnel evaluations. Hana Bank runs a promotion qualification course (training and examination) for clerks and assistant managers, which is a prerequisite for promotion to manager positions. After being promoted to supervisor and manager, employees strengthen their leadership capabilities through various training programs such as Leadership Course for Promoted Employees, Performance Improvement Workshop for Branch Managers, Coaching Workshop for Branch Managers, New Sales Branch Managers, and Hana Essential Leadership Course. All training programs for supervisors and managers are evaluated in various aspects, including participation, completion rate, practical application, and performance contribution, and are heavily weighted in succession planning for executive promotions. After executive promotions, New Executive Leadership Course is offered to help new executives shift their leadership mindset and determine their roles and directions in a changed environment, including changes in authority and responsibilities. In particular, Hana Financial Group operates women’s leadership courses such as Corporate Financial Academy and Customer Care for All to foster female talent, as well as Hana WAVEs program to nurture the next generation of female leaders to lead the future of the Group.

<b>Performance Improvement Workshop for Branch Managers</b>	<ul style="list-style-type: none"> <li>• For all branch managers</li> <li>• More than 540 managers</li> </ul>
<b>Coaching Workshop for Branch Managers</b>	<ul style="list-style-type: none"> <li>• Improving branch performance skills and employee communication capability</li> </ul>
<b>New Sales Branch Managers</b>	<ul style="list-style-type: none"> <li>• 85 managers in 1st half of year, 22 in 2nd half</li> <li>• Training enabling leadership performance in new positions</li> </ul>
<b>Hana Essential Leadership Course</b>	<ul style="list-style-type: none"> <li>• Targeting 572 leaders (online)</li> <li>• Improving leadership capacity of all branch managers</li> </ul>
<b>Promotion course for managers, supervisors, employee As</b>	<ul style="list-style-type: none"> <li>• Training to understand the leadership competencies required by the organization and establish leadership goals as positions change along the leadership pipeline</li> <li>• 168 managers, 388 supervisors, 234 employee As</li> </ul>
<b>Establishment of Hana Leadership Way</b>	<ul style="list-style-type: none"> <li>• Behavior guide for Hana’s leaders</li> <li>• Leadership training by position to spread the Leadership Way (Self Leader Course, Part Leader Course, etc.)</li> </ul>

### Certification Support

Hana Bank

Hana Bank supports all employees in obtaining certifications, including advanced or specialist qualifications required for product sales, through financial support for courses, examination fees, and refresher training. (Excluding hourly employees, temporary employees, and part-time employees)

<b>Wealth management</b>	Fund advisors, derivatives investment advisors, insurance agents (life, property, and casualty, and third-party insurance), variable insurance sales representatives, FPs, investment advisors, and retirement planners, AFPK, CFP
<b>Foreign exchange</b>	Type 1 foreign exchange specialist, type 2 FX specialist, international trade specialist, international finance specialist, CDCS, CSDG
<b>Corporate finance</b>	Credit analysts, credit officers, technical credit assessors, CRA, FRM, CFA
<b>Digital</b>	ADsP, ADP, SQLD, DAsP, DAP, Big data analyst, COS, COS Pro, information processing engineer, information security engineer

### Employee Education Support

Hana Bank

Hana Bank supports degree programs by selecting full-time employee applicants who meet certain length of service requirements, with selection requirements and eligibility varying depending on the time of recruitment. Due to the impact of COVID-19, applications for degree programs have decreased, but we have established a foundation for employees to autonomously participate and learn from Coursera courses in the form of MOOCs (massive open online courses). In 2022, Coursera reached a 62% completion rate, with 111 out of 177 trainees completing their courses.

Category	No. of completed trainees	CDP	No. of completed trainees
Business	73	Global	55
Computer Science	2	Digital	45
Data Science	20	Corporate Finance	18
Information Technology	15	Wealth Management	4
Social Science	20	Non-CDP	8
<b>Total trainees</b>	<b>130 (including duplications, net headcount 111)</b>		

# Employees

## Employee Training

### Graduate School Tuition Support System

Hana Bank

Hana Bank provides personal tuition support for general employees, MS employees, and clerical support staff for regular domestic graduate courses approved by the Ministry of Education. Applicants are selected based on their past benefit records and other internal selection criteria, and 50% of the actual tuition fee is provided in each first and second semester. In the first semester of 2022, 21 employees received a total of KRW 51 million in support.

### Retiree Support System

Hana Financial Group offers programs to help retired employees plan for their post-retirement lives. In the case of Hana Bank, career planning education and self-development programs are offered to those approaching retirement age and those who wish to retire. Retired employees can choose to take the programs offline or online, and those who request may take employment and entrepreneurship programs offered through specialized re-employment training institutions.



No. of participants of post-retirement support training

547 persons

### Disability Awareness Training

Hana Bank

Hana Bank conducts disability awareness training every year through a mandatory course for all employees to eliminate workplace prejudice against people with disabilities, create stable working conditions for people with disabilities, and promote a culture of hiring people with disabilities. In 2022, the training was offered to 11,934 full-time employees.

### ESG Education for Employees

Hana Financial Group conducts ESG training for its employees. This year, all employees of all affiliated companies participated in the training, which covered the concept of ESG, response to climate change, and social value creation.

#### Affiliated Companies ESG Training Status

Group company	Target
Hana Financial Group	All employees*
Hana Securities	Head of departments and employees
Hana Card	Working-level employees related to ESG, head of department
Hana Capital	Head of ESG department, new joiners
Hana Life Insurance	All employees
Hana Insurance	Employees of HQ
Hana Savings Bank	Head of divisions, head of departments, team members
Hana Asset Trust	Executives and managers
Hana Alternative Asset Management	All employees
Hana F&I	All employees
Hana Investors Services	All employees
Hana TI	Members of ESG committee and new joiners
Hana Ventures	All employees

\* Online Training

# Employees

## Employee Training

Hana TI newly launched ESG training for all employees during the statutory training period in 2022. The training, comprised of 10 sessions under the theme of “ESG Alpha and Omega,” was organized to familiarize employees with the entire process of ESG management, including ESG concepts and investments, initiatives, and stewardship codes. Through this program, the company seeks to enhance employees’ understanding of ESG management and strengthen the momentum for action by raising awareness.

Hana Card conducted ESG training for all employees for approximately five weeks, and confirmed a high level of interest in ESG with a 98.0% completion rate. Through the training, employees were able to form a consensus on domestic and international trends in ESG investments and developments in ESG management, broaden their awareness of the importance of ESG, and contemplate on how to implement sustainable social contribution activities.

## Global Corporate Culture Workshop and ESG Training for Overseas Employees

Hana Financial Group held a corporate culture workshop for overseas employees of the Group’s affiliates, including Hana Bank, Hana Securities, Hana Capital, and Hana TI. The Hana Global Corporate Culture Workshop was held to help overseas employees deepen their understanding of the Group’s mission, vision, and corporate culture, and was attended by 65 local employees from 23 locations around the world. The workshop consisted of programs to help employees understand the Group’s current status and future, global strategy, corporate culture, and ESG management, and local employees were provided with the Group’s mission, vision, and core value booklets, which were translated into 11 languages, including English, Chinese, Indonesian, Vietnamese, and Myanmar. The workshop drew active participation from employees, with discussions on how to apply the Group’s corporate culture locally and interactions among local employees, as well as time to share their experiences of visiting Korea.



# Employees

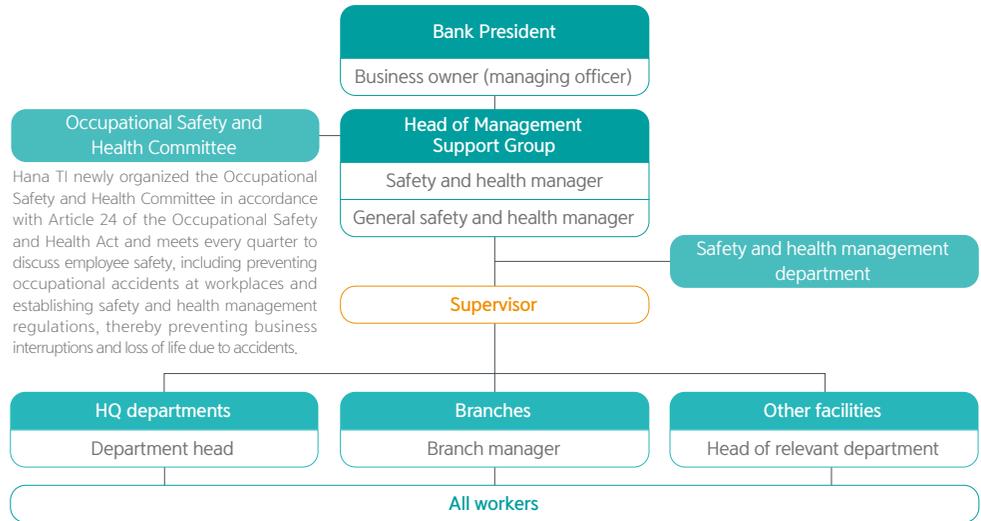
## Safety and Health Policies

### Safety and Health Management System

Hana Bank

Hana Bank established and effectively operates a safety and health management system that applies to all employees, customers, and suppliers, and has a quantitative goal of achieving 100% improvement in risk factors and zero accidents and injuries. To achieve this, the Bank periodically checks the achievement status of its goals and strives to improve the safety and health management system to create the right safety and health culture.

Hana Bank established a systematic safety and health management system by assigning a Safety and Health Manager, Supervisor, and Safety and Health Management Department within the safety and health management organization. The implementation plan based on the safety and health policy is reviewed and approved annually at the Board of Directors level, and the Head of Safety and Health Management is responsible for overseeing safety and health work in the workplace, while the Supervisor directly supervises employees and carries out safety and health work. The Safety and Health Management Department plays a role in executing necessary tasks related to occupational safety and health supervised by the Head of Safety and Health Management.



Hana Alternative Asset Management created the position of General Safety and Health Manager and hired experts to ensure safety and health of not only employees but also workers of various contract types such as subcontracting, outsourcing, and operation. In addition, the company established and operates a safety and health management system to identify harmful risk factors in the workplace and devise and implement countermeasures.

### Safety and Health Management Policy

Hana Bank

Hana Bank declared the Safety and Health Management Policy applicable to all employees, customers, and suppliers, with the aim of zero critical accidents for employees and contracted workers. Under this policy, Hana Bank has implemented safety and health activities such as safety and health implementation inspections, development of a safety and health management system, and communication of accident cases, resulting in the creation and revision of a safety and health management system and work manual, development of a computerized system to support safety and health work, and support for the safety and health work of partner companies. In addition, the Occupational Safety and Health Committee was established to conduct an annual review and approval of the Safety and Health Management Policy and the results of plans and implementations.

Hana Alternative Asset Management announced its Safety and Health Policy and established safety and health activity goals to demonstrate the management's steadfast determination and vision for safety and health.



### Health and Safety Management Plan

Hana Bank

Hana Bank plans to promote safety and health management with the goal of reducing the number of occupational accidents year-on-year, focusing on advancing and internalizing safety and health management and enhancing external credibility. The Bank will continue to carry out activities to promote safety and health management in 2022, such as the establishment and revision of safety and health-related management standards and manuals, studies on hazards in the logistics business, and system satisfaction surveys, as well as ongoing control of the work environment. In addition, the Bank intends to improve safety and health management by expanding the participation of employees in risk assessment and strengthening the execution of risk assessment by separating assessment and improvement management operations.

Furthermore, the Bank plans to internalize safety and health management by training partners on safety and health management, including supporting the prevention of industrial accidents at partner companies by sharing accident cases of 2022 and supporting the establishment/implementation of management systems in preparation for the application of the Serious Accidents Punishment Act.

# Employees

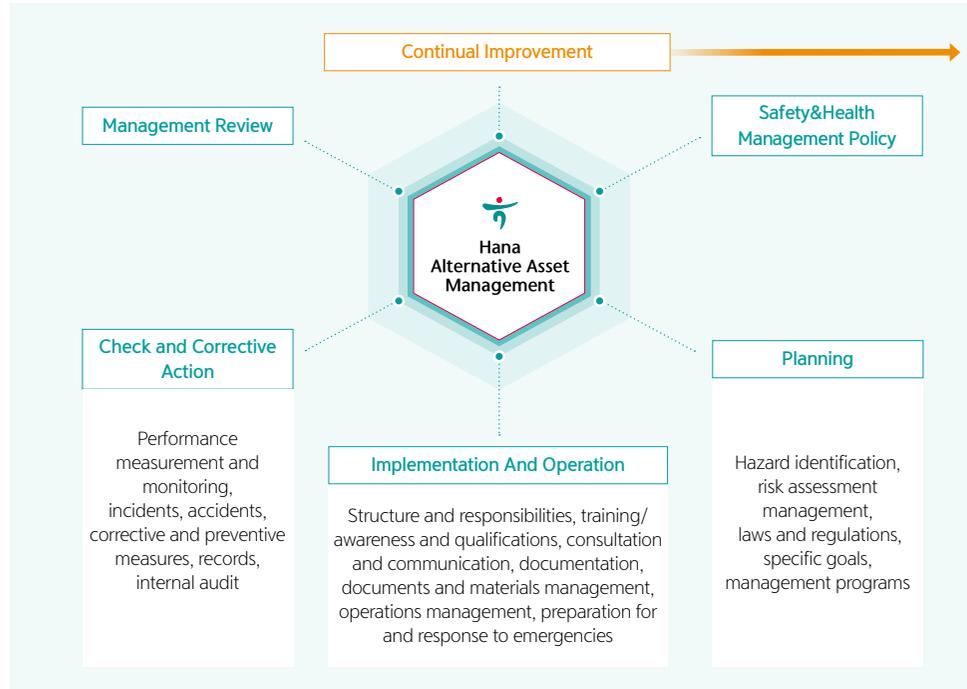
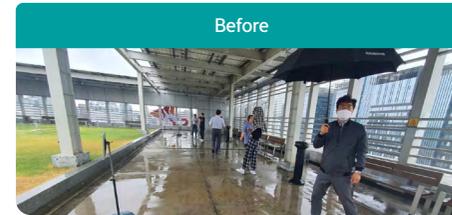
## Safety and Health Policies

### Safety and Health Management Activities

Hana Alternative Asset Management

Hana Alternative Asset Management establishes safety and health management standards for its tangible assets and conducts safety inspections at least once a half year, especially for assets that are managed directly through contracts such as contracting, services, and consignment. Safety inspections were conducted 15 times in the first half and 10 times in the second half of 2022 to identify hazards and risk factors with a high risk of disasters at workplaces and to improve risk factors. Through these inspections, we achieved results in supplementing deficiencies in facilities and eliminating the risk of disasters. In addition, we identify risk factors that need to be reflected in disaster prevention activities and take active measures by listening to safety and health opinions of workers and making suggestions at safety and health meetings held by safety and health management staff.

At the City Center Tower, safety railings were installed to prevent falls in the rooftop rest area, and the number of occupational accidents was reduced by supplementing and improving safety facilities.



### 2022 Risk Assessment Performance and Measures

#### Plan for corrective and improvement measures against hazards and risks

- Established and implemented action plans for 288 high-risk cases as a result of the November 2021 risk assessment.
- HH (4 cases): 3 cases (electricity) completed, 1 case (elevator) under construction
- H (284 cases): 221 cases completed, 54 cases scheduled for action in Q4, 9 cases under review

#### Risk Assessment

Hana Financial Group conducts safety and health risk assessment to identify risk-causing factors in the workplace in accordance with the safety and health management plan. This assessment is conducted by the head of the Safety and Health Management Department based on the risk assessment implementation manual to identify and improve hazardous risk factors according to the characteristics of the workplace.

Category	High risk ← ..... risk rating ..... → low risk					Total
	HH Improve immediately	H Continue improvement activities	M Maintain current level of management	ML Maintain current level of management	L	
Total	4	284	527	362	24	1,201

#### Risk Assessment Process



# Employees

## Safety and Health Management Activities

### Safety and Health Programs

Hana Bank

Hana Bank's safety and health management system includes risk assessments at work sites, priorities for safety and health, and improvement plans with quantitative targets. For the safety of employees, the Safety and Health Management Department, staffed by internal OHS specialists with occupational safety engineer certifications, establishes safety and health goals, management policies, priorities, and major initiatives every year, and tracks goal achievement every quarter, improves the system, and provides related training. In compliance with the Safety and Health Management Regulations and the Bylaws on Conducting Risk Assessment, the Bank proactively diagnoses potential risks in the workplace through periodic risk assessments and manages risks that may lead to injuries and illnesses by rating their severity. In addition, the Bank conducts measures in accordance with the quantified risk assessment plan established in advance, records and retains the assessment results, and discloses improvements to employees. Procedures are in place to establish plans to reduce employee health risks and prevent accidents, and to investigate accidents and establish countermeasures in the event of emergencies such as occupational disasters and major occupational accidents. When entering into contractual agreements for services, outsourcing, etc., we make it a major condition of the contract that the contracting company has the ability and skills to take preventive measures to ensure the safety and security of workers, and we have standards and procedures for evaluating this.

In addition to on-site inspections, we hold briefing sessions for our construction partners, and for our facility management partners, we support their work to ensure safety through training such as sharing accident cases. In addition, the department in charge of contracting organizes a council on contracting business once a month to discuss safety and health and to listen to opinions on contracting in accordance with the Safety and Health Council Operating Guide.

### Health and Safety Training

Hana Financial Group provides safety and health education to raise employee awareness of safety and health and to prevent accidents. Hana Bank conducted new and refresher training on safety and health for employees, risk assessment training for supervisors, and training on CPR and defibrillator operation for employees in the Head Office. Also, Hana Alternative Asset Management created a guide for using safety and health management expenses to improve hazardous risk factors and expand safety and health facilities at its business sites and provided training to its suppliers.

### No. of Occupational Accidents

2021

5cases

2022

2cases

### Obtaining Safety and Health Management System (ISO45001) Certification

Hana Bank

Major affiliates, including Hana Bank, set safety and health goals such as the number of accidents and the rate of industrial accidents, and check the year-on-year increase and decrease.

### Serious Accident Response Activities

Hana Bank

Hana Bank has established a response system by establishing and disseminating a response manual for emergency situations such as safety and health accidents.

#### <Rules of conduct in the event of a serious industrial accident>

Call 119 for help → Immediately stop work/evacuate the accident site → Provide first aid to victims as instructed by 119 → Preserve the damaged site/prohibit entry → Report to safety personnel and carry out instructions → Report the occurrence of a major industrial accident to the relevant local employment and labor office → Take measures to prevent further damage based on the activities of the Serious Industrial Accident Response TF

For timely treatment of cardiac arrest within golden time, Hana Bank had employees at its headquarters watch fire response videos and practice CPR and AED operations. The Bank also implemented fire evacuation masks in 216 buildings three-stories or more high, including its Euljiro headquarters, Myeongdong headquarters, and branches, by placing them on each floor, to prevent choking accidents.

### Organizing Internal BCP

Hana TI

Since 2020, Hana TI has been able to respond to the COVID-19 crisis in real time by establishing its own BCP organization and prevented the spread of the virus within the group's integrated data center. It shared employee action plans in accordance with the national quarantine guidelines, distributed masks and self-test kits to all employees, and supported testing costs to proactively prevent infections. This ensured business continuity and enabled continuity of more efficient operations.

### Strengthening Supplier Health and Safety Management

Hana Financial Group holds regular VOC and inspection meetings with contracted employee safety management and health council on joint safety and health inspections. In accordance with Article 64, paragraphs 1 and 2 of the Occupational Safety and Health Act, contractors who operate in-house subcontracting are required to conduct regular programs for safety and health councils and joint health inspections, targeting in-house subcontractors of three months or more. The Safety and Health Council listens to safety and health opinions related to contracted work once a month, checks harmful and dangerous factors of contracted employees once a quarter through joint health inspections, and conducts regular rounds of workplace inspections once a week. In addition, the company has established a process of inspection, selection, and operation based on an evaluation table to select companies with the ability to take measures to prevent industrial accidents when contracting.

# Employees

## Employee Benefits

### Improving Working Environment

Hana Financial Group is continuously seeking to improve our work environment to enhance employees' job satisfaction and engagement.

Support system	Support details
1 Remote work/work from home	<ul style="list-style-type: none"> <li>Enables work from a designated location, such as home, for work efficiency</li> <li>Built cloud PC system that enables remote work/work from home</li> <li>Operates Smart Work Centers in each base</li> </ul>
2 Flexible working hours	<ul style="list-style-type: none"> <li>Introduction of flexible work systems (flexitime, adjusting commuting hours, half day off) for employees who need to adjust their commute time due to the nature of their work, etc.</li> </ul>
3 Adjustable commuting hours	<ul style="list-style-type: none"> <li>Applies separate working hours (10:00~19:00, etc.) within the scope of respecting the daily working hours (8 hours) for branches and employees who need to adjust their commuting time due to the nature of their work</li> </ul>
4 Half day off	<ul style="list-style-type: none"> <li>Implemented a half-day (0.5 days) program to encourage employees to use their leave freely and according to their individual situations</li> </ul>
5 Flexitime work	<ul style="list-style-type: none"> <li>Flexible work hours for departments with regular peak seasons</li> </ul>
6 Improving PC-OFF system	<ul style="list-style-type: none"> <li>Automatic shutdown of PCs at 6 p.m. (overtime can be up to 12 hours per week)</li> <li>Improved system for securing lunch breaks (Expanded PC-OFF hours to lunch time)</li> </ul>
7 Hiring part-time employees	<ul style="list-style-type: none"> <li>Hire part-timers to work during peak hours for efficient staffing</li> </ul>
8 Shorter work weeks	<ul style="list-style-type: none"> <li>Systematically compensating employees so that they can ask the company to reduce their hours as needed</li> </ul>

### Employee Lifecycle Benefits

	Upon joining the Bank	Marriage	Childbirth	60/70/80th birthdays of parents
Congratulatory pay		Congratulatory pay	Congratulatory pay	Congratulatory pay
Tuition	Tuition support for employee/siblings		Tuition support for children	
Medical costs	Employee/parents	Spouse/parents(employee, children)	children	
Resort facility	Resort facility such as summer resort			
Physical training expenses	Physical training cost support			
Health examination	General checkup	Comprehensive examination+1 parent	Comprehensive examination +spouse	Thorough examination (from age 48)
Psychological counselling	Psychological counselling support			
Employee happiness programs	Year-round (single employee participating event, family invited event, kids camps, etc.)			
Others	Industrial union, internal work welfare fund loan, employee stock ownership plan, transportation support for employees dispatched to distant areas, congratulatory and condolence support, group accident insurance, dormitory, etc.			

### Employee Stock Ownership Plan System

Hana Financial Group is offering Employee Stock Ownership Plan (ESOP) to all employees (excluding registered executives) to support employees' build-up of assets, promote a sense of ownership and encourage labor-management cooperation by acquiring and owning stocks. Employees can buy the corporate stock with the employees' own money through the monthly salary deduction, and are receiving a part of their performance-based bonuses in the form of employee stock. Employee stocks cannot be withdrawn for 3 years and the entire amount must be withdrawn upon retirement. As of the end of 2022, the Employee Stock Ownership Association consists of 9,148 members in the holding company and its 15 affiliates.

#### Employee stock ownership tax benefits

- Income tax credit (up to KRW 4 million) each year
- No dividend income tax (tax rate 14%)

# Employees

## Employee Benefits

### Mental Health Programs

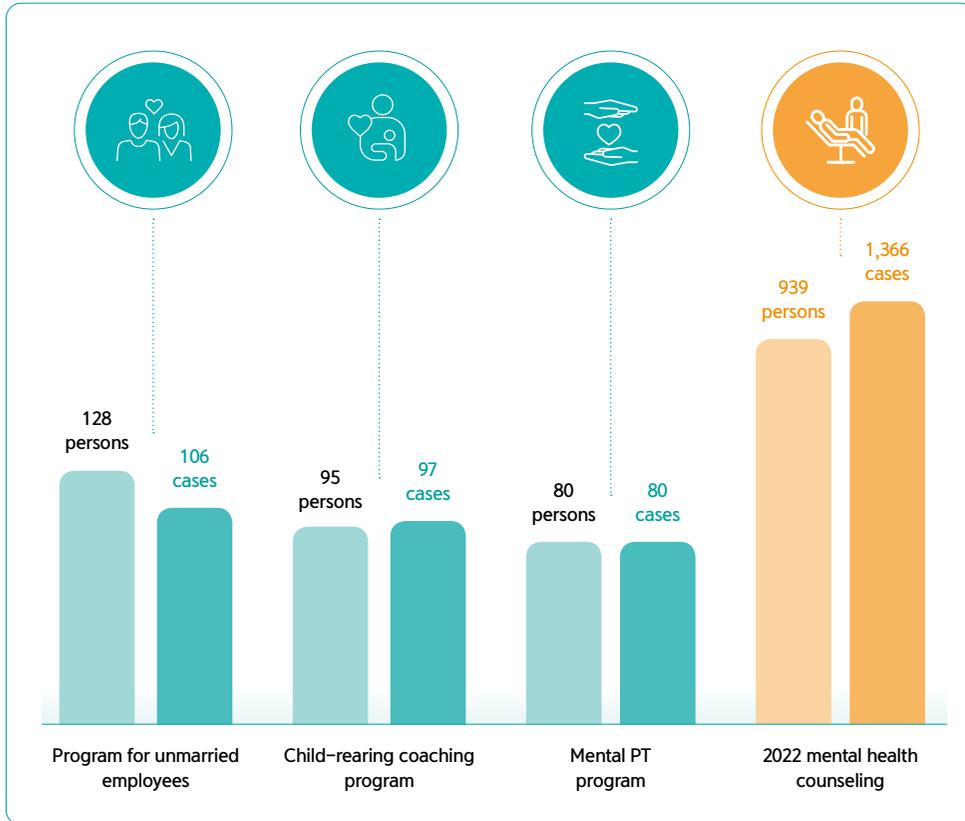
Hana Bank

Hana Bank provides mental health counseling by professional counselors on a full-time basis, both on and offline, as well as by visiting the clients. In addition, in 2022, the Bank held events such as a couples personality test for unmarried employees and an examination of child-rearing stress and daily stress for parents. Immediate family members can also use the mental health counseling center, and referrals to external counseling centers are provided to employees and their families who have difficulty accessing the in-house counseling center.

### Providing Professional Counseling Service

Hana TI

After moving to the Hana Financial Group Integrated Data Center in Cheongna in 2017, Hana TI implemented an Employee Assistance Program (EAP) in 2018 to promote employees' happiness. The service will be expanded from four times a year for employees to six times a year for employees and their spouses starting in 2021. The company is also striving to provide more diverse programs, such as inviting employees to open lectures by famous speakers starting in 2022.



### Turnover and Voluntary Turnover

(Based on Hana Financial Group)

Total turnover **6.65%** Voluntary turnover<sup>1)</sup> **3.57%**

1) Resignation due to personal circumstances, excluding retirement and recommended resignation

# Human Rights Management

## Declaration of Human Rights

Hana Financial Group remains committed to human rights management through its mission, “Growing Together, Sharing Happiness,” and Code One (Hana Financial Group’s Code of Ethics) so as to faithfully carry out corporate social responsibility and pursue sound growth along with all stakeholders. Also, Hana Financial Group supports human rights principles prescribed in UN’s “Universal Declaration of Human Rights” and “Guiding Principles on Business and Human Rights.” In addition, we comply with ILO’s Principles at Work in regard to health, safety, working hours and collective bargaining, as well as prohibiting human trafficking such as slavery and child labor in all business activities.

### Main contents of employee human rights protection



**Principle and Scope of Human Rights Management**

- We strive to prevent potential human rights violations by identifying human rights-related risks and effects through the human rights due diligence process.

#### Human Rights Due Diligence Process



- We work to devise fair and prompt remedies in the event of human rights violations.
- All employees of Hana Financial Group and all affiliates, partners, joint ventures, and acquired companies are required to comply with the provisions contained in this Declaration, and Hana Financial Group strives to prevent human rights violations and promote a culture of respect for human rights among all stakeholders.



**Human Rights of Employees**

- We respect diversity and prohibit any form of discrimination on the basis of gender, school affiliation, disability, religion, race, place of origin, etc.
- Under the principle of equal remuneration, we evaluate and compensate employees based on fair standards and provide them with appropriate opportunities for self-development to improve their performance.
- We establish and maintain safe and clean work environments to protect and promote the health of our employees.
- We consistently improve working conditions to ensure that our employees are able to achieve work-life balance and maximize their individual capacities.
- We prohibit forced and child labor, and do not use acts such as assault, confinement, or intimidation, or force anyone to work against their will, including human trafficking.
- We guarantee freedom of association and collective bargaining, including respecting the right to join trade unions and promoting cooperation between labor and management.
- We comply with workplace health and safety laws.



**Human Rights of Customers**

- We protect the human rights of financially underprivileged groups, such as seniors and people with disabilities, by increasing their accessibility to financial services.
- We do not provide financial services that discriminate against customers on the basis of gender, age, religion, etc.
- We collect only the minimum of personal information necessary to provide our customers with financial services and manage their personal information in a safe and secure manner.
- We strive to develop and provide products and services of the highest quality in order to satisfy our customers’ needs and earn their trust.



**Human Rights of Shareholders and Investors**

- We provide necessary information for our shareholders and investors in a timely, accurate and fair manner and in accordance with relevant laws and regulations.
- By disclosing accurate accounting data, we maintain the transparency of management and earn the trust of our shareholders and investors.
- We help raise the value of our shareholders and investors by practicing reasonable decision-making and conducting our management activities transparently.



**Human Rights of Suppliers and Partners**

- We pursue mutual growth and co-existence with our partner companies by ensuring that all our transactions with them are fair and transparent.
- We do not use our superior status to force our partner companies to make unfair or fraudulent transactions.
- We communicate with our partner companies about ethical, human rights-based management and support them in adopting such practices.
- We require our affiliates, as well as subsidiaries and contractors within the Group, to implement human rights principles and protect the human rights of their employees.



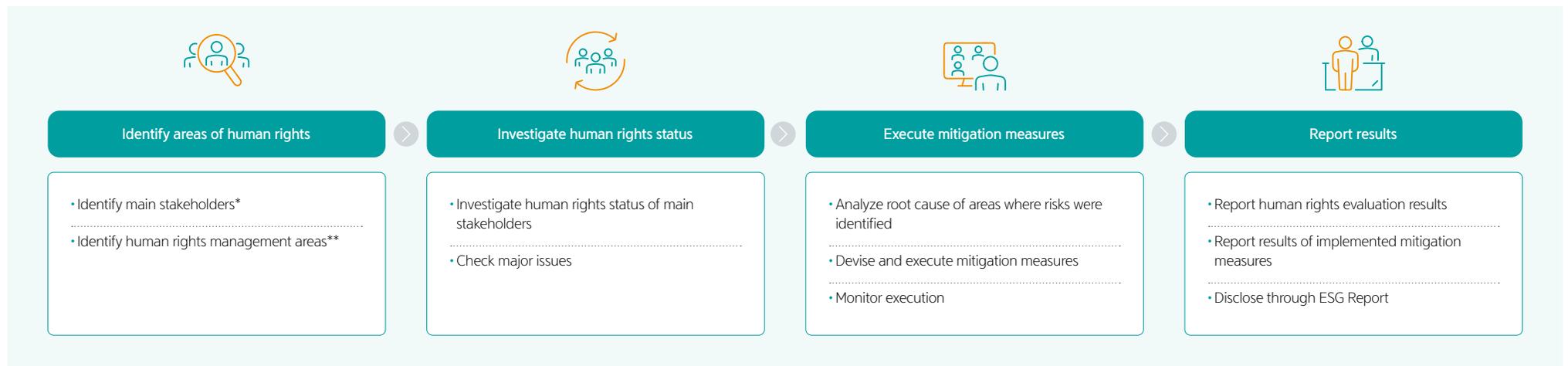
**Human Rights of Local Communities**

- We take careful measures to ensure that we do not infringe upon the human rights of members of local communities in the process of conducting our business activities.
- We actively engage in social contribution activities including support for underprivileged groups in local communities.
- We seek to increase social transparency and security by preventing financial crimes, such as illegal money laundering, terrorism financing, etc.
- We consider the environmental and social issues of local communities when making decisions about large-scale loans and investments.

# Human Rights Management

## Human Rights Impact Evaluation

### Process of Human Rights Impact Evaluation



\* Customers, employees, children, women, local residents (native), migrant workers, emotional laborers, shareholders, and suppliers \*\* Forced labor, child labor, discrimination, human trafficking, equal remuneration, freedom of association and collective bargaining health and safety

### Human Rights Surveys

Hana Financial Group conducts annual human rights surveys at all business sites to identify potential human rights risks posed with employees and suppliers, and considers all stakeholders who enter into and maintain business relationships with Hana Financial Group, including companies subject to mergers and acquisitions. In addition, we have added management areas and inspection items related to the protection of shareholder rights to conduct more specific due diligence.

The 2022 human rights survey, which identified five stakeholders, set 13 human rights management areas, and derived 18 inspection items, found no serious or new human rights violations from human rights-related investigations and analyses. Hana Financial Group plans to continue to optimize its investigation system through periodic reviews of its human rights status.

### Deriving Human Rights Risks

Hana Financial Group practices human rights management based on the Human Rights Policy to conform to global standards for human rights management and to strengthen the Group's sustainable management. In order to identify human rights risks of each stakeholder, we regularly conduct a review process based on the UN Human Rights Committee's Guiding Principles on Business and Human Rights, prepare improvement tasks, and derive human rights risks to eliminate potential human rights violations.

### Human Rights Management Goals

In 2022, Hana Financial Group revised its Declaration of Human Rights by establishing a human rights policy and system and revising human rights management areas and inspection items. In 2023, we plan to further enhance the human rights due diligence process by expanding the number of group companies subject to human rights due diligence and adding additional human rights management areas and human rights inspection items, with the goal of strengthening the human rights management system.

# Management of Human Right Risks and Impacts

## Results of Human Rights due Diligence

Hana Financial Group identifies risks based on its human rights policy and conducts human rights impact assessments to mitigate risks by checking possible risks in advance. In addition, human rights impact assessments consider all stakeholders who start and maintain business with Hana Financial Group, including companies subject to mergers and acquisitions.

Stakeholder	Major Human Rights Issues	Risk Mitigation Actions	Mitigation Action Implementation Details	Issues	Rate of Mitigation Actions Taken
Customers	Customer information protection	Information security training for employees	Operated an agile lab to improve the pre-complaint reporting system, and 0 cases of recurrence of the same complaint, 300 financial education programs, 1,434 participants in Meet up financial education seminars, Improved financial accessibility for vulnerable groups (video and sign language consultation services for the disabled, call centers for the elderly and senior citizens, and dedicated financial windows, specialized stores for foreigners, and support for overseas remittance apps in 16 countries)	0 case	100%
	Consumer protection	Operation of Agile Lab for improving advance complaint reporting system			
	Policy for the financially vulnerable	Financial education for the financially vulnerable			
Employees	Prohibition of forced and child labors	Operation of PC-off system	Compliance with statutory working hours Guarantee of on-time clock-in/out and lunch breaks with implementation of PC-off system	5 cases	100%
		Incorporating normalization of working hours in KPI			
		Prohibition of child labor			
	Freedom of association and collective bargaining	Labor-management cooperation and frequent labor-management meetings	No. of labor-management meetings held: 67 Labor unionization rate: 98.8%		
	Respecting diversity and prohibiting discrimination	Compliance with laws on gender equality and employment	Inclusion in the Bloomberg Gender Equality Index Women leaders fostered through 2nd Hana Waves: 36 leaders (Female employees 57%)		
	Health and safety	Employee health management	No. of employees who took medical examination: 10,472		
		Operation of employee medical cost support system	No. of cases of receiving medical assistance: 1,273		
Prevention of sexual harassment	Mental counseling for employees	No. of psychological counseling sessions provided: 1,366			
	Sexual harassment prevention training for employees	No. of participants in sexual harassment prevention training: 11,803			
Partners	Emotion laborer protection	Operation of consultant protection system	No. of counseling for emotion laborers: 2 Improvement completed: 2 cases	2 cases	100%
	Practice of integrity and ethics	Implementation of integrity and ethics pledge system	Development of integrity · ethics pledge		
Local communities (including indigenous people and migrant workers)	Human rights review in large-volume lending, investments	Joining the Equator Principles and performing screening checks	Social and environmental impact assessment for PF applications No. of Equator Principles screenings: 39	0 case	100%
	AML policy	AML training for employees	No. of employees who attended AML training: 327,963		
Shareholders	Shareholder rights protection	Hosting company briefing sessions	No. of disclosed announcements of company briefing: 13	No human rights risk	
New business relations (Merger and acquisition)	Discrimination	Checking human rights risks during new business development or mergers and acquisitions	Risks occurred: 0		

# Management of Human Right Risks and Impacts

## Human Rights Management Activities

### Labor-Management Shared Growth Agreement Ceremony for Sustainable Growth

Hana Card

Hana Card held the "Labor-Management Shared Growth Agreement Ceremony" to provide a bridgehead for the company's mid- to long-term growth amidst today's challenging business environment, for win-win cooperation between labor and management, and fulfilling its responsibility as a member of the Hana Financial Group. After gathering various opinions through dialogues, six agreements were established.

1. (Focus on diverse growth-based expansion activities rather than short-term profits to "strengthen the competitiveness of the industry" and "grow into an industry leader" (as part of the Group's strategy)
2. Expand global new businesses and diversify revenues to 'strengthen our global footprint'
3. Strive to create jobs for young people and expand recruitment of talented workers to achieve "social responsibility" and "secure competitiveness"
4. Strengthen internal sales to "lead the way in revitalizing sales"
5. Labor and management must strive to create an organizational culture to practice the terms of the above agreement
6. Actively communicate between labor and management based on mutual trust to build a "win-win labor-management culture"

### Healthy Labor-management Relations

Hana Financial Group builds healthy labor-management relations through continuous communication between the company and the employees. Each affiliate actively conducts communication through labor-management councils and meetings to reinforce mutual trust. In particular, Hana Bank operates a joint labor-management organization and frequently holds labor-management meetings to promote cooperation and communication.

Number of labor-management meetings held in 2022

67

### Human Rights Training

Hana Financial Group conducts human rights trainings to prevent incidents of human rights violations and raise employees' awareness of human rights. In order to create a happy and healthy workplace culture, training on sexual harassment and harassment prevention is conducted at least once a year for all employees.

### Whistleblower System

Hana Financial Group provides channels such as the website, telephone, e-mail, meetings, and employee applications to report employee offenses and misconduct, personnel-related misconduct, and cover-up of incidents. We guarantee anonymity of informants and confidentiality of the contents of reports in accordance with the provisions of the Whistleblower Reporting System and Reporting Procedures, and have established disciplinary standards in case of violation of informant protection. In addition, we promote the whistleblower system by providing rewards based on the prevention of losses and contribution to company profits. Hana Bank's "Red Whistle," an external reporting system site, is also in active operation.

#### Implementation of the Healthy Voice System

Hana Financial Group implemented the Healthy Voice System to resolve employee violations, misconduct, sexual harassment, etc. in a fair and prompt manner, and does not separately verify the identity of the informants, such as their IP addresses

Healthy Voice  
Announcement



### Hana Employee Care Program to Protect the Human Rights of Emotional Workers at Customer Service Centers

Hana Bank

Hana Bank operates the "Hana Employee Care Program" to protect its customer service employees. The program is designed to minimize the mental and emotional damage of employees exposed to problematic customers in the course of customer service, protect customer service employees from verbal abuse, sexual harassment, and assault by customers, and promote a sound financial culture through systematic and step-by-step management of problematic customers.

# Management of Human Right Risks and Impacts

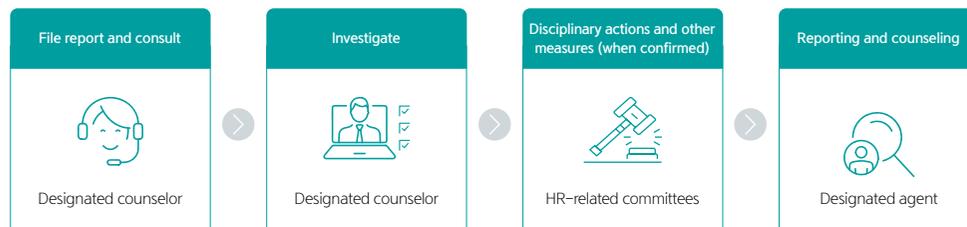
## Human Rights Management Activities

### Implementing Workplace Anti-Harassment Measures

Hana Bank

Hana Bank reported a total of 3 cases of workplace harassment in 2022. The Bank maintained security throughout the process to restore a healthy working environment for victims, and implemented disciplinary measures and victim protection measures in cases where investigations confirmed workplace harassment.

### Process taken in case of sexual harassment, harassment or discrimination at workplace



### Complaint Management System

Hana Financial Group operates an employee complaint management system to actively engage in preventing incidents of human rights violations and providing practical solutions to difficulties that employees may experience during work. Employees with complaints and grievances can report their complaints and grievances through various channels such as the Complaint Center bulletin board, telephone, and email. Upon receipt of a report, Hana Financial Group strictly guarantees confidentiality of the report and promptly notifies the employee of the outcome of the handling after consulting with the relevant departments and the employee himself/herself. The organizations in charge, such as the complaint handling centers of each affiliate, implement employee protection measures and operate a practical employee protection system, such as issuing personnel orders in consultation with the relevant department if necessary. Through these efforts, incidents of complaints are proactively managed and prevented, resulting in a decrease in the number of complaints received in 2022.

### Employee Complaint Cases Handled

(Hana Financial Group data, cases)

No. of cases registered

1,373

No. of cases handled

1,373

\* Hana Bank 1,366 cases, Hana Card 7 cases

### Preventing Discrimination and Harassment

Hana Financial Group operates a reporting center dedicated to reporting and investigating sexual harassment, discrimination, and harassment in the workplace. Furthermore, Hana Financial Group is fully committed to protecting victims through the various channels of reporting and investigation, such as telephone and email, while maintaining the confidentiality of reporters and preventing personnel disadvantages. In addition, we have established and implemented internal standards to ensure that appropriate corrective and recurrence prevention measures are taken in the event of discrimination and harassment incidents. Moreover, we conduct mandatory training on workplace harassment and sexual harassment at least once a year to prevent incidents of discrimination and harassment in advance.

### Preventing Sexual Harassment, Harassment, and Discrimination

(Hana Financial Group data, cases)

Category	Prevention of sexual harassment, harassment, and discrimination	
	No. of incidents of workplace harassment	No. of cases of action taken
Hana Financial Holdings	0	0
Hana Bank	3	3
Hana Securities	4	4
Hana Card	0	0
Hana Capital	0	0
Hana Life Insurance	2	2
Hana Insurance	0	0
Hana Savings Bank	1	1
Hana Asset Trust	0	0
Hana Alternative Asset Management	0	0
Hana TI	1	1
Hana F&I	0	0
Hana Ventures	0	0
Hana Investors Services	0	0
Finnq	0	0
<b>Total</b>	<b>11</b>	<b>11</b>

# Customers

## Innovation of Digital Finance

### AI Wealth Service, a Highly Personalized AI Wealth Management Platform Hana Bank

Hana Bank developed its own AI algorithm for personalized wealth management and launched the AI Wealth service, a digital wealth management platform that provides ultra-personalized wealth diagnosis and portfolio recommendations. AI Wealth analyzes the past transaction history of all customers and derives the investment DNA of each customer to implement a highly personalized solution that provides different customized information for each customer.

### Introduction of 'AI Banker' for the First Time in Banking Industry Hana Bank

Hana Bank introduced 'AI Banker', the first of its kind in the banking industry to brief customers on various financial information such as financial markets and exchange rate forecasts. Through deep learning, the mobile AI Banker is expected to improve customer comprehension and financial accessibility for the digitally vulnerable, with mouth movements and gestures as natural as those of a real banker.

### Dedicated Consultation System and AI Contact Center Hana Card

Hana Card established a dedicated consultation system to shorten the consultation time and reduce the number of steps by designing UI/UX screens optimized for consultation and adding a timeline to identify the contact history of customers in advance and always displaying information that is frequently consulted during consulting sessions. In addition, AI-based technical support for digital channels helps to reduce the number of agent-connected calls and handle integrated consultations. With AI chatbot and callbot systems operating 24/7, simple consultations were replaced by AI while consultants were able to focus on close customer care. Furthermore, the company monitors real-time conversations using Speech to Text (STT) and provides intensive care for new consultants for faster adjustment to work.

'Hana 1Q' won the 'Presidential Award' at the 22nd Korea Digital Management Innovation Awards

'MyBranch' wins 'Best Bank Award for Digital Banking Innovation'



### Optimizing Simple Payment Services Hana Card

Hana Card launched a credit card payment service for 800,000 ZeroPay merchants. By interfacing the existing QR code payment method with the 1Q Pay app, payment has become more convenient for small businesses that have difficulty installing terminals. In the future, Hana Card plans to provide enhanced payment services such as contactless QR payment.

### Diversifying My Data Services Finnq

Finnq's MyData service has a 50% rate of institutional connections to subscribers, which is higher than other companies, and actual usage ranks between 6th and 10th in terms of traffic. Users can raise their credit score from 0 to 70 by utilizing MyData information through Credit Raise, as well as analyze their spending and organize their spending portfolio based on card/bank and asset/income information with at-a-glance wealth management.

### 'READIT' First in the Financial Sector to Receive Grade1 in GS Certification

Hana Financial Group received Grade 1, the highest level of Good Software (GS) certification\*\*, for the first time in the financial sector from the Korea Information and Communication Technology Industry Association for its in-house developed AI-OCR\* solution, READIT v3.0. READIT v3.0 provides high recognition rates even in low-quality images and has excellent document classification capabilities. It is being used for document classification and information recognition at Hana Bank and Hana TI Certified Electronic Document Center, and for automatic recognition of mileage on car dashboards at Hana Insurance. Moreover, we have developed a groundbreaking technology that generates training data on its own, and have applied for 4 corresponding patents.

\* AI technology that extracts text information from various documents and images based on artificial intelligence  
 \*\* National certification system that certifies software quality based on international standards

# Customers

## Customer Satisfaction Management

### Complaint Handling Process

Hana Bank

All affiliated companies of the Hana Financial Group have independent complaint managing departments in charge of handling customer complaints. Each complaint department receives complaints via telephone, website, mobile, etc. and handle them promptly and accurately in line with the processes specified in the Financial Holding Company Act and Hana Financial Group's regulations. Complaint handling is managed and monitored by these Group company departments and regularly reported to their customer information managers, who ultimately report the handling details and results to the holding company's customer information manager.

Hana Bank reports to the President of the Bank once a year on the incidents of complaints and the status of their handling, and reports on the status of important complaints and their handling results to the Board of Directors through the Financial Consumer Protection Internal Control Committee, chaired by the President of the Bank, at least once a year.

Meanwhile, the KPIs of all customer service representatives' and managers' involved in the complaint handling processes are operated independently, not linked to the Group's sales targets and monetary compensation, to ensure sincerity of the Group in handling complaints and providing appropriate services to customers.

### Efforts to Improve the Complaint Handling Process

Hana Bank

Hana Bank has a permanent "System Improvement Agile Lab" that analyzes all complaints received to identify improvement needs and requests improvements from relevant departments. This helps eliminate the underlying causes of complaints and prevents the recurrence of similar complaints. In 2022, we improved our complaint management system by establishing the ABC System\* to strengthen the analysis and management of complaint data and efficiently drive the improvement feedback process.

#### ABC System Implementation and Utilization

##### A(Analysis, adding complaint categories through classification)

Diversify data collection and analysis methods by utilizing the system  
 - Manage event items frequently, add analysis results to complaint education materials such as Complaint Trend Report, etc.

##### B(Betterment, incorporate feedback process for system improvement in system)

Operate system improvement process through system utilization  
 - Systematic improvement through drawing up system improvements for all closed complaints and operating Agile Lab, etc.

##### C(Collection, creating a category for accumulated complaint cases)

Plan complaint materials by utilizing the system  
 - Utilize for preventive education with complaint cases such as "Oh, no" and "Complaint Warning"

### Complaint Handling Process



# Customers

## Customer Satisfaction Management

### Operation of Customer-centric Complaint Handling System

Hana Bank	Advanced complaint reporting system	<ul style="list-style-type: none"> <li>• Collaboration-based and group-based dedicated complaint managers assigned within the General Consumer Protection Department to provide on-site support for proactive customer service</li> </ul>
	Dispute settlement support officer system and legal support	<ul style="list-style-type: none"> <li>• Assign dispute support personnel to each sales division to provide support on how to address customers and how to handle situations, and to resolve complaints early through lawyers in the department</li> </ul>
	Run Agile Lab for systemic improvement	<ul style="list-style-type: none"> <li>• Identify areas for improvement from guest complaints and request improvements from the department in charge to eliminate the root cause of the complaint and prevent recurrence of the same complaint</li> </ul>
	Develop educational materials to prevent complaints	<ul style="list-style-type: none"> <li>• Develop and share weekly (Oh, no), monthly (Complaint Trend Report), and ad hoc (Complaint Warning) complaint education materials to engage all employees</li> </ul>
Hana Securities	Complaint handling system	<ul style="list-style-type: none"> <li>• Receive complaints through channels such as the website, customer care centers, and branch windows, and process them within 14 business days, in principle</li> <li>• From self-remediation to final decision-making by the Chief Financial Consumer Protection Officer (CCO), each case is handled differently according to its criticality, and improvements are applied to improve work and systems</li> </ul>
Hana Card	1Q Helper	<ul style="list-style-type: none"> <li>• Fast track complaint response working group led by the Chief Financial Consumer Protection Officer (CCO)</li> <li>• The Consumer Protection Department and related departments discuss complaint resolution and recurrence prevention measures at 10 a.m. the day following the major Q&amp;A from the customer center</li> <li>• Established an automated complaint monitoring system using Speech to Text (STT) in 2022</li> </ul>
Hana Insurance	VOC process	<ul style="list-style-type: none"> <li>• Select customer complaints from VOCs and improve work processes through consultation with relevant departments</li> <li>• In 2022, a total of 28 inconveniences were improved, and the causes, handling results, and recurrence preventive measures were analyzed for each complaint → details were posted in relevant departmental announcements and electronic records</li> <li>• Collected complaint reduction action plans from departments with excessive complaints and operated the Guinness No-Complaint Award program for rewarded organizations</li> </ul>

### Customer Participatory Advisory Program

Hana Financial Group adopted a variety of programs to ensure customer satisfaction. In 2022, Hana Bank established the Hana Active Senior Advisory Group to expand customer participation advisory groups to four channels, including customer advisory group, university student advisory group, and employee advisory group, in order to strengthen support for financial consumers by reflecting their opinions on financial products and services. In particular, Hana Bank introduced 46 STMs in response to feedback that financial accessibility was insufficient due to the reduction of bank branches and the small number of automated teller machines compared to other banks. As a result, by the end of 2022, the count of STMs usage stood at approximately 170,000, improving financial accessibility for the financially vulnerable and the convenience of financial services.

Advisory groups	Members	Key activities
Customer Advisory Group	12 financial consumers in mid-20s to 50s	<ul style="list-style-type: none"> <li>• Comparative evaluation of the investment product subscription process</li> <li>• Suggestions for improvement related to IRP return satisfaction</li> <li>• Automated teller machine (ATM) experience ⇒ <b>Reflected opinions when scheduling replacement of old machines and STM operation</b></li> <li>• Drawing process improvement measures through app using experience ⇒ <b>Reflected opinions on mobile banking channel events</b></li> <li>• Suggestions on customer management system ⇒ <b>Improved text messages to customers (content, sending frequency, etc.)</b></li> </ul>
University Student Advisory Group	70 University student financial consumers (10 teams)	<ul style="list-style-type: none"> <li>• Generating improvement ideas from mobile banking experiences and gathering feedback on the results of reorganization ⇒ <b>Provided insights to improve mobile banking UI/UX experience</b></li> <li>• Opinion gathering before launching specialized services ⇒ <b>Identified the need to introduce health-related services and improvement plans for metaverse-related events</b></li> </ul>
Active Senior Advisory Group	10 financial consumers in 60s and 70s	<ul style="list-style-type: none"> <li>• Gathering feedback on digital sign-up process and follow-up services for investment products</li> <li>• Listening to opinions on improving the customer screen of smart teller</li> </ul>
Employee Advisory Group	46 Hana Bank employees	<ul style="list-style-type: none"> <li>• Reflecting field opinions on new upcoming services for the Small Business Happiness Center platform</li> <li>• Suggestion of ideas for MyData, consumer risk monitoring system</li> </ul>

# Customers

## Customer Satisfaction Management

### Customer Participatory Advisory Operation Procedure

<b>Organization</b>	<ul style="list-style-type: none"> <li>Recruit appropriate people for each advisory group</li> <li>Appropriate number of people selected by the organizing department (conduct interviews if necessary)</li> </ul>
<b>Operation</b>	<ul style="list-style-type: none"> <li>Design and assign tasks (including educational materials) on selected topics</li> <li>Listen to opinions of advisors on the topic and hold regular meetings</li> <li>Compile advisory group opinions</li> </ul>
<b>Topic selection</b>	<ul style="list-style-type: none"> <li>Departments request to use the advisory group</li> <li>Relevant departments confirm topic selection by advisory group</li> </ul>
<b>Delivery of operation results to relevant departments and identification of improvement measures</b>	<ul style="list-style-type: none"> <li>Deliver advisory group opinions to relevant departments</li> <li>Derive utilization plans for related departments in accordance with operation results</li> </ul>
<b>Improvement progress check</b>	<ul style="list-style-type: none"> <li>Constant monitoring of fulfillment</li> </ul>

### First to Launch Pension Doctor Service in the Banking Industry

[Hana Securities](#) [Hana Bank](#)

Hana Bank launched the first mobile pension asset management system in the banking industry, Pension Doctor Service, which provides customers their pension asset management status at a glance by diagnosing their DC and IRP assets in 12 different investment types and comparing them to the average of customers in the same age group who are managing their pensions well. The service provides personalized pension management solutions depending on whether or not they are using investment products and what kind of transactions they have recently made.

Hana Securities also launched Hana Pension Doctor in line with the Group's pension strategy to strengthen the competitiveness of its products, respond promptly to customers' needs, and closely manage their returns. The company plans to select 49 pension doctors from its branches to actively promote activities to introduce default options in its DC (defined contribution) business, and provide a range of solutions to manage returns.

### Operating Agile Lab, a Permanent Organization for Institutional Improvement

[Hana Bank](#)

Hana Bank is enhancing the immediacy and efficiency of system improvements and increasing the convenience of financial consumers through Agile Lab, a permanent organization that reviews institutional improvements. Agile Lab reviews requests for institutional improvements received through various channels, such as complaints, idea suggestions, and incorporation of policies from supervisory organizations, and communicates matters requiring improvement to relevant departments for improvement, and periodically reports major improvements and implementation actions to the management.



Startups found and incubated by Agile Lab in 1Q

22 companies



Startups invested through Agile Lab in 1Q

6 companies



1Q Agile Lab investment amount

KRW 7,266 million



Increase in no. of employees after 1Q Agile Lab investment

61 employees

### Consumer Evaluation Group Activities

[Hana Insurance](#)

Hana Insurance operates a consumer evaluation group every year to diagnose service levels from the customers' perspective, identify customer needs, and provide products and services that satisfy customers' needs in order to implement service policies tailored to customers. In 2022, 25 consumer evaluators were organized and participated in service experiences and surveys related to the mobile app, website, and one-day insurance app, after which 77 items of improvement opinions were selected and applied to each business process for improved customer satisfaction.

# Customers

## Customer Satisfaction Management

### Recertified for Customer Centered Management

Hana Card

Hana Card has been recertified as a 'Consumer-Centered Management' (CCM) company in 2022 by passing the re-evaluation conducted every two years since the initial certification in 2020. The company plans to establish a system to continuously receive feedback from consumers, and thereby secure a differentiated growth model that allows greater consumer value to lead to the company's sustainable growth. In addition, as a CCM-certified company, Hana Card made improvements to about 113 operations by reflecting consumer opinions gathered through the Customer Panel System and the Customer Inconvenience Elimination Council, and disclosed them in the Sustainability Report.

2022 institutional improvements

59cases

Customer Panel System

54cases

### 7th Consecutive Year at the top of Korean Service Quality Index (KSQI)

Hana Bank

Hana Bank was ranked 1st in the Customer Contact category of the Korean Service Quality Index (KSQI) for the seventh consecutive year. In 2022, Hana Bank's efforts to manage customer experience by conducting monthly customer satisfaction surveys, operating a customer committee to reflect the opinions of various customers, and operating Agile Lab to improve the system resulted in especially high scores in areas such as friendliness, active participation, listening attitude, and ability to explain.

### Establishing a System for Customer Satisfaction Surveys and Feedback

Hana Bank

Hana Bank received 89,185 compliments through the Customer Satisfaction Index (CSI) in 2022. Customer feedback is managed by level of satisfaction and topic using AI techniques to improve services and provide real-time feedback on customer opinions.

### Strengthening Customer Experience (CX) Management

Hana Insurance

Hana Insurance designates a CX-DAY every month to select a CX topic for employees to improve their service awareness. Through the publication and distribution of CX magazine on customer experience goals and key topics, the company strengthens the awareness of customer experience management among its employees.

### Customer Happiness Idea Contest

Hana Securities

Hana Securities held the Customer Happiness Idea Contest during the month of September 2022 to identify inconveniences and unreasonable practices of each channel of transaction. Out of 107 submissions, 7 outstanding proposals were selected and awarded excellence and encouragement prizes, and 37 were selected for adoption and implementation of system and practice improvements.

### Introduction of Mobile-based Smart Withdrawal Service

Hana Securities

Hana Securities launched the Smart Withdrawal Service, allowing customers to easily withdraw cash from ATMs using a one-time authentication number issued through the mobile app, even if they do not have their card or passbook with them. In particular, customers' access to financial services was improved by offering the service free of charge at CU convenience stores.

### Analyzing Financial Data and Building a Portfolio of Virtual Asset Financial Products and Services

Finnq

Finnq improved utilization through comparison and recommendation logic by analyzing each customer's data and expanded convenience with highly personalized services. In addition, the company is building a portfolio of virtual asset financial products and services by expanding the link to virtual assets in MyData in response to changes in regulatory environment.

# Customers

## CASE Products Raising Customer Satisfaction

### Launch of the Banking Industry’s First Digital Physical Gold Trust

Hana Bank

Hana Bank launched the Digital Physical Gold Trust, the first of its kind in the banking industry, allowing anyone to conveniently invest in actual gold in small amounts through the Hana 1Q app, the Bank’s digital channel. The Digital Physical Gold Trust is a product that allows customers to invest in actual gold with a purity of more than 99.99%, guaranteed by KOMSCO and traded on the Korea Exchange in 1 gram increments. The purchased gold gets safely stored at the Korea Securities Depository, allowing customers to trade with a peace of mind without any concern of theft or loss. In addition, it has the lowest fees among all methods of direct investment in physical gold, and offers benefits such as tax exemption on trading profits and exemption from 10% VAT when selling.

### Launch of “Terminate As I Want Term Deposit”

Hana Savings Bank

With the recent rise in interest rates, Hana Savings Bank launched the “Terminate As I Want Term Deposit” to meet customers’ needs for high-interest short-term funds.

Individuals and sole proprietors can sign up for this product, which offers a compound interest rate of 4.2% (as of December 31, 2022) for a two-year term. In particular, it offers high interim-cancellation rates differentiated according to how long the account was maintained since opening, with 0.2% per annum for less than one month, 4.2% per annum for one month to less than three months, 4.2% per annum for three months to less than six months, and 4.2% per annum six or more months.

### Launch of Dividend-free eOur Child Guarantee Insurance

Hana Life Insurance

Hana Life Insurance launched an insurance policy that provides diagnostic benefits for developmental behavioral disorders such as ADHD and severe tics, and covers new diseases such as environmental disorders and smartphone-related illnesses. The policy also covers risks that occur during school years, such as disaster damage, traffic accident damage in school zones, and treatment for school violence, and is available in “illness type,” “disaster type,” and “comprehensive type”. The age of enrollment is between 0 and 15, with a term of 5 years and 10 years, and both lump sum and deferred payment options are available.

### Cover for COVID-19 Quarantine Expenses

Hana Insurance

Hana Insurance launched a product that covers quarantine expenses due to COVID-19 while traveling abroad, for the first time in Korea. The policy covers accommodation and food expenses in case of forced stay abroad for more than the specified period due to COVID-19 symptoms, or in case of confirmed diagnosis in a country with mandatory quarantine. The product was highly recognized for its product development efforts and necessity, and was granted six months of exclusive use rights for the first time since the operation of the New Product Review Committee. In the four months since its launch, sales increased by more than 600%.

### Travlog, a Special Service Platform for Overseas Travelers

Hana Card

Hana Card launched Travlog service for customers traveling abroad and making direct purchases from abroad. The service offers top-ups in five currencies: KRW, USD, JPY, EURO, and GBP, as well as top-up services in 18 currencies including Vietnam, Thailand, and Switzerland for the first time in Korea. There is no fee charged for top-ups with foreign currency Hana Money, and real-time top-ups are available through the Hana Money app. In May 2023, the service had 900,000 subscribers and over KRW 230 billion in currency exchange.

# Customers

## Financial Consumer Protection

### Consumer Risk Management System

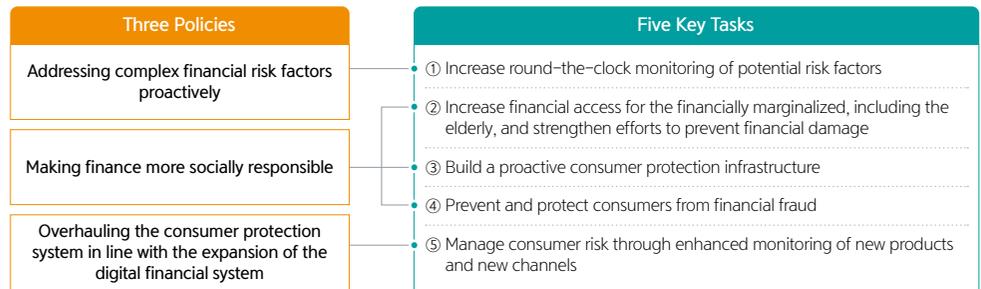
In March 2021, Hana Financial Group became the first company in the financial sector to establish the Consumer Risk Management Committee, a committee within the Board of Directors, and a supporting organization. In addition, in order to strengthen the executive function for specific consumer risk management activities of affiliated companies, the Consumer Risk Management Committee and the Consumer Risk Management Council, committees within the Board of Directors, were established in the Bank and Securities, respectively, along with a supporting consumer risk management organization. In 2022, the Consumer Risk Management Committee convened three times, reported on two agenda items, resolved the Group’s consumer risk management policy, and implemented practical activities. As a result, complaints regarding investment products continued to decrease, and financial consumer risks, including the balance of high-risk products held by the young and elderly, decreased.

#### 2022 Consumer Risk Management Committee meetings

March	• Establish Group Consumer Risk Management Policy for 2022
July	• Appointed Chairman of Consumer Risk Management Committee • Established the 2022 Affiliated Companies Consumer Risk Management Policy and reported on activities of the first half of the year
November	• Report on affiliated companies’ activities in the second half of 2022

### Consumer Risk Management Policy

Hana Financial Group has selected three policies and five key tasks for consumer risk management to strengthen trust through ‘customer-centered’ risk management. Through these policies, Hana Financial Group aims to proactively manage consumer-related risks, such as expanding economic uncertainty due to the complex crisis, deteriorating civil finance for the vulnerable and increasing consumer damage, and increasing other consumer risk factors in financial digitalization.

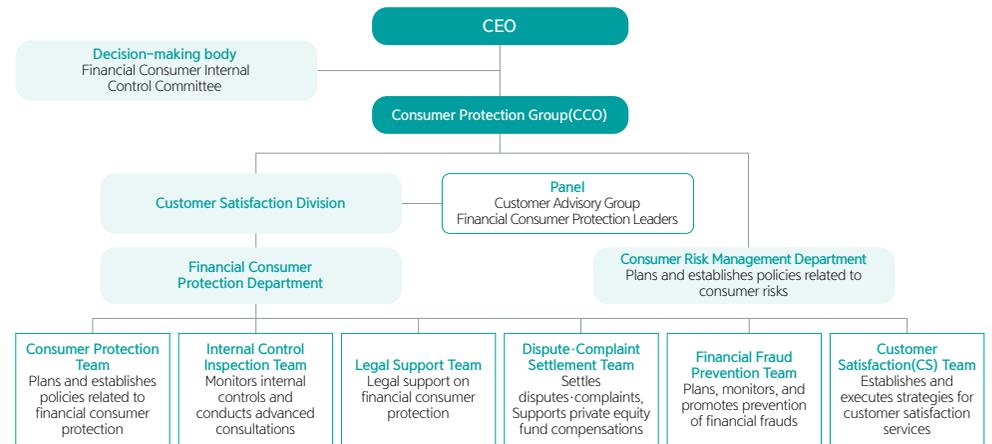


### Mid- and Long-term Goals for Consumer Rights Protection

Hana Financial Group set consumer rights protection as its medium-term strategic agenda and established medium- and long-term goals for its achievement. By 2023, we will set the direction of our policy for consumer risk management and communicate it internally. We will revise the policy to reflect feedback on consumer risk management activities by 2024 in order to establish and disclose, both internally and externally, a strategy maximizing the efficiency of consumer risk management by 2025.

### Financial Consumer Protection Governance

Since the enforcement of the Financial Consumer Protection Act, Hana Bank has newly enacted the Financial Consumer Protection Regulations and the Financial Consumer Internal Control Regulations and updated related guidelines. Hana Bank operates the Consumer Protection Group and the Executive Organization for Financial Consumer Protection, which are independent organizations directly under the President of the Bank, and appointed a Chief Officer of Financial Consumer Protection (CCO) to be in charge of related tasks. The Financial Consumer Internal Control Committee, which is the highest decision-making body, is held at least twice a year to address major decisions, and the issues discussed are reported to the Board of Directors for review. In addition, to actively listen to the voices of the frontline, financial consumer protection leaders for each department and branch are selected through the Customer Advisory Group composed of financial consumers, thereby actively promoting communication between the oversight organization and the frontline.



# Customers

## Financial Consumer Protection

### Financial Product and Service Review System

Hana Financial Group established and operates internal rules such as the “Financial Product Risk Management Guidelines” and “Operational Risk Management Guidelines” to protect customers through the review and management of financial product/service risks. The risks of financial products must be managed in compliance with the principles of comprehensiveness, clarity, appropriateness, customer protection, prioritization of external laws and regulations, and prioritization of regulations for each financial product, and product development is handled by departments that are independent of the departments whose sales results are evaluated. Advance consultation on financial product development is conducted primarily with the Risk Management Department, Compliance Department, Accounting Department, and IT Department, with additional consultation on fund transactions with the Wealthcare Center, real estate with the Real Estate Financial Evaluation Committee, and derivatives with the Derivatives Fair Value Evaluation Committee. The financial product review and decision-making body is responsible for checking the validity and appropriateness of the matters reported by the financial product development department, as well as conditions for suspension of sales. In the case of Hana Bank, financial products of which the principal is not guaranteed must be reviewed by the Non-Deposit Products Committee, consisting of seven members, including the Chief Customer Officer (CCO), Chief Risk Management Officer (CRO), and Compliance Officer. The operational risks inherent in financial products are managed through a three tier control system (on-site departments, Holding Company Risk Management Team, and Holding Company Audit Team), and operational risk is a risk to be managed by the Group. Hana Financial Group defines monitoring the status of operational risk and developing necessary measures as the role of the Group’s Risk Management Executive Committee, and matters resolved by the Committee must be reported to the Risk Management Committee, a subcommittee of the Group’s Board of Directors.



# Customers

## Financial Consumer Protection

### Consumer Protection Process

Hana Bank

Hana Bank guarantees a 3-step process for consumer protection:



### Financial Consumer Protection Internal Control Committee

Hana Bank

The CEO of Hana Bank chairs the Financial Consumer Protection Internal Control Committee, which is the highest decision-making body for financial consumer protection, and meets at least every half-year. The issues discussed in the committee are reflected in the actual on-site financial consumer protection operations and are periodically reported to the Board of Directors.

#### Status of 2022 Financial Consumer Protection Internal Control Committee

Meetings	Discussion topics
1st (Jun. 2022)	<ul style="list-style-type: none"> <li>• Review of compliance with financial consumer protection internal control regulations and adequacy and compliance with financial consumer protection regulations, and results of measures taken</li> <li>• Results of the 2021 Financial Supervisory Service's assessment of financial consumer protection status and improvement plan</li> <li>• Planning and operation of financial consumer protection related education in 2022</li> </ul>
2nd (Sep. 2022)	<ul style="list-style-type: none"> <li>• Results of inspections and measures on the adequacy and compliance with the financial consumer protection internal control regulations and the financial consumer protection regulations</li> <li>• Evaluation of employee performance compensation system in terms of financial consumer protection</li> <li>• Major system changes related to financial consumer protection</li> </ul>
3rd (Dec. 2022)	<ul style="list-style-type: none"> <li>• Hana Bank's management direction for financial consumer protection in 2023</li> <li>• Evaluation of employee performance compensation system in terms of financial consumer protection</li> <li>• Status of significant complaints and disputes and response results- Development of financial products, sales methods and information disclosure</li> <li>• Amendment(draft) of the bylaws for screening advertisements</li> </ul>

# Customers

## Financial Consumer Protection

### Establishing an Internal Control Monitoring System

Hana Insurance Hana Bank

Hana Bank newly established an internal control inspection team, responsible for establishing an advanced consumer protection monitoring system, establishing a consumer protection system for each step of financial products, and conducting advance reviews on compliance with the Financial Consumer Protection Act before launching products and promotional materials. The financial consumer protection internal control monitoring system, established in September 2022, contains a detailed checklist of the important aspects of the Financial Consumer Protection Act. In addition, branches and head office departments will conduct self-inspections on a regular and ad hoc basis and will be inspected by the Financial Consumer Protection Department.

Hana Insurance established the Financial Consumer Protection Internal Control Inspection Bylaws and an inspection checklist of 121 items to check the adequacy of internal control, and makes immediate improvements to deficient items to strengthen internal control.

### Strengthening Call Quality Monitoring (QC)

Hana Insurance

Hana Insurance uses AI to screen all TM contracts by registering prohibited words and keywords in the STT/TA system for TM sales of long-term insurance. The call quality monitoring staff checks and complements mis-selling through secondary screening in the order of products and employees with high mis-selling scores, thereby strengthening complete sales.

### Non-Deposit Products Committee

Hana Bank

Hana Bank operates the Non-deposit Products Committee which oversees the selection, sale and follow-up of non-deposit products in order to strengthen internal controls related to the sale of non-deposit products. The committee is comprised of executive-level members such as the Consumer Protection Officer (CCO), Risk Management Officer (CRO), and Compliance Officer to reinforce deliberation functions related to consumer protection, internal control, and risk management of non-depository products. The deliberations and resolutions made by the committee must be reported to the President of the Bank and the Board of Directors (or Audit Committee). In addition, the Consumer Protection Group leads the operations of the committee to ensure its independence and uses STT (Speech to Text) to improve the objectivity and transparency of the deliberation process. Furthermore, in case any serious issues such as customer damage due to changes in the criteria for customer-provided information, the system and processes related to non-depository products have been improved, including the establishment of a follow-up management plan.

### Improving Customer Satisfaction through Complete Sales of Insurance Products

Hana Insurance

For complete sales of insurance products, Hana Insurance conducts monthly complete sale training for sales staff and organizations with a completion rate of less than 99% and a QC (call quality monitoring) rate of less than 98%, and imposes penalties on employees with mis-selling history through the Complete Sale Promotion Committee. As a result, the complete sale rate improved by 0.7 percentage points in 2022, from 99.2% to 99.9%.

### Fair Debt Collection Policy

The Hana Financial Group operates a system for fair debt collection activities and debtor protection. In 2023, Hana Bank adopted the Fair Debt Collection Policy, which specifies the principles of debt collection policy, internal control and training for debt collection, precautions and compliance for each step of the debt collection process, and support for debt settlement systems.

### Fair Advertising Policy

Hana Bank

For the protection of financial consumers, Hana Financial Group enforces the Hana Financial Group Fair Advertising Policy, stipulating compliance with domestic and international laws and regulations and internal control procedures, protection of the rights and interests of financial consumers, faithful observance of explanatory obligations, and providing relevant training.

Hana Bank has established standards for the procedures and methods of producing advertisements, as well as procedures for pre- and post-screening of advertising materials. A person in charge of inspecting advertisements is designated based on the criteria for reviewing advertisements, and the Compliance Officer reviews advertisements, while the Consumer Protection Department inspects advertisements for infringement of financial consumer rights and elements that may cause complaints. The standards and procedures for internal review of advertisements are reported to the BOD as a resolution of the Financial Consumer Protection Internal Control Committee.

# Customers

## Financial Consumer Protection

### Voice Phishing Preventive Activities

Hana Card | Hana Bank

Hana Card conducts various voice phishing damage prevention activities, such as detecting voice phishing fraudulent loans by scanning for malicious apps and remotely controlled apps, delaying the deposit of loans for suspicious loans, sending and confirming SMS alerts for contactless suspicious loans to vulnerable customers, and updating detection and blocking requirements to minimize new fraud losses among younger customers. In particular, through continuous expansion and strengthening of monitoring to reduce consumer voice phishing damage, the amount of incurred damage has been decreasing steadily since 2020, and in 2022, it was reduced by approximately 32% (KRW 5.6 billion) year-on-year.

Category	2019	2020	2021	2022
Total amount of attempted fraud	KRW 6.03 billion	KRW 10.08 billion	KRW 10.84 billion	KRW 12.63 billion
Actual loss	KRW 5.52 billion	KRW 4.54 billion	KRW 1.74 billion	KRW 1.18 billion
Prevented loss	KRW 0.51 billion	KRW 5.54 billion	KRW 9.1 billion	KRW 11.45 billion

Hana Bank takes comprehensive measures customized for each field, including branches and digital, to proactively intercept voice phishing and protect financial consumers.

<p>Detecting malicious apps related to voice phishing</p>	<ul style="list-style-type: none"> <li>Installed a malicious app detection function in the Hana 1Q app to immediately suspend transfers and withdrawals for customers who have malicious apps installed, followed by a response system of sending notifications, contacting customers via phone, and branch support</li> </ul>
<p>Open banking monitoring of customers who leak information</p>	<ul style="list-style-type: none"> <li>Monitors access locations, devices, etc. to determine cases of information leakage and immediately suspends transactions to block direct access</li> <li>Monitors money withdrawal through open banking of other banks to determine abnormal transactions, and immediately requests payment suspension to the receiving bank while contacting the customer directly</li> </ul>
<p>Preventing in-person exploitative voice phishing victimization</p>	<ul style="list-style-type: none"> <li>Prints, explains, and distributes "Cash Withdrawal Guide" to customers withdrawing large amounts of cash at the branch window</li> </ul>

### Performance in preventing telemarketing frauds

Prevention of telemarketing frauds (such as voice phishing)	Unit	2020	2021	2022
Amount of telemarketing frauds (e.g., voice phishing) prevented	KRW 100 million	209	1,577	1,814
Number of cases of telemarketing frauds (voice phishing, etc.) prevented	cases	1,874	13,804	13,015

### Financial Fraud Prevention Service

Hana Bank

Hana Bank is continuously updating the latest information on phishing in the 'Financial Fraud Prevention Service' menu through the Hana 1Q app push notifying customers of new types of financial fraud that have recently occurred. As new financial fraud techniques become more sophisticated, the Bank will continue to provide quality content to help customers use mobile banking more safely and conveniently.

### Free Cyber Financial Crime Insurance Support Service

Hana Bank

Hana Bank has introduced a free cyber financial crime compensation insurance service aimed at protecting the financial assets of elderly pension plan applicants. The service is offered free of charge to Hana Bank Personal IRP customers who have applied for a pension plan, and provides Hana Insurance's Hana Cyber Financial Crime Compensation Insurance as a free insurance service product. Cyber financial crime protection insurance is also provided free of charge to sole proprietors with COVID-19-related loans.

### System of the Right to Request Loan Rate Reduction

Hana Bank

Hana Bank offers the right to request a reduction in the interest rate of a loan when the bank determines that the borrower's creditworthiness has improved, such as through employment, increased wealth, or improved credit rating. Currently, the Bank informs borrowers of the interest rate reduction request system at least twice a year through the KakaoTalk channel, and in the case of household loans, the Bank is developing a digital process that allows borrowers to apply for a rate reduction request, check the results, and sign a contract through mobile apps without having to visit a branch. In the future, we plan to expand the program to soho and corporate loans.

Category	Requested	Accepted
Household loans	53,578	14,950
Corporate loans	498	324

# Customers

## Financial Consumer Protection

### Developing Financial Sector’s First Consumer Risk Monitoring System

Hana Bank

For the first time in the financial sector, Hana Bank has developed a consumer risk monitoring system to establish a risk management system that analyzes and checks investment products from multiple aspects, and to manage returns and risk factors by applying risk management know-how on bank assets to assets held by customers. Through this system, the Bank can measure and analyze risks in the entire process of product selection, sales, and after-sales management through continuous monitoring by calculating and analyzing internal and external data, prompt inspection and response by notifying and sharing risk information in case of suspicious signs, and continuous provision of risk management contents customized for each customer. In addition, the Bank can prevent the selection of risky products by identifying unqualified managers, securities companies, and insurers at an early stage, check the risks of investment products, and identify product sales information suitable for customers’ investment profile.

### Collaboration with External Organizations to Enhance Customer Service Capabilities

Hana Financial Group collaborates with various external organizations to strengthen the customer counseling capabilities of its employees. Hana Bank has a contract with a financial counseling firm to receive annual training content, and has partnered with external financial consulting firms to conduct complete sales training and mystery shopping. In addition, to foster employees’ awareness of financial consumer protection ethics, the Bank commissioned an external organization to create training materials to conduct a course on “Financial Consumer Protection Ethics” for all employees.

Collaborating institutions	Education programs	No. of sessions
CPCS(Changing Perspective Customer Satisfaction) Continuing Education	CS leader meetings	45
	CS leader seminars / CS master leader seminars	6
	Customer satisfaction coaching/consulting	75
	Customer complaint & dispute prevention / HQ department training	7
	Courses by position (promotion, reinstatement, new hire, etc.)	13
KG Zeroin, NICE D&R	Complete sales training and mystery shopping	5
Tri-C Psychological Management Research Center	Financial consumer protection ethics education	1

### Best Content Award for Financial Consumer Protection

Hana Financial Group won the grand prize in the “Consumer Protection Organization” category at the 2022 Best Content Awards for Financial Consumer Protection. It was recognized as the most impressive for establishing the Consumer Risk Management Committee, a committee within the board of directors, and supporting organizations for the first time in the financial sector, and for presenting and implementing specific consumer protection methodologies such as developing consumer risk management indicators, monitoring risk indicators, and establishing a crisis response system. In particular, it was recognized for moving beyond the existing risk management system centered on the financial company itself, to a risk management system centered on the consumer.

### Selected as an Outstanding Company in the 2022 Korea Consumer Protection Index (KCPI)

Hana Card

Hana Card was selected as an outstanding financial consumer protection company in the 2022 Korea Consumer Protection Index (KCPI) survey. Hana Card received high marks for consumer protection notifications and consideration of the socially vulnerable, as well as a year-on-year increase in perceived consumer protection awareness in all areas. In addition, Hana Card’s 0 case of actual consumer complaints and damages was rated as the best in the industry.

# Customers

## Financial Consumer Protection Education

### Financial Consumer Protection Training

Hana Financial Group conducts mandatory financial consumer protection training every year for all employees, including frontline employees (branches, WM/PB employees, video call center employees, etc.). Financial consumer protection training covers topics such as ethics, the Financial Consumer Protection Act, dispute complaints, financial fraud prevention, and consumer risk management, with greater emphasis on the importance of consumer protection ethics since the implementation of the Financial Consumer Protection Act. Hana Bank conducted a total of 231 financial consumer trainings with 134,531 participants in 2022, while Hana Securities, with the goal of zero complaints, offers regular trainings to all branches, including consumer protection visit trainings for employees at 55 branches nationwide who face customers directly. In recognition of its efforts toward consumer protection, Hana Securities was awarded the “Grand Prize” in the Consumer Protection category at the 2022 Korea Securities Awards.

### Financial Consumer Protection Training Status of Hana Bank

Training category	2020		2021		2022	
	Sessions	Participants	Sessions	Participants	Sessions	Participants
Financial consumer protection training (ad-hoc)	25	4,810	215	4,501	22	2,395
Financial consumer protection training (regular)	1	11,930	1	11,214	2	19,846
Complete sales training	-	-	7	85	27	1,737
Training for mandatory product familiarization*	-	-	125	133,170	107	105,028
Meetings and seminars on financial consumer protection	118	4,315	30	4,166	73	5,525
<b>Total</b>	<b>144</b>	<b>21,055</b>	<b>378</b>	<b>153,136</b>	<b>231</b>	<b>134,531</b>

\* Training for mandatory product familiarization represents the number of courses offered and cumulative attendance

<b>Hana Bank</b>	<ul style="list-style-type: none"> <li>• Provides financial consumer protection training for all employees twice a year starting in 2022</li> <li>• Designates 'Healthy Finance, Checkup Day' every month → provides information on financial consumer protection issues to employees</li> <li>• Introduced the 'mandatory product familiarization system'</li> </ul>
<b>Hana Card</b>	<ul style="list-style-type: none"> <li>• Gradually increased the number of trainings → 3 in 2020, 9 in 2021, 10 in 2022</li> <li>• Promotes company-wide business improvement tasks through consumer panel and VOC</li> <li>• Self-inspection of consumer protection led by employees → monthly registration of results in the consumer protection system</li> </ul>
<b>Hana Capital</b>	<ul style="list-style-type: none"> <li>• Conducts periodic financial consumer protection law education for all employees</li> <li>• Designates 'Consumer Protection Checkup Day' every month → provides consumer protection education and various inspection activities</li> <li>• Provides education for custodians</li> </ul>
<b>Hana Life Insurance</b>	<ul style="list-style-type: none"> <li>• Provides annual financial consumer protection education for employees and ad-hoc education for insurance representatives</li> <li>• Designates 'Healthy Financial, Checkup Day' every month → provides information on financial consumer protection issues to all employees and insurance representatives</li> </ul>
<b>Hana Insurance</b>	<ul style="list-style-type: none"> <li>• Conducts CX-DAY and publishes CX magazine every month → shares consumer protection cases, VOC status, service cases, etc.</li> <li>• Conducted quarterly compensation center complaint prevention, monthly complete sales refresher training for broker employees, and VOC complaint case education through complaint practice meetings and trainings</li> <li>• Conducted 38 financial consumer protection trainings with 6,086 participants in 2022</li> </ul>
<b>Hana Savings Bank</b>	<ul style="list-style-type: none"> <li>• Mandatory online financial consumer protection training for all employees once a year</li> <li>• Designates 'Healthy Financial, Checkup Day' every quarter → each department performs self-check on financial consumer protection</li> <li>• Distributes educational materials on consumer protection issues, complaint cases, exercising consumer rights, telecommunication financial fraud, etc.</li> <li>• Mandates product familiarization training, including regular training once a year and training before launching new products</li> <li>• Provides regular quarterly training for customer service representatives on complaint cases starting in Q4 2022</li> <li>• Gives departmental internal control evaluation points for external training of financial consumer protection officers starting in 2023</li> <li>• Plans to provide education at least once every half year under 1 company-to-1 school commitment with elementary schools</li> </ul>
<b>Hana Asset Trust</b>	<ul style="list-style-type: none"> <li>• Conducts online training for all employees once a year</li> <li>• Developed a training course for employees selling real estate trust products in collaboration with Korea Financial Investment Association → provides ad-hoc trainings and allows only trained employees to sell the products</li> <li>• Special training, such as hands-on staff training, training on suitability principles, and obligation to explain, offered since 2022</li> </ul>

# 3 Governance Performance

Hana Financial Group is committed to transparent and responsible management. We commit by establishing a strengthened internal control system, reinforcing the role of the Board of Directors, and fostering a corporate culture that emphasizes fairness and transparency.

# ESG Management Report

## Key Performance

BOD attendance rate of Hana Financial Group  
**100%**



Activities of Ethical Management Committee  
**Established social media guidelines for employees**



Hana Bank 'Comprehensive Evaluation of Anti-money Laundering System Implementation'  
**Ranked 1st among banks**



Conducted information security education  
**For all employees of the Group**

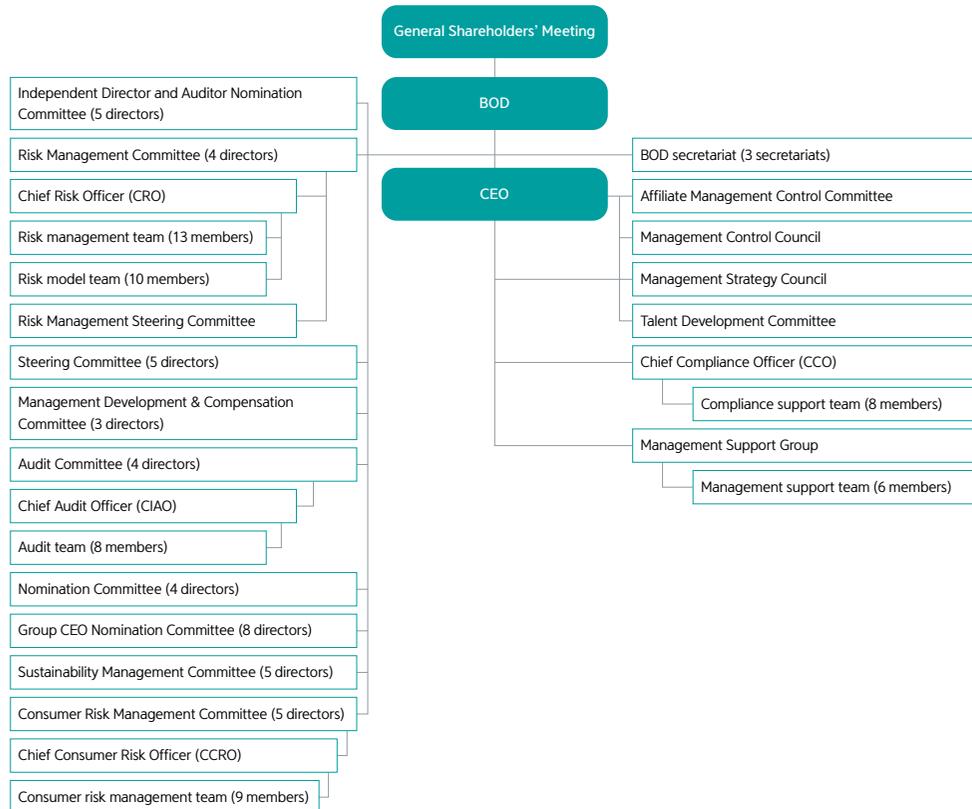


# Governance

## General Governance

### Corporate Governance Principles and Policies

Hana Financial Group's Board of Directors has the responsibility and authority to resolve the important affairs of the Company and matters stipulated as the authority of the Board of Directors in relevant laws and regulations such as the Commercial Law and the Corporate Governance Act, and to supervise the execution of the duties of the Directors, for the rightful interests of shareholders, investors and other stakeholders and the long-term development of the Group. In addition, the Board of Directors approves management strategies, management goals and business plans for the benefit of the Company and its shareholders, and supervises their implementation.



### Diversity, Independence, and Expertise of the BOD

The BOD of Hana Financial Group considers professional competence, age, education, gender, nationality, and other factors when appointing directors to ensure diversity in its membership, and has consistently appointed female independent directors since 2010. In addition, to enhance accountability of the management, the BOD receives reports on key business execution matters, retains the authority to appoint and dismiss the CEO, and appoints independent directors in accordance with the independence standards set forth in Article 6 of the Act on Corporate Governance of Financial Companies and Article 8 of the Enforcement Decree of the same Act. As of the end of March 2023, the ratio of outside directors in the BOD was 80%. Moreover, the BOD is organized with specialists in various fields to foster professional and independent opinions and efficient decision-making.

### Board Skill Matrix

	Kim Hong-jin	Yang Dong-hoon	Heo Yoon	Lee Jung-won	Park Dong-moon	Lee Kang-won	Won Sook-yeon	Yi June-suh	Ham Young-joo	Lee Seung-lyul
Finance	●	●	●	●					●	●
Management				●	●				●	●
Economy	●		●							
Treasury / Risk								●		●
Accounting		●								
Legal						●				
ESG							●			
IT				●						

# Governance

## BOD

### Overview of BOD Operations

The Board of Directors of Hana Financial Group holds regular meetings as well as special meetings whenever necessary. In 2022, the Board of Directors made decisions on important management matters for the Group, including revisions to the Articles of Incorporation, revisions to the Internal Standards of Corporate Governance, revisions to the Regulations of the Board of Directors, and revisions to the Regulations of the Independent Director Nomination Committee. The Board of Directors also serves as the highest decision-making body that receives reports and makes decisions on matters related to ESG management. In 2022, a total of nine Board meetings were held, and the average attendance rate of directors was 100%, which is in compliance with the Institutional Shareholder Services (ISS) guideline of 75%. The BOD received reports on the Group's business performance every quarter, examined the implementation status, and discussed in-depth the matters required to be reported to the BOD by relevant laws and regulations, such as the results of the annual inspection of the Group's internal control system and operation status, and the performance of anti-money laundering activities.



### Restrictions on Concurrent Positions of Independent Directors

According to Article 8, Paragraph 3, Item 4 of the Enforcement Decree of the Corporate Governance Act, an independent director may not serve as an independent director, non-executive director, or non-executive auditor of another company, and may not serve as a director, executive officer, or auditor of two or more companies other than Hana Financial Holdings.



\* Kim Hong-jin, Yang Dong-hoon, Heo Yoon, Lee Jung-won, Park Dong-moon, Lee Kang-won, Won Sook-yeon, Yi June-suh, Lee Seung-lyul

### Committees under the BOD

(As of Mar. 2023)

Committees	Main roles	Head of Committee
Steering Committee	<ul style="list-style-type: none"> <li>Decides on matters related to operation and procedures of the BOD and the board committees</li> <li>Reviews changes in the size of the BOD</li> </ul>	Kim Hong-jin
Audit Committee	<ul style="list-style-type: none"> <li>Prepares and submits audit reports</li> <li>Develops an annual audit plan</li> <li>Selects and dismisses external auditors</li> </ul>	Yang Dong-hoon
Risk Management Committee	<ul style="list-style-type: none"> <li>Establishes risk management policies and strategies</li> <li>Organizes risk management and assigns duties</li> <li>Sets risk limits and approves limit exceedances</li> </ul>	Lee Jung-won
Management Development & Compensation Committee	<ul style="list-style-type: none"> <li>Determines, pays, and evaluates executive compensation</li> <li>Designs, operates, and evaluates the appropriateness of executive compensation and performance evaluation systems</li> </ul>	Park Dong-moon
Nomination Committee	<ul style="list-style-type: none"> <li>Nominates CEO for key affiliates</li> <li>Establishes leadership succession plans, manages candidates, and verifies qualifications for CEOs of key affiliates</li> </ul>	Heo Yoon
Independent Director and Auditor Nomination Committee	<ul style="list-style-type: none"> <li>Establishes principles for appointing independent directors</li> <li>Manages a pool of independent director candidates on an ongoing basis and validates candidates</li> <li>Nominates independent director candidates and auditor candidates</li> </ul>	Kim Hong-jin
Group CEO Nomination Committee	<ul style="list-style-type: none"> <li>Plans for President and CEO succession, manages candidates, and verifies qualifications</li> <li>Nominates candidates for President and CEO</li> </ul>	Kim Hong-jin
Sustainability Management Committee	<ul style="list-style-type: none"> <li>Establishes and changes group sustainability strategy and policies</li> <li>Reviews and approves sustainability reports</li> </ul>	Won Sook-yeon
Consumer Risk Management Committee	<ul style="list-style-type: none"> <li>Establishes and changes group consumer risk management policies</li> </ul>	Undecided

# Governance

## BOD Members

The Board of Directors of Hana Financial Group is the highest decision-making body of the company, and as of the end of March 2023, it consisted of 10 members, including one internal director, eight independent directors, and one non-executive director, of which one is a female independent director.

**Number of independent / non-executive directors with financial industry experience**

**7**

Name	Category	Gender	Position	Career	Term
Ham Young-joo	Executive director	Male	CEO of Hana Financial Group	• CEO of Hana Financial Group (current) • Vice-chairman of Hana Financial Group • CEO of Hana Bank	2022. 03 ~ 2025. 03
Kim Hong-jin	Independent director	Male	Chairman of BOD	• Head of the Management Support Division of Korea Securities Depository (Managing Director) • Director (Deputy Director) of Planning and Administrative Affairs at the Financial Intelligence Unit of the Ministry of Finance and Economy • Audit Officer at the Ministry of Finance and Economy	2018. 03 ~ 2024. 03
Yang Dong-hoon	Independent director	Male	Audit Committee chair	• Professor of Accounting at Dongguk University Business School (current) • Director of Accounting Reform Task Force of Financial Services Commission	2018. 03 ~ 2024. 03
Heo Yoon	Independent director	Male	Nomination Committee chair*	• Professor at Sogang University Graduate School of International Studies (current) • Chairperson of the International Cooperation Division on the International Finance Development Review Board of the Ministry of Economy and Finance • Civilian member of the Steering Committee at the Export-Import Bank of Korea of the Ministry of Economy and Finance	2018. 03 ~ 2024. 03
Lee Jung-won	Independent director	Male	Risk Management Committee chair*	• CEO and President of Shinhan Data Systems • Shinhan Bank's Crisis Management Committee member • Vice President of Shinhan Bank Credit Evaluation Group • Independent director at Hana Bank	2019. 03 ~ 2024. 03
Park Dong-moon	Independent director	Male	Management Development & Compensation Committee chair*	• CEO and President of Kolon Industries • CEO and President of Kolon Glotech • CEO and President of Kolon I'Networks	2021. 03 ~ 2024. 03
Lee Kang-won	Independent director	Male		• Chief lawyer at Dadam Law Firm (LLC) (current) • Chief Judge of Busan High Court • Independent director at Hana Savings Bank	2022. 03 ~ 2024. 03
Won Sook-yeon	Independent director	Female	Sustainable Management Committee chair*	• Professor of Public Administration at Ewha Womans University School of Social Sciences (current) • Member of Gender Equality Policy Committee at Supreme Prosecutors' Office (current) • Non-executive Director, Public Interest Representative at Korea Exchange • Chairperson of Community Reinvestment Evaluation Committee of Financial Supervisory Services and Financial Services Commission	2023. 03 ~ 2025. 03
Yi June-suh	Independent director	Male		• Professor of Business Management at Dongguk University School of Business (current) • Non-executive Director of Securities and futures Committee of Financial Services Commission • Member of Investment Policy Expert Committee of National Pension Fund	2023. 03 ~ 2025. 03
Lee Seung-lyul	Non-executive director	Male		• CEO and President of Hana Bank (current) • CEO and President of Hana Life Insurance • Vice President of Hana Bank Business Planning and Support Group	2023. 03 ~ 2025. 03

\* (As of Mar. 2023)

# Governance

## BOD Evaluation

### Evaluation of Board Operation

Hana Financial Group's Board of Directors conducts board evaluations annually to ensure transparent and efficient board operations. The Board of Directors' evaluation of the previous year's activities is conducted at the beginning of the following year through self-survey evaluation, peer evaluation among Board members, evaluation by the secretary of the committees within the Board of Directors and the Secretary General of the Board of Directors, and evaluation by employees, and all independent directors evaluate the Board's functions, roles, responsibilities, operations, evaluation system, organization, and qualifications of directors annually. Each evaluation section uses a written questionnaire to evaluate and comment on each item, and the evaluation score is calculated using the average of each item, with total score being 5. The evaluation is overseen by the Chairman of the Board of Directors, and the evaluator assigns an evaluation score to the multiple-choice questions in each evaluation item and writes other comments in a narrative form. To ensure fairness and anonymity of the evaluation process, an external evaluation company is selected for the evaluation. Hana Financial Holdings is annually evaluated by the Korea Institute of Corporate Governance and Sustainability on the performance of its Board of Directors and strives to create sound governance.

### Appointment and Evaluation of Independent Directors

Hana Financial Group appoints independent directors individually for a term of two years for initial appointment and one year for reappointment, and considers the annual evaluation when nominating independent directors for reappointment, with a maximum total term of six years. Accordingly, Article 11 of the Regulations for the Operation of Independent Directors specifies the evaluation of independent directors and states that the evaluation criteria shall be designed with the advice of an external organization, if necessary, to enhance the objectivity of the evaluation of independent directors.

### Results of Evaluation of Board Activities in 2022

Category	Evaluation Result
BOD function, role, and responsibility	Best
BOD operation	Best
BOD evaluation system	Best
BOD composition and directors' qualification	Best

### Evaluation Results for Each Independent Director in 2022

Independent directors	Evaluation Result				
	Expertise	Job Fairness	Ethics & Responsibility	Dedication	Other
Paik Tae-seung	Best	Best	Best	Best	Best
Kim Hong-jin	Best	Best	Best	Best	Best
Yang Dong-hoon	Best	Best	Best	Best	Best
Heo Yoon	Best	Best	Best	Best	Best
Lee Jung-won	Best	Best	Best	Best	Best
Kwon Sook-kyo	Best	Best	Best	Best	Best
Park Dong-moon	Best	Best	Best	Best	Best
Lee Kang-won	Best	Best	Best	Best	Best

## Performance Evaluation and Compensation

### Executives' KPI

For financial indicators that measure the performance of executives, including the CEO, the Group uses return on equity (ROE: profitability indicator), non-performing loans (NPL: asset soundness indicator), return on risk-weighted assets (RoRWA: capital indicator), total shareholder return (the relative stock price increase rate compared to the average industry rate), and cost-to-income ratio (C/I ratio: productivity indicator). Nonfinancial performance indicators vary by executive job, taking into account the Group's mid- and long-term strategies and sustainable ESG performance. As for the executives responsible for risk management, such as the compliance officer and audit officer, the performance metrics are unrelated to the company's performance and use other evaluation index to ensure their independence.

### Linking Executives' Performance to Compensation

The executives have a performance-based compensation system where the ratio of performance-based compensation is at least 50%. The performance evaluation for short-term compensation consists of financial performance of the Group and non-financial indicators for each responsible job. The Performance Share Plan, which is the long-term compensation, is linked to performance by adjusting the number of shares that were initially granted based on the Group's performance and relative shareholder return results over a three-year period, and in the event of circumstances that qualify for return, such as a loss incurred prior to the payment of the long-term compensation, the shares are returned in accordance with the set criteria.

(Unit: KRW 1 million)

Category	No. of directors	Total compensation	Average compensation per person
Executive directors (excluding Audit committee members)	2	5,302	2,651
Independent directors (excluding Audit committee members)	4	326	82
Audit committee members	4	325	82

### Criteria for Determining Performance-based Compensation

The amount of long-term performance compensation among performance compensation is determined based on the number of shares initially granted, reflecting the evaluation of long-term management performance such as total shareholder return (relative stock price increase compared to industry average) as Group's performance indicator, ROE and net income as Group companies' performance indicators, and non-performing loans as soundness performance indicator over a three-year period, and the appropriateness of the amount of performance compensation is deliberated and decided by the Management Development and Compensation Committee.

# Governance

## Performance Evaluation and Compensation

### Policy for Deferral, Adjustment and Clawback of Performance-based Compensation

Performance-based compensation for executives, including the CEO, is subdivided into short-term and long-term compensation. Short-term compensation is paid in cash at the beginning of the following year based on the results of performance evaluations in accordance with set criteria, while long-term compensation is fully deferred and is paid in cash after a vesting period of one year, taking into account the number of shares acquired and the stock price determined by the results of performance evaluations for three years after the payment. The proportion of deferred long-term performance pay in the CEO's total performance pay is more than 50%, and the proportion for the top management is more than 66%. In addition, in the event of a violation of laws, gross negligence or unethical behavior in connection with their duties by an executive who has received performance pay, the Management Development and Compensation Committee or the Evaluation and Compensation Committee may determine the clawback of short-term and long-term performance pay (Article 10 of the Hana Financial Group Remuneration and Performance Evaluation Regulations).

### Employee Remuneration System

Hana Financial Group's major affiliates have adopted a differentiated performance-based incentive system to establish a performance-based culture. For team leaders and deputy team leaders, position allowances are paid in consideration of job value, and the remuneration policy simplifies the components of annual salary to basic salary (base pay + incentive), lunch allowance, and fringe allowances to provide a clear basis for payment.

Total CEO compensation		KRW 1,025 million
Employee compensation	Average	KRW 148 million
	Median	KRW 107 million
CEO compensation relative to employee compensation	Average	6.93 times
	Median	9.58 times

### Sustainability-linked Compensation

Hana Financial Group incorporates ESG-related items into its management performance indicators in order to pursue ESG management and fulfill the Group's ESG strategy. Key indicators include performance in reducing carbon emissions, performance in expanding ESG financial products (eco-friendly finance, inclusive finance, etc.), and performance in supporting financially vulnerable and socially disadvantaged groups. The Group CEO and Head of the Group ESG Division have an ESG evaluation weight of more than 5%.

### Stock Holding of CEO and Executives

Hana Financial Group issued a total of 295,903,476 shares as of December 31, 2022, all of which are common stock. The foreign shareholding rate is 69.68%, and 14 institutional shareholders have a holding of 1% or more.

Stock ownership of the management		Multiples
CEO stock ownership	Multiples of base salary	0.9
Management stock ownership excluding CEO	Multiples of base salary (average)	0.3
	Management stock ownership excluding CEO	Lee Eun hyung / Kim Ju-seong / Kim Hee-dae / Park Geun-young / Park Byeong-jun / Lee Hu-seung / Yang Jae-hyeok / Oh Jeong-taek / Lee Joon-hyuk
Requirements for management stock ownership	Multiple of CEO's annual base salary for stock ownership	0.9

Stock issuance	No. of stocks
Preferred stock	0
Common stock_1 voting right per stock	291,563,476
Common stock(treasury stock)_no voting right	4,340,000
Total stock issued	295,903,476

Shareholders with 5% or more of the shares	stocks	Share ratio
National Pension Service	25,984,710	8.78
BlackRock Fund Advisors	18,317,138	6.19

# Reinforcing Ethical Management Practices

## Ethical Management System

### Ethical Management System

All employees of the Hana Financial Group prioritize ethical values, and these are stated in the Hana Financial Group Charter of Ethics. Under this charter, we have established the Code of Ethics (Code 1) and the Core Principles of Action (Core 7) to outline standards for proper judgment and behavior, as well as a set of regulations and systems to ensure that ethical management is practiced by all stakeholders of the Group.

Hana Financial Group Charter of Ethics	Declares the ethical values pursued by employees and clarifies their responsibilities and commitments to ethical management	
Code of Ethics (Code 1)	A group-wide integrated ethical management system that details the principles to be followed by all employees in a total of 25 items, including attitudes toward stakeholders	<ul style="list-style-type: none"> <li>• Guarantee of internal reporting system</li> <li>• Protection of information</li> <li>• Prohibition of unfair trade</li> <li>• External activities policy</li> <li>• Shared growth with suppliers</li> <li>• Fulfillment of social responsibility, etc.</li> <li>• Environment, Health and Safety</li> </ul>
Core Principles of Action (Core 7)	The core action principles of the Code of Ethics including specific action principles derived by collecting opinions from employees through the Group's Ethical Management Awareness Survey	<ul style="list-style-type: none"> <li>• Prohibition of gifts and entertainment</li> <li>• Management of conflict of interest</li> <li>• Nondiscrimination</li> <li>• Anti-corruption, including bribery</li> <li>• Prohibition of workplace harassment, etc.</li> <li>• Partners Code of Ethics follow</li> </ul>

Hana Financial Group operates the 'Internal Control Committee' chaired by the CEO in connection with the operation of internal control standards as stipulated in the Enforcement Decree of the Act on the Governance of Financial Companies. Moreover, we operate the 'Group Compliance Monitoring Council' to establish a Group-wide internal control command and reporting system, including ethical management, and to improve the level of work. Through the 'Group Ethical Management Committee', we derive detailed action plans for employees' ethical management and strive to spread the culture of ethical management.

### Digital Ethical Management System

Through Hana Financial Group's digital ethical management system, the "Ethical Management System," 17,293 employees of Group companies took the "Pledge to Practice the Ethical Charter" in 2022, and regular employee "ethical self-diagnosis" is conducted in accordance with the Group's Code of Ethics and key ethical issues such as workplace harassment and gender sensitivity. In particular, in 2022, the number of employees subject to self-diagnosis was expanded, resulting in approximately 11,000 diagnosis reports, which were statistically analyzed to identify operational directions and improvements for future ethical management.

### Internal Control System

Hana Financial Group has prepared the 'Group Internal Control Regulation' to settle down a sound internal control culture and granted internal control roles and responsibilities to all employees, including the BOD. The Holding BOD determines the criteria for building and operating the integrated internal control system of the Group. The BODs of affiliates decide the criteria for building and operating the internal control system of each company based on the Group's criteria, and the Group BOD has the final responsibility. The Group's compliance officer appointed by BOD resolution manages the Group's internal control system, ensuring that the compliance monitoring duties of the Group are executed effectively and systematically.

The compliance officers of affiliates regularly report the internal transaction status within the Group and violations to the Group's compliance officer. The Group's compliance officer provides feedback on the reports based on the command and reporting system related to the compliance monitoring duties. The Group's compliance officer inspects the appropriateness of internal control operations of the Group and reports the inspection results to the BOD.

Additionally, we operate compliance officers of each affiliate and regular compliance officer councils. Through the 'Group's Ethical Management Committee,' we strive to determine detailed action plans for ethical management and spread the ethical management culture.

[Group Internal Control Regulation](#) 

# Reinforcing Ethical Management Practices

## Ethical Management Activities

### Activities of Group Ethical Management Committee

Hana Financial Group frequently holds a Group Ethical Management Committee, chaired by the Vice President in Charge of Group ESG, and comprised of the Group Compliance Officer and executives ranked Vice President or above, to receive regular reports on ethical management issues. The Group also plans and leads various activities to strengthen employees' ethical capabilities.

In 2022, in order to strengthen digital ethics capabilities, we distributed self-produced educational materials on the topics of "cyberbullying," "hate speech," "false information," and "over-reliance on smartphones" and posted them on the Group's common bulletin board to raise awareness of digital ethics. At the same time, we established guidelines for the proper use of social media by employees of all Group companies. In addition, to strengthen the ethical management of the Group's executives, we consolidated the policies governing the conduct of executives at Group companies and recommended conducting ethical management training for executives led by the CEOs of each company, thereby creating awareness that executives should have a higher sense of ethics and morality compared to general employees.

### Strengthening Ethical Awareness and Practicing Ethical Management

Hana Financial Group identifies its own strategies for strengthening ethical awareness that are common to the Group and tailored to the characteristics of each Group company, and regularly conducts ethics training and workshops on topics such as prevention of sexual harassment and workplace bullying, anti-graft laws, and prevention of corruption for employees, including temporary and dispatched employees. In addition, through the Digital Ethical Management Control System, 17,293 Group employees pledged to implement the Ethics Charter and regularly conducted self-assessments on ethics in 2022. In particular, the number of employees subject to self-diagnosis was expanded in 2022, and the results of about 11,000 cases were collected and statistically analyzed to seek directions and improvements in ethical management. The results of the self-assessment are reflected in each employee's performance evaluation, comprehensively incorporating indicators related to strengthening ethical awareness and practice, such as compliance with ethical standards, efforts to achieve organizational goals, transparency of work, and distinction of work and life.

### Ethics Training

To prevent violations of the Code of Ethics within the Group and to foster ethical awareness among employees, Hana Financial Group identifies its own strengthening measures that are common to the Group and tailored to the characteristics of each Group company. In addition, to practice ethical management in the real world, Hana Financial Group regularly conducts various ethics trainings and workshops, including workplace sexual harassment and harassment prevention, anti-graft laws, anti-money laundering, and anti-corruption training, for all Group employees, temporary employees (non-regular employees), and dispatched employees.

No. of incidents of workplace harassment **11 cases**      No. of cases handled **11 cases**

### Implementing Stewardship Code

Hana Financial Group considers non-financial aspects in its evaluation of companies when making investment decisions, and actively expresses opinions to improve them. In 2019, Hana Financial Group introduced a stewardship code to its major subsidiaries, and in order to maintain committed to its fiduciary duties, we have established the principles of trustee responsibility and published the details of voting rights on our website.

### Votes based on non-financial evaluation (ESG) of invested companies

Hana Bank	cases	13
Hana Life Insurance	cases	7
ESG agenda support(consent) ratio	%	100

#### CASE Hana Bank voting history

Hana Bank is exercising its voting rights based on non-financial evaluation (ESG) to manage ESG risks and opportunities and promote sustainability of companies in which it invests. In 2022, we reviewed the agenda for the 'Approval of FY2021 Financial Statements' at the General Shareholders' Meeting of Samsung Electronics, and after reviewing the financial situation/investment opportunities/earnings volatility, etc., we could not identify any concerns regarding violation of shareholders' rights and interests, as the company has continued to provide stable dividends by continuously presenting its shareholder return policy, and thus we voted in favor of the agenda. Details of Hana Bank's exercise of voting rights are disclosed on its website to ensure transparency and credibility with internal and external stakeholders.

### Establishing New Anti-corruption Policy

Hana Financial Group has newly established the 'Anti-corruption Policy' based on the Group's Code of Ethics (Code One), Group's internal control regulation, and anti-corruption laws in Korea and overseas. The 'Anti-corruption Policy' is applied to the management activities of all affiliates and used as the criteria for behavioral and value judgment of all employees (including regular employees, fixed-term workers, and dispatched workers).

# Reinforcing Ethical Management Practices

## Ethical Management Activities

### Promoting Ethics and Integrity of Suppliers

Hana Financial Group reviews contractor due diligence checklists when deciding whether to contract with them and implements the Supplier Integrity and Ethics Practice Pledge System. We verify whether ethics training has been implemented and whether there have been any cases of unfairness in the last five years, and obtain a pledge not to undermine fair competition when signing contracts. Hana Bank operates the "Integrity Call System," which makes outbound calls directly to suppliers after national holidays to investigate on ethical awareness and integrity, cases of demanding entertainment, money, and other unfair treatments, and notifies the relevant departments of the results.

Schedule	Target suppliers (companies)	Call success rate (%)
Feb 2022	555	80.4
Mar 2022	596	82.0

### Anti-Money Laundering System (AML System)

Hana Financial Group established internal policies such as the Group Anti-Money Laundering Policy and the Rules for Anti-Money Laundering Operations for systematic anti-money laundering operations. The Group Anti-Money Laundering Policy contains requirements for the holding company to oversee internal control policies for the anti-money laundering operations of its subsidiaries. The Rules for Anti-Money Laundering Operations specify the details of anti-money laundering operations and the prohibition of publicly threatening financing activities, reflecting the standards recommended by the Financial Action Task Force (FATF).

### Group AML Reporting Officer Meeting

Hana Financial Group operates a Group anti-money laundering reporting officer meeting to establish an information sharing and cooperation system related to anti-money laundering activities and to improve the quality of the Group's anti-money laundering operations. In 2022, a total of two meetings were held to discuss major anti-money laundering activities and plans for each Group company, as well as the results of RBA (Risk-Based Approach) evaluations by Korea Financial Intelligence Unit.

Hana Bank

### AML Review Committee and BOD Reporting

Hana Bank holds the AML Review Committee, the first of its kind in the Korean banking industry, twice a year to raise the awareness of the importance, role, and responsibilities of anti-money laundering work among senior executives, and reports the contents of its resolutions to the management and the Board of Directors at least twice a year.

### AML Training

To reinforce employee education, Hana Bank provided training to 595 sales branch managers nationwide on topics such as disseminating cases on money laundering-related issues and providing guidance on precautions in business handling, and makes efforts to communicate with the frontline by selecting branches with inadequate business handling to make ad-hoc training visits. In addition, Hana Bank produced the "Easy-AML Handbook," a work manual for anti-money laundering officers at overseas branches, and distributed it to overseas branches. The manual was created by difficulty level so that it could be used selectively depending on the level of knowledge, and was translated into multiple languages, including Japanese and Chinese, as well as English. The Bank is making efforts to prevent money laundering-related risks by expanding anti-money laundering-related training to reach 163 trainings for employees in 2022, with the number of employees completing training increasing every year as well since 2019. The efforts include conducting AML e-learning training in collaboration with Thomson Reuters for employees of overseas stores (12 subjects, 10 languages).

- Hana Bank**
  - 16th Anti-Money Laundering Day Financial Services Commission Chairman's Award (2022)
- Hana Savings Bank**
  - Korea Financial Intelligence Unit (KoFIU) hosted by Hana Savings Bank
  - 15th Anti-Money Laundering Day Financial Services Commission Chairman's Award (2021)
  - Presidential Commendation for the 16th Anti-Money Laundering Day (2022)



### AML Activities

Hana Financial Group is continuously making systematic efforts to improve its anti-money laundering systems. Hana Bank and Hana TI Institute of Technology collaborated to develop a machine learning (ML) model for AML. The model improves on the previous model, which only provided the possibility of a suspicious transaction as a quantified rating, by providing specific reasons for judging a transaction as suspicious and categorizing it in detail by importance. Hana Bank also completed the upgrading of its overseas AML transaction monitoring system to proactively respond to the strengthening global anti-money laundering regulations. As a result, Hana Bank has enhanced its monitoring functions with Reg-Tech (a combination of regulation and technology), including 1) expanding scenarios utilizing the money laundering typology to secure an enhanced monitoring system, 2) streamlining the inspection system for suspicious transactions at overseas branches through the introduction of ECM (Enterprise Case Management), a multi-dimensional analysis system, and 3) supporting advanced automated report generation. In addition, to respond to recent trends in financial incidents such as abnormal transactions in foreign exchange and virtual assets, the Bank implemented the "Optimization of Suspected Money Laundering Transaction Monitoring Model" project with the consultation of external experts to strengthen anti-money laundering monitoring procedures, including customer verification for high-risk customer groups. Finally, the Bank is focusing on building a digital-based anti-money laundering system by establishing a customer 'Self-KYC system' to verify customers non-face-to-face through smartphone texts or KakaoTalk.

# Reinforcing Ethical Management Practices

## Ethical Management Activities

### AML Performance

Hana Bank | Hana Savings Bank

By improving and implementing its anti-money laundering system, Hana Bank was ranked first in the banking sector in the “Comprehensive Evaluation of Anti-Money Laundering System Implementation” organized by Korea Financial Intelligence Unit in 2022. In addition, at the “Anti-Money Laundering Day” event organized by Korea Financial Intelligence Unit in 2022, Hana Savings Bank was awarded the Presidential Commendation for help developing a sound financial transaction order by operating a reward system for outstanding anti-money laundering contributors, and faithful reporting of suspicious transactions as well as unregistered virtual asset operators identified through “Strategic Transaction Monitoring”.

### Fair Trade

Hana Bank

Hana Bank operates the Fair Trade Compliance Program (CP) to prevent unfair trade by ensuring that employees voluntarily comply with laws and regulations related to fair trade. The Bank implements a systematic program by designating a compliance officer appointed by the Board of Directors as the Fair Trade Compliance Manager and disclosing the Compliance Manual for compliance with fair trade. In addition, Hana Financial Holding introduced the Supplier Integrity and Ethics Pledge System in 2019 to build a culture of fair and transparent transactions and shared growth with suppliers, requiring them to take the Pledge when signing contracts.

### Fair Trade Risk Management

Hana Insurance

In order to assess the risk of unfair practices against customers, Hana Financial Group identifies acts such as unfairly refusing or discriminating against transactions, unfairly providing disadvantages to customers, unfairly inducing or coercing transactions, and acts that may deceive or mislead customers through unfair advertisements, by checking the Compliance Management Department.

As the 2022 risk assessment revealed a high risk of deceiving or misleading customers through unfair advertisements due to mis-selling of insurance products, Hana Insurance conducted complete sales training activities for employees with a completion rate of less than 99%, resulting in an improvement in the complete sales rate from 99.2% to 99.9%.

### Fair Trade Training

Hana Bank

Hana Financial Group provides education on fair competition to promote fair and transparent transactions with suppliers. In March 2022, we provided training on the revised Fair Trade Act for all headquarters department heads, compliance officers, and employees who have information exchange with other banks, and in December, we provided training for all employees to improve basic knowledge on preventing unfair trade as required by the Fair Trade Act.

### Hana Financial Group wins Korean Advertisers Association’s Award for “Consumer Choice Advertising”

Hana Financial Group’s “Everyone’s Dribble” campaign video won the 31st Korea Advertisers Association’s “Consumer Choice Advertising Award” in the Digital Category. The campaign video shows K League fans participating in creating a guide map for the mobility impaired, and was recognized for spreading empathy for the socially disadvantaged. Furthermore, after winning the Gold Award at the Clio Sports Awards, one of the world’s top three advertising festivals, and being selected as Consumer Choice Advertising, Hana Financial Group has been recognized for its leading role in developing domestic sports culture and solving social issues.

### International Standard Certification for Compliance and Anti-corruption Management System

In September 2019, Hana Financial Group obtained both ISO 19600 (now ISO 37301) and ISO 37001 international standard certifications for compliance and anti-corruption management systems for the first time in the Korean financial industry. In 2021, with the new arrival of ISO 37301, we once again acquired international standard certification, and in 2022, as a result of identifying and evaluating 594 risks in 23 departments, we extended our ISO certification and were recognized for building a system that meets the requirements of international standards related to compliance and anti-corruption. In addition, we repeatedly made revisions to the Compliance and Anti-Corruption Management System Manual to demonstrate our commitment to continuous compliance and anti-corruption management.

### Employee Compliance Performance Evaluation and Disciplinary Action System

Hana Financial Group has developed a procedure for identifying compliance and anti-corruption risks to be reflected in the evaluation of internal control and ethics performance with respect to the level of dedication to activities. If an employee is found to have violated the internal control standards, an independent investigation is conducted by referring to the audit department as necessary, and strict measures (dismissal, suspension, reduction in pay, etc.) are taken commensurate with the facts of the violation. Also, operates an internal control scorecard, which is designed as a reference for personnel management by helping determine internal control activities, whether financial incidents have occurred, and whether laws and regulations have been violated, and identifying those who are subject to internal control score deductions and exclusion from rewards when evaluating KPIs.

# Risk Management

## Risk Management System

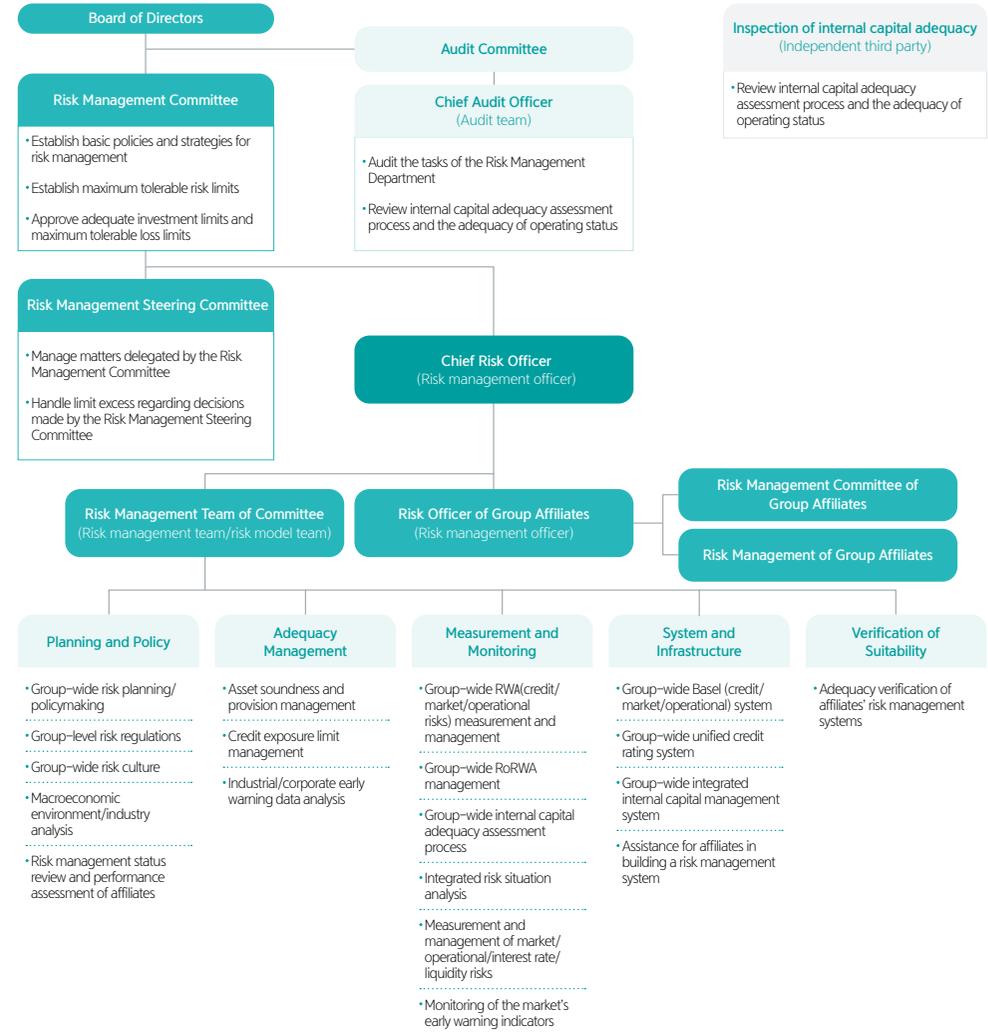
### Risk Governance

Hana Financial Group operates a system to manage potential risks. Our BOD is equipped with the environment and system for risk management that are ideal for management strategies. The board has delegated some of its risk management responsibilities and authority to the Risk Management Committee. The Group Risk Management Committee is comprised of four independent directors specializing in risk management (Lee Jung-won, Kim Hong-jin, Park Dong-moon, and Lee Kang-won) and establishes, approves, and manages Group-wide policies and management plans for various risks that may arise in business operations. The Group Risk Management Steering Committee, consisting of the heads of risk management of the holding and affiliated companies, including the Group Chief Risk Officer, sets and manages detailed limits of items delegated by the Group Risk Management Committee, and monitors and manages the overall risk management status of the Group by reporting any arising risks to the Risk Management Committee and the BOD. The risk management organizations of the holding and affiliated companies are under the Board of Directors and the Risk Management Committee (under the BOD), and structurally independent of the business lines of each company to monitor and manage risks that may arise in the course of business operations objectively, and to support the risk management officers in their overall risk management operations. Hana Financial Group maintains a systematic preliminary consultation and reporting system between the holding company and its affiliates on major risk-related issues, and the Group's Chief Inspection and Audit Officer and the holding company's audit team conduct independent inspections of the holding company's risk-related business at least once a year and report the results to the Audit Committee.

### Risk Management System

Hana Financial Group established a risk management organization, model, and system for integrated risk management, and utilizes the risk management system to manage various limits at the group level. In addition, internal capital is calculated by estimating the amount of risk with an internal model to provide a basis for capital management, and we operate an internal capital management and evaluation system that includes quantifiable risks that may arise in addition to credit, market, and operational risks. Moreover, we are strengthening ESG risk management by reflecting climate change risks in credit review through ESG restrictions and management of sensitive industries, and rejecting loans to companies with high reputational risks.

### Risk management organization and system



# Risk Management

## Risk Management System

### Risk Management Committee

Hana TI

The Risk Management Committee is a subcommittee of the BOD established to effectively manage risks including credit, market, liquidity, operations, and information security. In 2022, a total of eight risk management meetings were held, where 63 agenda items were presented, including 7 deliberation items, 22 resolution items, and 34 reporting items. The committee regularly reports on the operation of the Risk Management Steering Committee and the highest decision-making body for risk management of affiliated companies, the status of group risks, and the results of integrated risk analysis.

Sessions	Key agendas
1st	<ul style="list-style-type: none"> <li>Approval to change Group Retail Exposure Regulation RC for use</li> </ul>
2nd	<ul style="list-style-type: none"> <li>Measures to manage risk in the wake of the Russia-Ukraine crisis</li> </ul>
3rd	<ul style="list-style-type: none"> <li>Results of risk check on Hana Financial Investment's capital increase</li> <li>Interest rate and liquidity risk management measures for the issuance of write-down contingent capital securities</li> <li>Results of the Group's half-yearly integrated risk analysis for 2H 2021</li> </ul>
4th	<ul style="list-style-type: none"> <li>Risk review results for Hana Insurance capital increase</li> <li>Risk check results for acquisition of residual shares in Hana Card and Finnq</li> </ul>
5th	<ul style="list-style-type: none"> <li>Request for approval of changes to the Group's credit rating system</li> <li>Risk review and response plan following increased volatility in financial markets</li> </ul>
6th	<ul style="list-style-type: none"> <li>2022 Group Self-Restoration Plan (draft)</li> <li>Results of the Group's periodic integrated risk analysis as of June 2022</li> </ul>
7th	<ul style="list-style-type: none"> <li>Interest rate and liquidity risk management measures for the issuance of write-down contingent capital securities</li> <li>Approval to use Group's credit rating system (Hana Card)</li> <li>Approval to change Group Retail Exposure Regulation RC for use</li> </ul>
8th	<ul style="list-style-type: none"> <li>Approval of changes to Group's market risk/operational risk management framework</li> <li>Set risk limits for 2023</li> </ul>

Hana TI's Risk Management Committee, comprised of five members including the CEO and executives, meets quarterly to comprehensively share and manage policies and basic management plans for various risks that may arise in business. Through this process, the company secured asset stability through continuous monitoring of fund liquidity and checked and maintained the level of financial data security through Risk & Control Self Assessment. In addition, the company established a BCP organization to respond to COVID-19, which had been spreading at a high-risk level until last year, and introduced a tabletop drill scenario in the event of a confirmed case.

### Crisis Management System

Hana Financial Group built a crisis management system to detect and proactively deal with any crisis within the organization and maintain a sustainable organization with an effective response to crises. The system consists of early risk detection, impact analysis, determination of the stage of crisis, execution and reporting of follow-up action and feedback processes. The crisis stage is divided into five which depends on the criteria, such as capital adequacy, liquidity level, and financial market indicators. We then subdivide each stage and take actions accordingly in advance in an effort to minimize damage.

### Risk Management Plan

Hana Financial Group intends to upgrade its operational risk management system in accordance with the revision of the Detailed Enforcement Regulations for Supervision of Banking Institutions. To manage third-party risks, we plan to establish a detailed management system for each stage of outsourcing, including company selection, contract signing, and monitoring. Moreover, we plan to manage ICT risks by recognizing and mitigating ICT-related risks and establishing a collaborative system with related departments, and to manage conduct risks by strengthening internal controls for each function and department, including prevention of mis-selling, consumer protection, and compliance with employment regulations.

# Risk Management

## Risk Management Process

### Identifying and Managing Financial and Non-financial Risks

Hana Financial Group takes proactive and strategic risk management measures to respond to crisis situations in a timely manner in preparation for the complex global crisis and growing uncertainty in the financial markets. In addition, we comprehensively link risk management and capital adequacy management by considering risk management strategies, financial plans (such as dividends and capital increases), business strategies, business plans of affiliated companies, expected changes in the business environment, the Group's risk appetite, and crisis buffers when planning internal capital limits. Hana Financial Group identifies major risks by categorizing risk types quantified for capital adequacy management into financial risks (credit risk, market risk, liquidity risk, interest rate risk, etc.) and non-financial risks (operational risk, reputation risk, etc.), and each affiliate manages risk types for capital adequacy management in line with the characteristics of its business sector. These risk management processes are checked at least once a year through internal audits by the CIAO and the Group's audit team as well as external audits by independent third parties, and related issues are reported to the Risk Management Committee for final review.

### Integrated Risk Analysis (Sensitivity Analysis and Stress Testing)

Hana Financial Group conducts an integrated risk analysis that comprehensively considers financial and non-financial risks twice a year. We establish various countermeasures, including setting up crisis scenarios that reflect portfolio characteristics and the latest changes in the macroeconomic and financial environment, estimating the extent of various levels of losses to which we may be exposed in the event of a serious economic downturn, and assessing the Group's capital and profitability capacity to absorb losses, including analyzing changes in key indicators such as regulatory capital, internal capital, profit and loss, equity, and liquidity deficiencies.

### Risk Management Activities and Mitigation Strategies

#### Credit risk management

Hana Financial Group maintains a monitoring system, including the establishment of a credit rating system, an independent risk management organization, and an early warning system, to manage credit risk across all divisions. Meanwhile, to respond to risk factors such as the increase in marginal companies due to volatility in the asset market and increased risks in some industries, along with external instability, Hana Financial Group has refined a group-wide limit management system to set different credit limits for the same borrower, set limits for each industry based on industry ratings, select key management industries reflecting economic forecasts, and diversify the portfolio through real estate PF limits and country-specific exposure limits to minimize losses due to the default of counterparties. In addition, we have in place an information-sharing process within the Group to ensure rapid risk response to market changes. Hana Financial Group, through the Risk Management Committee and the Risk Management Steering Committee, examines the credit risk of the Group and each affiliated company on a monthly or quarterly basis, including changes in exposure, compliance with limits, delinquency rates, and changes in provisions, and manages them appropriately.

#### Operational risk management

In order to manage and control the amount of operational risk from changes in the business environment and the level of internal control at an appropriate level, Hana Financial Group monitors regular measurements and compliance with limits. Each affiliate calculates the amount of operational risk and reports it to the Risk Management Steering Committee and the Risk Management Committee on a monthly and quarterly basis, and affiliates that do not have supervisory regulations on operational risk also monitor the status of operational risk loss events and IT failures to report them to the Risk Management Steering Committee on a regular basis.

### Risk Priority and Appetite

Risk type	Hana Financial Group	Hana Bank	Hana Securities	Hana Card	Hana Capital	Hana Life Insurance	Hana Insurance	Hana Asset Trust	Hana Savings Bank	Hana Alternative Asset Management	Hana F&I	Hana Ventures	Priority <sup>1)</sup>	Appetite <sup>2)</sup>
Financial	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	High	(moderate)
Credit risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Medium	(moderate)
Interest rate risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Low	(moderate)
Credit concentration risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	High	(moderate)
Market risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Medium	(moderate)
Foreign exchange settlement risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Medium	(moderate)
Insurance risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Medium	(moderate)
Liquidity risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Medium	(moderate)
Non-financial	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	High	(moderate)
Operational risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Medium	(moderate)
Reputation risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Medium	(moderate)

1) Group level priority based on relevance of each risk type to affiliated company is categorized as high, medium, or low. 2) Risk taking level for each risk type is categorized into 5 scales (very low/low/moderate/high/very high)

# Risk Management

## Risk Management Activities

### Building a Risk Foundation for Sustainable Management

The Risk Management Group is committed to creating non-financial values, including the management of financial indicators, with the aim of strengthening risk competitiveness through its strategy of proactive risk management and employee growth in order to achieve sustainable management of the Bank.

Category	Description	Members
ML-based credit rating model research society	<ul style="list-style-type: none"> <li>Employee competency training and discussion on risk management technique using digital technology</li> </ul>	Employees of the Group who seek to participate
Special Interest Group–Credit Valuation Model (SIG–CVM credit rating council)	<ul style="list-style-type: none"> <li>Reinforcing understanding of ML credit rating model by sharing and discussing hands-on knowledge (held weekly)</li> <li>Improving accuracy and efficiency of decision-making by discussing practical issues in development and use of the ML model by department staff</li> </ul>	Main department managers of Bank HQ
Credit cost council	<ul style="list-style-type: none"> <li>Site-focused risk policy operation by sharing and discussing key risk issues between sales frontline and head office departments</li> <li>Developing management methods to attain risk-based management goals</li> </ul>	Main department managers of head office and branch managers
Risk management employee recognition system	<ul style="list-style-type: none"> <li>Discovery and dissemination of best cases of preemptive risk management</li> <li>Early settlement of risk-management culture focused on sales frontline and recognizing outstanding risk managing employees</li> </ul>	All employees

### Risk Management Training

Hana Financial Group provides training to members of the Risk Management Committee at least once a year on the Group’s risk management policies, processes, etc. and regularly reports on the status of risk management and initiatives.

Hana Bank provides biannual training on the topic of “Basel III and Risk Management” to those who wish to perform risk management tasks, and plans to offer an advanced course on risk management once a year starting in 2023. In addition, to spread a culture of risk, share risk-related issues, and strengthen risk management collaboration between headquarters and sales branches, Hana Bank holds risk meetings at least once a month with the participation of the head of the Risk Management Group, heads of departments, and sales branch managers.

Hana Bank mandatorily conducts self-assessment of risk every year for all employees, along with training on operational risk management activities. In addition, Hana Bank enhances the work capabilities required for risk management through the ‘Comprehensive Risk Management Department/Credit Risk Management Department Open Talent Platform’ system.

### Regular Risk Management Training for Independent Directors

No	Date	Topic
1	2022. 04. 19	1st annual audit committee forum
2	2022. 04. 27	Understanding internal accounting controls
3	2022. 07. 22	Understanding the anti-money laundering system (video training)
4	2022. 07. 25	Direction and understanding of creating a self-recovery plan
5	2022. 08. 10	IFRS17 highlights and impact of implementation
6	2022. 09. 14	Changes and opportunities in Southeast Asia’s financial environment
7	2022. 10. 05	Group’s implementation of Basel III Market and Operational Risk Management System
8	2022. 10. 21	Countering changes in anti-money laundering and internal accounting management systems
9	2022. 11. 18	Economic and financial outlook for 2023



Recognizing outstanding employees and sharing best practices

140cases

# Risk Management

## Potential Risk Management

Category	Climate Change Risk	Bio-diversity Risk	Geopolitical Risk
Risk type	Environmental	Environmental	Geopolitical
<b>Definition and description of risk</b>	In 2023, the WEF named climate change as the single most important factor affecting humanity. As physical risks from extreme weather events such as droughts, heat waves, and floods increase, or transition risks such as greater burdens on companies transitioning to a low-carbon economy increase, the value of assets in the Group's portfolio may decline. There is also a risk of deterioration in the soundness and value of the portfolio due to adverse impacts on companies' profitability, such as increased costs associated with carbon emissions.	Biodiversity is a concept that encompasses all natural capital, including freshwater, soil, seawater, and resources, thus it is considered a risk that is difficult to address due to its wide range of impacts on the economy and the challenges of quantifying risks and impacts. Biodiversity risk, recognized as a borrower's risk due to its association with the supply chain of companies that use natural capital, needs to be managed as the risk is transferred to financial institutions that provide credit and investment.	Geopolitical risks are on the rise with the U.S.–China hegemonic conflict, the prolonged war in Russia and Ukraine, and concerns about Chinese economic retaliation following South Korea's membership in the Indo-Pacific Economic Framework (IPEF). This is rapidly changing the energy landscape and is expected to have differentiated impacts on different industries, including a global recession, supply chain changes, and a decline in mass exports.
<b>Impact of risk</b>	Physical and implementation risk factors affect economic activity, which in turn affects the financial system. These impacts can be direct, such as reduced corporate profitability or lower asset values, or indirect, such as through macro-financial changes. For financial institutions, climate risks associated with their borrowers, to whom they provide loans, investments, and bonds, affect the traditional risks they manage such as credit risk, operational risk, market risk, and liquidity risk. Potential losses from climate-related risks vary from year to year depending on the adoption of climate policies, technological advances, consumer preferences, and changes in the market. Hana Financial Group identifies how the impact of external changes on its borrowers' climate risks could affect earnings and long-term growth, and establishes strategies to respond to these changes to minimize risks.	Biodiversity-related risks can also be divided into physical and transition risks. Damage to natural capital is likely to lead to higher raw material prices, increasing production costs, as well as higher operating costs due to tightening regulations on ecosystem conservation. These biodiversity-related risks for borrowers can lead to credit risk, operational risk, and reputational risk for financial institutions, so it is an area that must be managed.	Hana Financial Group owns a global network of 206 offices in 25 countries, and in particular, is driving local operations through legal entities established in Russia and China. Increased geopolitical risk in Russia is raising concerns about the insolvency of some exporters due to soaring commodity and energy prices, global supply chain instability, and surging logistics costs. In addition, a possible economic retaliation from China would increase the risk of insolvency for companies that rely heavily on exports to China.
<b>Countermeasures</b>	Hana Financial Group revised the Group's Sustainable Financial Framework in July 2023 to strengthen its efforts to respond to climate change. The revision advanced the system for identifying, managing, and monitoring environmental and social risks, and raised the risk management level for high-carbon industries. Moreover, we analyzed the financial impact of the scenarios in the NGFS. We identified the loss potential by industry and region for risk assessment of physical risks, and calculated the change in default rates by industry caused by implementation risk to identify industries that require exposure management.	Hana Financial Group joined TNFD and PBAF, initiatives on managing biodiversity-related risks, and established an internal policy on biodiversity, which sets out Hana Financial Group's investment principles/criteria and areas of prioritized management. Next year, we plan to set mid- to long-term improvement targets for the implementation of the biodiversity policy, and proceed with materializing and embedding the internal system for policy implementation.	We plan to concentrate on risk segments (industry/borrower/product group) that are more vulnerable to different economic conditions. In particular, we plan to manage the exposure of borrowers that are highly affected by rising commodity prices and logistics costs by adjusting their internal ratings. We will also select and manage vulnerable borrowers by scenario (stage 3) responding to changes in macroeconomic indicators. In addition, in response to changes in the industry paradigm, we plan to realign the portfolio toward future growth industries.

# Information Protection

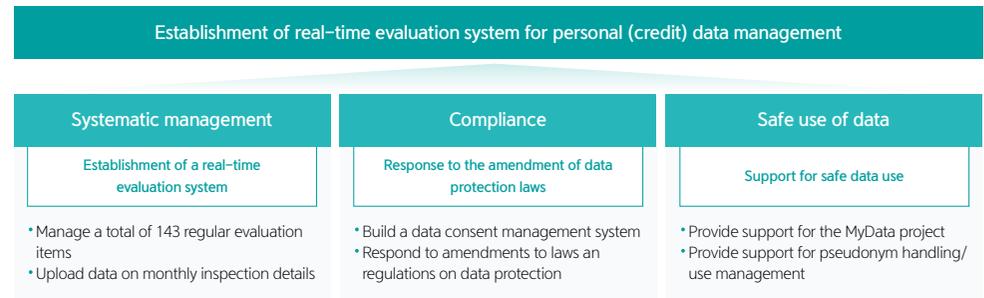
## Information Protection System

### Information Protection Management System

Hana Financial Group has designated the Chief Information Security Officer (CISO) as an executive officer to actively strengthen the information protection management system at the management level. Hana Financial Group established the Group Information Protection Guidelines and guides compliance with information security regulations through group-wide announcements, and conducts group-wide information security inspection activities every year. In addition, based on the Group's security standard management platform, Hana Financial Group has established and operates a stable information protection management system across security areas such as security policy, vulnerability management, digital security, and monitoring/auditing. In order to protect customers' personal information, we apply measures to encrypt personal information such as resident registration numbers, the principle of minimizing the exposure of personal information on screens and printed materials, restriction on access to personal information for business purposes only, and procedures to register the purpose and reason for using personal information. If a serious information security and personal information breach/leakage issue or a financial incident resulting from a violation of information security regulations occurs in the Group, the matter is reviewed by the Information Protection Committee (Chairman CISO) as well as the Internal Control Committee (Chairman CEO) and reported to the BOD. The ultimate responsibility for the handling of reported serious information security and privacy issues and the preparation of countermeasures belongs to the BOD. Hana Savings Bank develops an information protection sector implementation plan every year, submits major issues such as vulnerability inspection results and action plans to the Information Protection Committee for deliberation and reporting to the management, and holds an employee information security inspection day every month to report inspection results to the CEO. In addition, Hana Savings Bank responds effectively and quickly to cyber threats by establishing and operating various information protection systems with the most up-to-date information and communication technology (ICT), operating an integrated security control center on a 24/7 basis, and conducting malicious email simulation drills and internal emergency response drills at least once a year in preparation for cyber threats. Hana Securities appointed a Chief Information Security Officer (CISO) and established and operates a stable information protection management system across security areas such as information system infrastructure security, digital security, application system security, and auditing. In order to protect customer personal information, measures are taken to encrypt personal information such as resident registration numbers, minimize the exposure of personal information on screens and printouts, and control the release of personal information outside the company, and procedures are in place to register and manage the purpose and reason for using personal information to ensure access to personal information is for business purposes only. Annual plans for the promotion of the information protection sector to secure the safety of users of electronic financial transactions and protect users are established and reported to the Information Protection Committee and management, and information security days are held every month to check whether employees are complying with information security-related laws and regulations, and reported to the CEO. In addition, the company monitors the integrated security control center 24/7 and conducts breach response drills at least once a year in preparation for cyber breaches, and responds effectively and quickly to cyber threats.

### Responding to Information Security Incidents

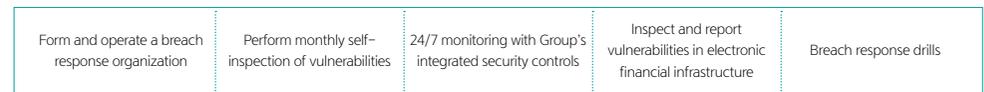
Hana Financial Group operates a rapid incident response system in accordance with the Personal Information Leakage Incident Response Manual. Upon recognizing a personal information leakage incident, we report the incident to the Information Protection Department, form a task force, report to financial authorities and related organizations, and notify customers. In addition, we have established a real-time system to evaluate the status of personal information management to monitor and control the system.



### Establishment of In-house Information Security System

Hana Financial Group has an internal system for maintaining business continuity in the event of a disaster. To check this system, we performed self-mobilization drills twice a year in the first and second half of 2022, and disaster recovery simulation drills for the main tasks of the ICT Group, including the information protection field, twice a year in the first and second half of 2022.

### Responding to Cybersecurity Threats



(As of 2022)

Ratio of information security budget to overall IT budget of the holding company

9.9%

Ratio of information security budget to overall IT budget of Hana Securities

9.6%

# Information Protection

## Information Protection Activities

### Establishment of Information Protection Infrastructure

Hana Securities

Hana Securities builds on each step of its company-wide information protection portal system to effectively protect customer information, and systematically manages vulnerabilities in information systems by integrating company-wide information protection policies, such as periodic security status checks and integrated inspection and monitoring of underlying assets and key infrastructure through the portal. In addition, the company introduced an employee security self-management function to the portal for employees to check the security training they need to complete annually and self-manage their security compliance status, including personal information and malware.

### Information Protection Management Status

Hana TI

Hana TI's organization for information protection management provides 24/7 security monitoring and breach analysis response services to all Hana Financial Group companies. It also prepares for incidents through annual malicious email mock exercises and in-house emergency response drills, and when deploying new services, it conducts internal security reviews, server vulnerability checks, and simulated hacking to ensure stability. In addition, the organization receives annual inspections of its security system from external supervisory agencies through ISMS certification, and maintains the certification system. Furthermore, as of 2022, a total of 1,108 employees have completed information security training in 13 subjects, including APT attacks, security patches, and personal information protection.

### Adopting Authentication Systems to Strengthen Internal Controls

Hana Financial Group has advanced our suspicious activity detection system to respond to unknown threats, and has established a security management system in our open source and other development environments. We also apply authentication systems, notably biometric authentication, to strengthen our internal controls. As a result, in 2022, we had zero customer information leaks and obtained information security certifications for seven of our affiliates.



Number of personal information leakage incidents in 2022

0cases

### Obtaining Licenses as an Electronic Signature Authorization Provider and Identity Verification Organization

Hana Bank

On December 30, 2021, Hana Bank obtained the status of an electronic signature certification provider\* under the Ministry of Science and ICT and KISA (Korea Internet & Security Agency)'s electronic signature certification provider recognition and evaluation system, and on September 8, 2022, it was newly designated as an identity verification organization\* by the Korea Communications Commission. As a result, Hana Bank customers can enjoy greater convenience in using electronic signature authentication services recognized for their stability and reliability under the Electronic Signature Act with the Bank's own "Hana Certificate". Currently, Hana Certificate is being used for various internal and external electronic signature authentication services such as simple authentication, MyData integrated authentication, and identity verification services for public institutions and services such as Government 24 and the National Tax Service, and the scope of use is gradually expanding.

\* Electronic Signature Authorization Provider: An electronic signature certification provider recognized for compliance with standards of operation pursuant to Article 8 of the Electronic Signature Act

\* Identity Verification Organization: Organization designated as an identity verification organization by the Korea Communications Commission pursuant to Article 23 (3) (1) of the Information and Communications Network Act.

### Raising Awareness of Information Security

Hana Financial Group provides annual information security and personal information protection training for all employees to raise awareness of information security. In addition to the statutory training, we provide monthly training on the application of personal information protection laws in our business and information protection systems. Hana Securities raises the awareness of information security among its employees through various methods, including regular information protection trainings and mock drills for all employees.

Information security trainings	Information security training customized for each target audience, including general staff, IT staff, information security officers, executives, and partner companies
Information security mock drills	Mock exercises to prepare for cyberattacks and breaches
Information Protection Day	All employees conduct security checks on the designated 'Information Protection Day' every month to raise awareness of the importance of information protection

### Minimum training hours (per year)

Executives	CISO	General employees	IT staff	Information security staff
3hours	6hours	6hours	9hours	12hours

# Information Protection

## Information Protection Activities

### Information Security Management System (ISMS) Certification

Hana Card | Hana TI

ISMS is Korea's most authoritative information security management system certification system, which certifies that measures and activities for information protection meet the certification standards. Hana Bank obtained ISO27001 and ISO27701, revised them as of February 2023, and will maintain the certifications until 2026. In addition, it maintains its security system by obtaining ISMS-P (Personal information & Information Security Management System) certification, as Group companies maintain their ISMS certifications through annual inspections by external supervisory bodies. Hana Life Insurance has secured credibility by obtaining ISMS certification, while Hana Securities first obtained ISMS certification in 2014 and has been recognized for the adequacy of its management system through annual follow-up examinations. It also renewed its certification in 2020 and has maintained the status to date.

Hana Card is certified annually for ISMS and the International Payment and Settlement Industry Data Security Standard PCI-DSS. For proactive prevention of hacker attacks, the company conducts simulated hacking drills on its website and mobile apps, and DDoS simulation attack and malware infection drills at least once a year in cooperation with supervisory bodies or on its own, in a manner similar to an actual attack, to continuously check and improve its breach response system. The company also conducts vulnerability checks on the entire IT infrastructure at least once a year.

Hana TI is a company that is required to have an ISMS, and has renewed its certification for 2019 and 2022. For about a year, the entire organization has been preparing for ISMS certification, including revising internal information security policies, preventing and responding to incidents, and conducting security threat analyses.

### Hana Financial Group Information Protection Management System Certifications

Hana Bank	ISO 27001, ISMS, ISMS-P, ISO 27701	Hana Securities	ISMS
Hana Card	ISMS, PCI-DSS	Hana Capital	ISMS
Hana Life Insurance	ISMS	Hana TI	ISMS
Hana Investors Services	ISO 27001, ISMS, SOC security certification, ISO 22031		

### Hana Bank Information Protection Management System Certifications

(As of April 25, 2023)

Certification	Certification Scope	Certification Type	Initial Acquisition	Latest Revision	Expiration
ISMS	Operation of online banking services (web, mobile)	Digital	2019. 03. 14	2019. 03. 14	2022. 03. 13
ISO 27001	Operation of online banking services (web, mobile)	Digital	2020. 02. 18	2023. 02. 18	2026. 02. 17
ISO 27001	Northeast Asia ROC (Vietnam, Japan, Hong Kong, Taiwan)	Global	2020. 04. 27	2023. 02. 18	2026. 02. 17
ISO 27001	Northeast Asia ROC (Singapore, India, Philippines, Australia)	Global	2020. 06. 26	2023. 02. 18	2026. 02. 17
ISO 27001	Europe ROC (Germany, U.K., Netherlands, France, Bahrain, Türkiye, UAE)	Global	2020. 08. 17	2023. 02. 18	2026. 02. 17
ISO 27001	America ROC (U.S., Mexico, Canada, Panama)	Global	2021. 05. 28	2023. 02. 18	2026. 02. 17
ISO 27701	Operation of online banking services (web, mobile)	Personal information	2021. 02. 22	2023. 02. 22	2026. 02. 17
ISMS-P	Operation of online banking services (web, Hana One Q, Hana OneSign, etc.)	Digital / Personal information	2021. 05. 31	2021. 05. 31	2024. 05. 30
ISMS	Operation of integrated strongbox system	Strongbox service	2021. 05. 31	2021. 05. 31	2024. 05. 30

### Three-year Information Protection Activity Plan

Hana Securities

Three-year information protection activity plan to ensure the stability of electronic financial transactions and the protection of users, Hana Securities has adopted a three-year information protection activity plan to upgrade its information protection management system and prevent information security incidents.

2023	2024	2025
<p>Respond to new technologies, strengthen internal controls</p> <p>Advance information security incident prevention system</p>	<p>Protection technology for the future</p> <p>Innovate systems for preventing information security incidents</p>	<p>Prepare for new technologies, digital finance</p> <p>Build the next generation environment for information security</p>
<p>Lay the foundation of security system for new technology-based business</p> <ul style="list-style-type: none"> <li>Prepare a security system based on new technologies such as cloud and open source</li> </ul> <p>Advance systems to protect users of digital finance</p> <ul style="list-style-type: none"> <li>ISMS-P certification</li> <li>Strengthen FDS for the protection of open banking users</li> </ul>	<p>Innovate internal control and information security monitoring systems</p> <ul style="list-style-type: none"> <li>Strengthen security for ICT rebuild environment</li> </ul> <p>Improve information security system and streamline operations</p> <ul style="list-style-type: none"> <li>Improve efficiency and security of work processing</li> </ul>	<p>Transform to system prepared for new technology-based businesses</p> <ul style="list-style-type: none"> <li>Respond to working environment such as digital and cloud</li> </ul> <p>Protect digital finance and support business strategy</p> <ul style="list-style-type: none"> <li>Apply security technology tailored for each operation</li> </ul>

# Information Protection

## Personal Information Protection System

### Personal Information Management Policy

Hana Financial Group's personal information management system applies to the Hana Financial Holdings, as well as all domestic and overseas branches, subsidiaries, joint ventures, affiliates, and some outsourcing companies, and ensures minimal collection of personal information and prohibition of lending, selling for providing data to third parties for purposes other than transactions or services. Whenever personal information becomes unnecessary, it is discarded without delay, and when collecting information, personal information is always collected with the consent of the information subject and never through a third party. All affiliates comply with such information handling policies of the Group. Every year, Hana Bank evaluates the risk identification and management activities related to personal information through the evaluation of the utilization and management of personal credit information, and identifies improvements through the inspection of the implementation of the internal management plan for personal information and reflects them in the policy. The privacy policy undergoes an annual external audit by the Financial Security Agency organized by the Financial Services Commission. In case of any violation of this policy, we respond with a zero-tolerance principle and take disciplinary measures based on the company rules, and conduct regular self-inspections. Major business sites and branches are subject to due diligence checks, and the personal information processing contractor also enters into a security management agreement and undergoes on-site inspections in the second half of each year to ensure compliance with the Group's information protection measures.

Hana Financial Group has revised and supplemented its "Personal Information Processing Policy" and "Personal Information Internal Management Plan." Furthermore, we strive to ensure safety management measures for personal information, implement activities to guarantee the rights of information owners, and provide damage relief as we conduct personal information security surveys every half-year and conduct an overall inspection of our personal information processing practices. We perform monthly checks on My Access Records in the personal information processing system, and receive confirmations and reports on abnormal users to use as data for analyzing causes and preparing countermeasures for each type of misuse.

### Establishing a Personal Information Protection System

Hana Financial Group intends to establish a personal information protection system in line with the new technology environment. By establishing an AI personal information protection system, we strive to handle personal information safely in all stages of business processing, including design, development, and operation by AI. In order to resolve the shortage of personal information protection experts and strengthen the expertise of personal information processors, we will foster professional managers with comprehensive competencies in personal information protection, including laws, systems, and technologies, and implement measures such as personal information laws, utilization of pseudonym information, and personal information protection assessment and certification.

### Personal Information Protection Reporting System

In accordance with the Financial Holding Companies Act, Hana Financial Group has established and operates a customer information handling policy to ensure the safe provision and use of customer information among Group companies. We report the results of the provision and use of customer information among Group companies and the results of adequacy checks to the Board every quarter. The Chief Privacy Officer (CPO), as the chief officer in charge of integrating the management and protection of personal information and the head of the organization responsible for handling issues related to personal information, operates a separate data strategy team that assists in the management and protection of personal information. Furthermore, one or more personal information protection officers are designated at each of the headquarters departments and sales offices.

### Establishing a Personal Information Protection Environment

Hana Financial Group has deployed technologies such as personal information detection, encryption of personal information in the DB, and automatic checking of encryption status within the DMZ (Demilitarized Zone) server, and maintains a pseudonym/anonymization system for statistical utilization and provision of pseudonym information. In the stage of product and service development, we have included source code vulnerability checks in various IT development requests, development, testing, and application, including those for the website, and products and services are implemented into the operating system only when the source code vulnerability checks are completed.

# Information Protection

## Personal Information Protection System

### Sensitive Personal Information Protection and Access Control

In 2022, SOAR (Security Orchestration, Automation & Response) was installed at the Group’s Integrated Security Control Center to shift from the existing detection-oriented security control to a proactive and reactive system, and to strengthen efficient management control over cyber attacks and integrated management control of information security.

We are also stepping up our efforts to protect the privacy of our customers. We apply encryption on personal information such as resident registration numbers, de-identification to minimize the exposure of personal information on screens and printouts, and access control on access and export of personal information. In particular, we restrict access to personal information to business purposes only, and operate procedures to register and manage the purpose and reason for using personal information. In addition, we maintain server access control and DB access control to control access to the personal credit information processing system, while all users are allowed to access through the access control system only if they have received prior approval regarding their work, and records of access to the information processing system are inspected periodically for abnormalities. Moreover, we regularly check and control whether unnecessary personal information is stored on terminals and systems through the personal information detection system. Finally, the internal information monitoring system based on machine learning is used to check for illegal and abnormal behavior of internal users and misuse of personal information.

Such information processing systems are located in the Group’s Integrated Data Center, and to control access more strictly, biometric authentication (face recognition, fingerprint recognition) is applied in addition to access cards. Also, security guards, CCTV, and metal detectors are used for 24-hour monitoring of people and goods entering and leaving the premises.

### Advancing the Fraud Detection System (FDS)

By enhancing its Fraud Detection System (FDS), Hana Financial Group is implementing a system for real-time sharing of voice fraud information, applying scenarios related to open banking and MyData, and responding to new malicious apps with AI models.

### Cases and Value of Prevented Incidents at Major Affiliates

Affiliates	Cases prevented	Loss prevented (KRW 100 million)
Hana Bank	14,000	1,816
Hana Securities	3,900	556
Hana Card	1,000	116
Finnq	28,000	59

### Mid- and Long-term Goals for Personal Information Protection

Hana Financial Group established privacy goals to optimize its information protection management system and lead the way in information protection in the financial sector.



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## ESG Financial Data

### ESG Investment Products

(Unit: KRW 100 million, %)

Item	Description	2022	
In-house ESG investment products	ESG integration	-	
	Positive screening	-	
	Thematic investment	Investment in solar power, wind power, and fuel cells	783
	Impact investment	Creation of social value by creating jobs for the environment and youths and developing industrial complexes	6,088
	Others		-
	Total AUM		98,621
	ESG AUM		6,871
	Ratio (ESG AUM/Total AUM)		6.97
3rd party ESG investment products	ESG integration	Products integrating ESG with investment decision-making processes	1,279
	Positive screening	Investment by screening ESG-excellent companies	2
	Thematic investment	Investment in companies that manage environmental and energy businesses	7,168
	Impact investment	Investment in companies that participate in government-driven environmental projects	700
	Others	Investment in companies that manage stable businesses in long term	0
	Total AUM		135,870
	ESG AUC		9,149
	Ratio (ESG AUM/Total AUM)		6.73

### ESG Loans

(Unit: KRW 100 million, %)

Item	Description	2022	
Corporate finance	Sustainability loan	Environment-friendly loan products and project financing	13,249
	SLL loan		-
	Total corporate loans		304,750
	Total sustainability and SLL loans		13,249
	Ratio(Total sustainability and SLL loans/Total corporate loans)		4.35
Personal finance	Total sustainability loans	People's finance, social consideration products, loans for purchasing EVs, etc.	33,033
	Total personal loans		1,291,440
	Ratio(Total sustainability loans/Total personal loans)		2.56
SME loans	Total sustainability loans	Loans for SMEs that started business in less than 7 years, materials and parts manufacturers, SMEs that create jobs, etc.	65,551
	Total SME loans		1,172,840
	Ratio(Total sustainability loans/Total SME loans)		5.59

# Environmental Data

## Greenhouse Gas (GHG) Emissions<sup>1)</sup>

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

Item		2019	2020	2021	2022	2022 Goal <sup>2)</sup>
Direct emissions (Scope 1)	Based on Management by Objectives	8,932	7,971	7,454	7,101	7,305
	As of SBT	-	9,189	7,757	7,687	7,602
Direct emissions (Scope 2)	Based on Management by Objectives	60,025	55,975	56,464	55,443	55,335
	As of SBT	-	60,886	61,160	59,883	59,937
Direct emissions (Scope 1+2)	Based on Management by Objectives	68,957	63,946	63,918	62,544	62,640
	As of SBT	-	70,075	68,917	67,570	67,539
GHG emissions intensity (Employees)	Based on Management by Objectives	4.96	4.76	4.78	4.77	4.68
	As of SBT	-	3.93	3.88	3.85	3.80

1) Target management system criteria: Hana Bank head office and branches, tenant companies of Myeongdong building (Hana Financial Holdings, Hana Bank, Hana Card, Hana Life Insurance, Hana F&I, Hana Alternative Asset Management, Hana Investors Services)

SBT criteria: All business sites of Hana Financial Group

2) Reduction target criteria: 2% reduction compared to the previous year

## Scope3 Emissions<sup>1)</sup>

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

Item	2019	2020	2021	2022	2022 Target	Emissions Items Calculation Criteria
Purchased goods and services	1,241	1,119	1,283	1,201		<ul style="list-style-type: none"> <li>• Number of new cards issued</li> <li>• Number of paper consumed</li> <li>• Number of new bankbooks issue</li> <li>• Water consumption</li> </ul>
Capital goods	231	63	214	492		<ul style="list-style-type: none"> <li>• Amount of laptops purchased</li> <li>• Amount of desktop computers purchased</li> <li>• Amount of monitors purchased (2022 included)</li> <li>• Amount of printers/multi-function printers purchased (2022 included)</li> </ul>
Upstream transportation and distribution	381	345	262	263		• Cash transport distance
Waste generated in operations	575	243	263	183		<ul style="list-style-type: none"> <li>• Amount of garbage bags purchased</li> <li>• Amount of waste collected and recycled</li> </ul>
Business trip	1,136	426 <sup>2)</sup>	2,832	3,363		• Employees' business trip distance (domestic + overseas)
Employee commuting	4,539	5,190	9,365	8,240		
Use of sold products	2,977	3,407	3,542	1,010 <sup>3)</sup>		• Usage hour of internet/mobile banking
End of life treatment of sold products	465	413	351	265		<ul style="list-style-type: none"> <li>• Number of cards disposed</li> <li>• Number of bankbooks disposed</li> </ul>
<b>Total</b>	<b>11,545</b>	<b>11,206</b>	<b>18,112</b>	<b>15,018</b>	<b>17,750</b>	

1) All business sites of Hana Financial Group

3) Change in emissions calculation formula (utilizing monthly active users)

2) Reduced international business travel due to COVID-19

\* Prioritized highly relevant items among the 15 categories of Scope 3

## Environmental Investment Fee

(Unit: KRW 100 million)

Item	2019	2020	2021	2022
Changing to LED	8.3	7.4	8.5	8.1
Changing cooling/heating system	38.4	22.5	37.7	46.1

## Energy Consumption by Energy Type<sup>1)</sup>

(Unit: TJ)

Item	2019	2020	2021	2022	2022 Goal
Fuel consumption	146	132	125	119	123
Electricity consumption	1,214	1,133	1,137	1,108	1,114
Steam consumption	20	19	49	55	48
<b>Total consumption</b>	<b>1,380</b>	<b>1,284</b>	<b>1,311</b>	<b>1,282</b>	<b>1,285</b>
<b>Energy use intensity (Employees)</b>	<b>0.0875</b>	<b>0.0721</b>	<b>0.0738</b>	<b>0.0746</b>	<b>0.0723</b>

1) All business sites of Hana Financial Group

## Water Consumption by Buildings Owned<sup>3)</sup>

(Unit: m<sup>3</sup>)

Item	2019	2020	2021	2022	2022 Goal
Hana Bank headquarters	44,629	40,120	37,382	39,078	36,634
Myeong-dong building <sup>1)</sup>	61,018	58,103	52,150	54,363	51,107
Others <sup>2)</sup>	35,585	34,091	34,622	44,930	33,930
<b>Total</b>	<b>141,232</b>	<b>132,314</b>	<b>124,154</b>	<b>138,371</b>	<b>121,671</b>

1) Hana Financial Holdings, Hana Card, Hana Life Insurance, Hana F&I, Hana Alternative Asset Management, Hana Investors Services

2) Hana Securities, Hana Insurance, Hana Savings Bank, Hana Asset Trust, Hana Capital, Hana Ventures, Finnq

3) Low target due to the decline in water consumption in 2021 caused by working from home (COVID-19), but increased by the return to normal work in 2022

## Waste Discharge<sup>1) 4)</sup>

(Unit: tons)

Item	2019	2020	2021	2022	2022 Goal
Waste landfilled	-	-	-	-	-
Waste incinerated without energy recovery <sup>5)</sup>	1661.1	1064.8	1250.5	146 <sup>3)</sup>	
Waste incinerated with energy recovery <sup>2)</sup>		37.7	81.4	206	
Recycled	14.4	40.3	50.8	101	
<b>Total</b>	<b>1675.5</b>	<b>1142.8</b>	<b>1382.7</b>	<b>453</b>	<b>500</b>

1) All business sites of Hana Financial Group

2) Incineration heat data aggregated since April 2020

3) Treated waste of Hana Bank by designating a waste treatment company since 2022

4) Volume of waste generated equal to volume of waste treated

5) Sharp decline due to measurement by the amount of garbage bags purchased in 2021 and the actual amount of discarded waste in 2022

# Social Data

## Employee by Employment Type and Social Diversity

(Unit: Persons)

Item		2020	2021	2022
Regular	Male	5,294	5,239	6,748
	Female	7,755	7,675	8,099
Unlimited contract	Male	104	100	193
	Female	88	84	273
Contract	Male	1,243	1,250	1,305
	Female	521	631	940
Total number of employees in workforce	Male	6,641	6,589	8,246
	Female	8,364	8,390	9,312
	Female ratio(%)	55.74	56.01	53.04
	Total	15,005	14,979	17,558
Age	Under 30 years old	879	819	1,379
	30~50 years old	10,988	10,559	12,658
	Over 50 years old	3,138	3,601	3,521

## Employee Diversity and Inclusion

(Unit: %, Persons)

Item		2020	2021	2022
Ratio of employees by nationality	Korea	99.48	99.55	99.64
	US	0.07	0.08	0.05
	Canada	0.05	0.05	0.03
	China	0.11	0.09	0.11
	Indonesia	0.01	0.02	0.03
	Others	0.28	0.21	0.15
Ratio of general managers by nationality	Korea	99.78	99.72	99.83
	US	0.09	0.12	0.07
	Canada	0.04	0	0.03
	China	0	0	0
	Indonesia	0	0	0
	Others	0.09	0.16	0.07
Employees with disabilities	Total	139	104	120
	Under 30 years old	1.37	-	4.17
	30~50 years old	0.91	0.52	52.50
Veterans	Over 50 years old	0.89	1.36	43.33
	Male	-	-	46
	Female	-	-	17

## Employees by Role

(Unit: %)

Item	2020	2021	2022	2030 Goal
Share of Women	55.7	56.0	57.0	50.0
Share of Women in top management positions	2.3	6.7	10.0	15.0
Share of Women in all management positions	37.2	38.8	42.4	50.0
Share of Women in senior management positions	19.2	21.5	24.2	30.0
Share of Women in junior management positions	46.7	48.0	51.4	50.0
Share of Women in management positions in revenue-generation functions	22.8	17.6	23.92	25.0
Share of Women in STEM related positions	22.7	22.0	27.4	25.0

## Female Workforce Salary Quartiles

(Unit: %)

Item	2020	2021	2022
Ratio of women in the 1st quartile of salary	32	31	34
Ratio of women in the 2nd quartile of salary	63	58	59
Ratio of women in the 3rd quartile of salary	61	66	66
Ratio of women in the 4th quartile of salary	89	80	82

## Employee Turnover Rate<sup>1)</sup>

(Unit: %)

Item	2020	2021	2022	
Total employee turnover rate	5.7	1.1	3.57	
By Gender	Male	6.9	0.7	7.67
	Female	4.7	1.1	5.88
By position	General manager	15.7	0.5	27.08
	Junior manager	6.0	0.4	5.34
	Staff (Bank clerk)	3.8	1.6	12.8
Voluntary employee turnover rate	0.1	0.1	6.65	
By Gender	Male	0.1	0.3	4.21
	Female	0.1	0.2	3.08
By position	General manager	0.0	0.0	3.26
	Junior manager	0.1	0.0	1.78
	Staff (Bank clerk)	0.1	0.4	5.19

1) 2020-2021: For Hana Bank, 2022: For Hana Financial Group

## Social Data

### Average years employed by the Group

(Unit: Years)

Item	2022	
Average years employed	Average years employed by the Group for male employees	13.04
	Average years employed by the Group for female employees	13.93

### Employees by Position

(Unit: Persons)

Item	2020	2021	2022	
Executives	Male	76	67	160
	Female	1	3	9
	Female ratio (%)	1.3	4.29	5.33
General managers	Male	1,926	1,976	2,077
	Female	398	482	559
	Female ratio (%)	17.13	19.61	21.21
Junior managers	Male	2,621	2,666	3,430
	Female	2,299	2,462	2,790
	Female ratio (%)	46.73	48.01	44.86
Staff (Bank clerk)	Male	2,018	1,880	2,637
	Female	5,666	5,443	5,955
	Female ratio (%)	73.74	74.33	69.31

### New Hires

(Unit: Persons)

Item	2020	2021	2022	
Total number of newly hired employees	402	466	1,586	
Gender	Male	244	285	758
	Female	158	181	828
	Number of newly recruited experienced employees (male)	-	-	636
	Number of newly recruited experienced employees (female)	-	-	454
By age	Under 30 years old	133	185	629
	30~50 years old	210	244	763
	Over 50 years old	59	37	194
Gender of experienced	New hires with experience (Male)			636
	New hires with experience (Female)			454
Open positions for internal employees	Ratio of open positions recruited from among internal candidates	96	97.8	86.5

1) 2022: For Hana Financial Group

### Paternity/Maternity Leave

(Unit: Persons, %)

Item	2020	2021	2022	
Employees who used parental leave	Male	22	26	33
	Female	716	607	526
Employees expected to return to work after parental leave	Male	14	11	12
	Female	586	447	327
Employees who returned to work after parental leave	Male	15	13	22
	Female	566	434	310
Employees holding position for over 12 months after returning from parental leave	Male	6	15	12
	Female	575	449	319
Percentage of employees holding position for over 12 months after returning from parental leave	Male	75.00	100.00	92.31
	Female	81.00	79.30	73.50

### Ratio of wage of female to male<sup>1)</sup>

Item	2020	2021	2022	
Executives	1	1	1	
Managers	Ratio of wage of female to male	1	1	1
Non-managers	1	1	1	

1) Payrolls may differ among employees of Hana Financial Group according to years of service and performance appraisals, but there are no differences in the basic salary between males and females of the same job rank and salary step.

### Collective Agreement<sup>1)</sup>

(Unit: Persons, %)

Item	2020	2021	2022
No. of employees who can join labor unions	10,022	9,803	13,638
No. of employees with membership in labor unions	9,902	9,686	11,305
Ratio of employees with membership in labor unions	98.8	98.8	82.89
Ratio of employees impacted by collective agreement	100	100	100

1) 2020-2021: For Hana Bank, 2022: For Hana Financial Group

## Social Data

### Industrial Accidents

(Unit: %)

Item	2020	2021	2022
Ratio of absence	0.0019	0.0062	0.0070
Ratio of industrial accidents	1.61	4.05	1.15

### Social Contribution

(Unit: KRW 100 million, Persons)

Item	2020	2021	2022
Total social contribution	1,179	1,359	1,539
No. of beneficiaries of One Company One School financial literacy education	9,786	14,328	17,208
No. of employees recruited by youth financial education	20	6	10

### Employee job satisfaction<sup>1) 2) 3)</sup>

(Unit: %)

Item	2020	2021	2022
Overall employee satisfaction	72.1	73.9	81.3

1) Key survey indicators: Composed of work experience (competitive products and customer services), goals (appropriate recognition and encouragement of efforts and performances), happiness and mental health (work & life balance), etc.

2) Conducted annually to enhance the long-term satisfaction of employees

3) Hana Financial Group in 2022

### Employee License Acquisition and Participation in Training Programs

(Unit: Licenses earned, Persons)

Item	2020	2021	2022
No. of basic-level license acquisition (redundancies counted)	50,493	49,253	47,205
No. of advanced-level license acquisition (redundancies counted)	17,439	17,345	15,298
No. of professional license acquisition (redundancies counted)	1,599	1,948	1,909
No. of licenses earned per person	5.7	5.6	5.0
No. of employees who attended the global expert training program	4,674	5,574	2,812
No. of employees who attended job competency training programs	65,200	76,182	126,786

### Employees who Received Regular Performance Evaluation

(Unit: Persons)

Item	2020	2021	2022
No. of employees subject to regular performance evaluations (Male)	4,661	4,497	7,406
No. of employees subject to regular performance evaluations (Female)	6,444	6,339	7,845
No. of employees who received regular performance evaluations (Male)	4,661	4,497	7,386
No. of employees who received regular performance evaluations (Female)	6,444	6,339	7,825
No. of employees who participated in 360-degree evaluation	100	100	100

### Employee Training and Development Inputs

(Unit: KRW 10,000, hours, Persons)

Item	2020	2021	2022	
Avg training expenses per employee	54	57	82	
Avg training hours per employee	75.6	76.5	72.0	
Avg training hours per employee (gender)	Male	54.8	57.1	61.0
	Female	89.7	93.3	80.0
Avg training hours per employee (by age)	Under 30 years old	74.9	77.8	92.0
	30~50 years old	77.6	80.6	74.0
	Over 50 years old	62.3	64.7	55.0
No. of employees who received training	-	-	11,713	

### No. of Employees who Completed Ethics and Compliance Training

(Unit: Persons)

Item	2020	2021	2022	
Group training on anti-money laundering	141,638	163,421	316,540	
Online training on anti-money laundering	17,085	15,570	17,743	
Online ethics training	12,928	12,322	29,598	
Group training on internal control and ethics	1,501	1,254	6,253	
Human rights training	-	-	3,235	
Financial consumer protection training	-	-	37,941	
Fair trade or fair competition training	Compliance officers	-	-	146,755
	General employees	-	-	13,870

## Social Data

### Customer Satisfaction

(Unit: %)

Item	2020	2021	2022
Customer satisfaction	91.8	91.5	90.0

### Customer Complaints

(Unit: Cases, %)

Item	2020	2021	2022
Total customer complaints filed	1,929	1,781	1,378
Resolved Complaints	1,928	1,758	1,378
Completion rate (%)	99.95	98.71	100
Complaints received from the Financial Supervisory Service	1,386	1,120	981
Percentage of inquiries conducted by an agency	71.85	62.89	71.19
No. of consumer protection meetings held	-	-	24

### Partner SME Support Program

Item	Unit	2020	2021	2022
Main SME customer preferential loan	KRW 100 million	33,619	48,442	17,220
No. of main SME customers with preferential loan	Companies	3,042	4,802	7,421
No. of SME customers	1,000 companies	403	487	528
No. of corporate consulting provided to corporate customers	cases	92	103	87

### Investment Performance of Venture Companies

(Unit: KRW 100 million)

Item	2020	2021	2022
Direct	25	149	125
Indirect	52	1,915	2,115
Total	57	2,064	2,240

# Economic and Business Data

## Consolidated Financial Statement in Summary

(Unit: KRW million, %)

Item	2020	2021	2022
Total assets	460,947,046	502,205,386	568,603,280
Total liabilities	429,346,758	466,726,217	530,975,132
Capital stock	1,501,210	1,501,210	1,501,210
Total equity	31,600,288	35,479,169	37,628,148
Total liabilities and capital	460,947,046	502,205,386	568,603,280
CI Ratio(%)	45.30	44.00	41.90
Return on equity (ROE) (%)	8.96	10.89	10.08
Return on assets (ROA) (%)	0.61	0.74	0.66
Total assets including trust account (KRW 1 trillion)	594	653	730
Intangible assets	739,138	676,092	803,949

## Consolidated Income Statement in Summary

(Unit: KRW million)

Item	2020	2021	2022
Gross operating income	9,534,819	10,136,871	11,272,242
Net operating income	8,663,880	9,603,653	10,085,186
Operating income	3,836,422	4,631,096	4,688,282
Net income before income tax	3,729,234	4,904,925	4,943,316
Consolidated net income	2,684,878	3,581,582	3,639,410
Consolidated comprehensive income	2,528,697	3,644,121	2,852,700
Net income in controlling interests	2,637,242	3,526,068	3,570,607

## BIS Leverage Ratio

(Unit: KRW 100 million, %)

Item	2020	2021	2022
Basel III Tier1 Capital	294,589	329,847	350,616
Basel III total exposure	5,201,677	5,677,515	6,410,838
Basel III leverage ratio (%)	5.66	5.81	5.47

## Income Tax

(Unit: KRW 100 million, %)

Item	2020	2021	2022
Net income before tax	37,292	49,049	49,441
Nominal tax amount	10,444	13,233	13,229
Effective tax rate (%)	28	27	27
Tax payment	11,049	11,041	15,242
Tax rate (%)	29.6	22.5	30.8

## Contributions and Other Spending

(Unit: KRW million)

Item	2020	2021	2022
Lobbying, interest representation or similar	0	0	0
Local, regional or national political campaigns / organizations / candidates	0	0	0
Trade associations or tax-exempt groups	10,278	10,996	11,695
Other (e.g. spending related to ballot measures or referendums)	0	0	0
Total contributions and other spending	10,278	10,996	11,695

## Contributions and Membership Fees

(Unit: KRW million)

Item	2020	2021	2022
Korea Federation of Banks	3,389	3,556	3,917
Korea Institute of Finance	2,755	2,774	2,757
Korea Financial Investment Association	1,767	1,955	2,222
The Credit Finance Association	700	1,012	700
Korea Center for International Finance	480	509	551
Korea Federation of Savings Banks	387	411	489
Korea Life Insurance Association	224	227	298
The Korea Chamber of Commerce and Industry	91	91	91
General Insurance Association of Korea	39	14	509
Others	446	447	510
Total	10,278	10,996	11,695

## Economic and Business Data

### No. of Savings and Deposit Customers and Deposit Amounts

(Unit: Persons, Companies, KRW 100 million)

Item		2020	2021	2022
No. of customers	Individual	17,091,139	17,256,910	17,675,713
	SME	1,879,724	2,013,424	2,114,780
Total savings and deposit amount	Individual	91,765	92,339	102,765
	SME	64,411	73,404	74,084

### Loans by Segment: Individual, SME, Enterprise Customers

(Unit: Persons, Companies, KRW billion)

Item		2020	2021	2022
No. of customers	Individual	1,470,670	1,516,362	448,361
	Conglomerate	1,721	1,776	1,792
	SME	403,166	487,475	527,908
	(SOHO)	342,976	421,072	455,158
	Financial institutions and others	140	144	173
	Total no. of corporate customers	405,027	489,395	529,873
Household loan	Collateral loan	73,052	75,445	74,432
	(Residential mortgage loan)	36,981	36,140	24
	Credit loan	20,273	21,538	1,537
	Others	32,026	33,336	603
	Total household loan	125,351	130,319	76,596
Business loan	Conglomerate	14,016	14,277	19,649
	SME	95,927	107,682	118,345
	(SOHO)	50,237	55,957	58,261
	Financial institutions and others	1,575	1,443	2,042
	Total business loan	111,518	123,402	140,036

### Substantiated Complaints Concerning Breaches of Customer Privacy

(Unit: Cases)

Item	2020	2021	2022
Complaints received from outside parties and substantiated by the organization	3	0	0
Complaints from regulatory bodies	1	0	0

### IT Infrastructure Incidents

(Unit: Cases, KRW)

Item	2020	2021	2022
No. of IT infrastructure incidents	0	0	0
Financial impact caused by such incidents	0	0	0

### Personal Information Security and Cybersecurity Status

(Unit: %, Persons, KRW million)

Item	2020	2021	2022
No. of certified IT infrastructure and information security management systems	100	100	100
No. of information security breaches or other cybersecurity incidents	0	1	0
No. of information security breaches involving customers' personally identifiable information	0	2	0
No. of customers affected by personal information breaches	0	4	0
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents	3.2	0	0

### Investment in Information Security

(Unit: Cases, KRW 100 million)

Item	2022
Investment in information security (information security budget out of IT budget)	819.3
Information security budget: Capital	381.6
Information security budget: Expenses	313.7
Information security budget: Others	124.6

## Economic and Business Data

### Cases of Anti-corruption and Unfair Competition

(Unit: Cases, KRW)

Item	2020	2021	2022
Actions taken for unfair-competition practices	0	1	0
Fines and settlements related to anti-monopoly/anti-competitive business practices	0	0	0
Number of confirmed cases of corruption and bribery	0	0	0
Number of filings related to conflict of interests (violations)	-	-	0
Number of anti-money laundering/internal trading cases	-	-	0

### Management of Incomplete Sales

(Unit: Cases)

Item	2020	2021	2022
No. cases of fines, penalties, warning from financial authorities related to incomplete sales	1	1	0

### Members of Financial Services

(Unit: Persons)

Item	2020	2021	2022
Members of Hana Money (Hana Members)	16,895,894	17,417,150	18,610,657
Members of HAI Robo	57,952	65,392	76,698
Customers of Hana 1Q (mobile banking)	11,841,923	12,807,317	14,009,983
New customers for digital services (cumulative)	840,877	1,031,952	1,324,699
No. of digital banking subscribers	15,287,933	16,103,375	17,153,465

### Customer Accessibility

(Unit: Cases)

Item	2020	2021	2022
Hana Bank On-the-Road	27,184	34,796	132,833
Portable Hana Bank	25,111	15,101	25,378
Table Branch	227,013	188,674	296,721
ATM with braille and audio guidance	3,751	3,565	3,527
ATM for wheelchair users	2,708	2,853	3,025
ATM with biometric authentication	1,106	1,465	2,011

### Financial Incidents and Disciplinary Actions Taken

(Unit: Cases)

Item	2020	2021	2022	
Violations	Embezzlement/misappropriation	4	3	0
	Breach of duty/fraud	8	1	0
	Mediate usury	0	0	0
	Violation of the Act on Real Name Financial Transactions and Confidentiality	3	1	0
	Bribery	0	0	0
	Personal lending & borrowing	3	0	0
	Others	4	7	0
Disciplinary actions taken	Pay cut	8	7	0
	Reprimand	17	12	0
	Disciplinary warning	60	16	0
	Warning	6	0	0
Others (Above pay cut)	29	4	0	

# Tax Strategy

## 2022 Tax Details

(Unit: Persons, KRW million)

Tax jurisdiction	Company name	Business area	Number of employees**	Revenue	Profit(loss) before tax	Income taxes accrued (prepaid income taxes)	Income taxes paid	
Domestic	Hana Financial Holdings	Holding company	143					
	Hana Bank	General bank	11,275					
	Hana Securities	Stockbroking	1,822					
	Hana TI	Advisory and installation service business integrated with computer systems	1,141					
	Hana Capital	Installment financing	371					
	Hana Life Insurance	Life insurance	202					
	Hana Insurance	Insurance and pension	696					
	Hana Asset Trust	Other financial business	189					
	Hana Savings Bank	Mutual savings bank and other savings body	157					
	Hana Card	Credit card and installment financing	752					
	Hana Investors Services	Other financial support service	159					
	Hana Alternative Asset Management	Trust and collective investment	129					
	Finnq	Other financial support service	85					
	Hana Ventures	Financial business	29					
	Hana F&I	Other financial investment business	55		71,592,228	6,289,428	1,266,743	1,305,753
	GLN International	Other financial business	42					
	Hana No. 1 Private Equity	Private investment	0					
	Hana Development Infra No. 1 Private Equity	Private investment	0					
	Hana No. 3 Private Equity Subsidiary	Private investment	0					
	HF95 Securitization Limited	Asset securitization	0					
	HF No. 1 Financial Stabilization Private Equity Subsidiary	Asset securitization	0					
	HF No. 2 Financial Stabilization Private Equity Subsidiary	Asset securitization	0					
	Hana-Ever Best Corporate Stabilization Private Equity Subsidiary	Private collective investment body	0					
	Hana Alternative Investment Shipping Private No. 1	Private collective investment body	0					
Hana Financial Find	Financial business	34						
Hana Global Entrustment Real Estate Investment	-	4						
Hana Global No. 1 Entrustment Real Estate Investment	-	4						
Singapore	Hana Asset Management Asia	Computer system operation	3	0	(1,373)	3	0	
China	Hana Bank (China) Limited	Financial business	866	545,600	(113,123)	26,938	(32,377)	
	Hana Share Investment (Shenzhen) Limited	Financial business	19					
USA	KEB Hana New York Financial	Financial business	7					
	KEB Hana Los Angeles Financial	Financial business	12	50,506	7,639	(371)	2,060	
	Hana Bancorp, Inc.	Financial business	6					
Canada	KEB Hana Bank USA	Financial business	57					
	Canada KEB Hana Bank	Financial business	167	76,573	21,622	2,456	5,854	
Indonesia	PT Bank KEB Hana	Financial business	1089					
	PT.SINARMAS HANA FINANCE	Financial business	317	342,314	71,400	3,576	17,207	
Germany	PT.NEXT Transformtech Indonesia	Financial business	62					
	Germany KEB Hana Bank	Financial business	33	44,421	12,979	2,960	4,352	
Brazil	Brazil KEB Hana Bank	Financial business	26	25,795	4,593	0	1,802	
Hong Kong	KEB Hana Global Financial Limited	Financial business	16	12,119	5,420	849	847	
Russia	Russia KEB Hana Bank	Financial business	34	67,425	16,338	0	2,476	
Mexico	Mexico KEB Hana Bank	Financial business	36	16,271	336	0	(11)	
Myanmar	Hana Microfinance	Financial business	1382	43,340	6,737	0	1,482	
Japan	Hana Card Payment	Financial business	1	0	(3)	1	0	

\* Based on subsidiaries, etc., under the Financial Holding Companies Act

\*\* Temporary employees are not included.

# 5

# Appendix

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# Policy

## Donation and Sponsorship Policy

All donations and sponsorships of the company are executed according to an appropriate procedure and operated ethically by prohibiting political uses and roundabout financing other than actual donations and sponsorships.



### 1 Execution of donations/sponsorship

Donations/sponsorship shall be executed only under the following circumstances.

- 1-1. The associated laws and regulations must be observed.
- 1-2. Donations/sponsorship must be executed for a person who needs support under the social common notion or a person who engages in a business for the purpose of promoting public interest.
- 1-3. Donations/sponsorship must not be used for any inappropriate business gains or personal gains.
- 1-4. The public value must be acknowledged for contributing to social development or addressing issues.
- 1-5. No employee may provide monetary payments or other contributions to political parties, people who get into politics, or candidates.

### 2 Execution duties

- 2-1. Verify whether the donations or sponsorship comply with the Code of Ethics.
- 2-2. Report all donations and sponsorship under the Business Approval Regulations to obtain an approval before execution.
- 2-3. The department that executes the donation must receive a receipt of the donation as required under the associated laws and regulations from the donee and keep it for five years from the following fiscal year.

### 3 Review of donations/sponsorship

- 3-1. The company must examine the feasibility and efficiency of the donation or sponsorship in consideration of all persons receiving donations and sponsorship, reasons for execution, and appropriateness of the amount to be executed.
- 3-2. The company must periodically audit the execution procedures and details and revise the policies and execution standards as necessary.

# Stakeholder Engagement

## Stakeholder Communication Channels

Hana Financial Group defines customers, employees, suppliers & partners, government/local governments, shareholders/investors, and local communities that directly or indirectly impact its management activities as major stakeholders. Hana Financial Group strives to reflect the opinions received from its stakeholders through various communication channels, including annual questionnaires, in its management activities.

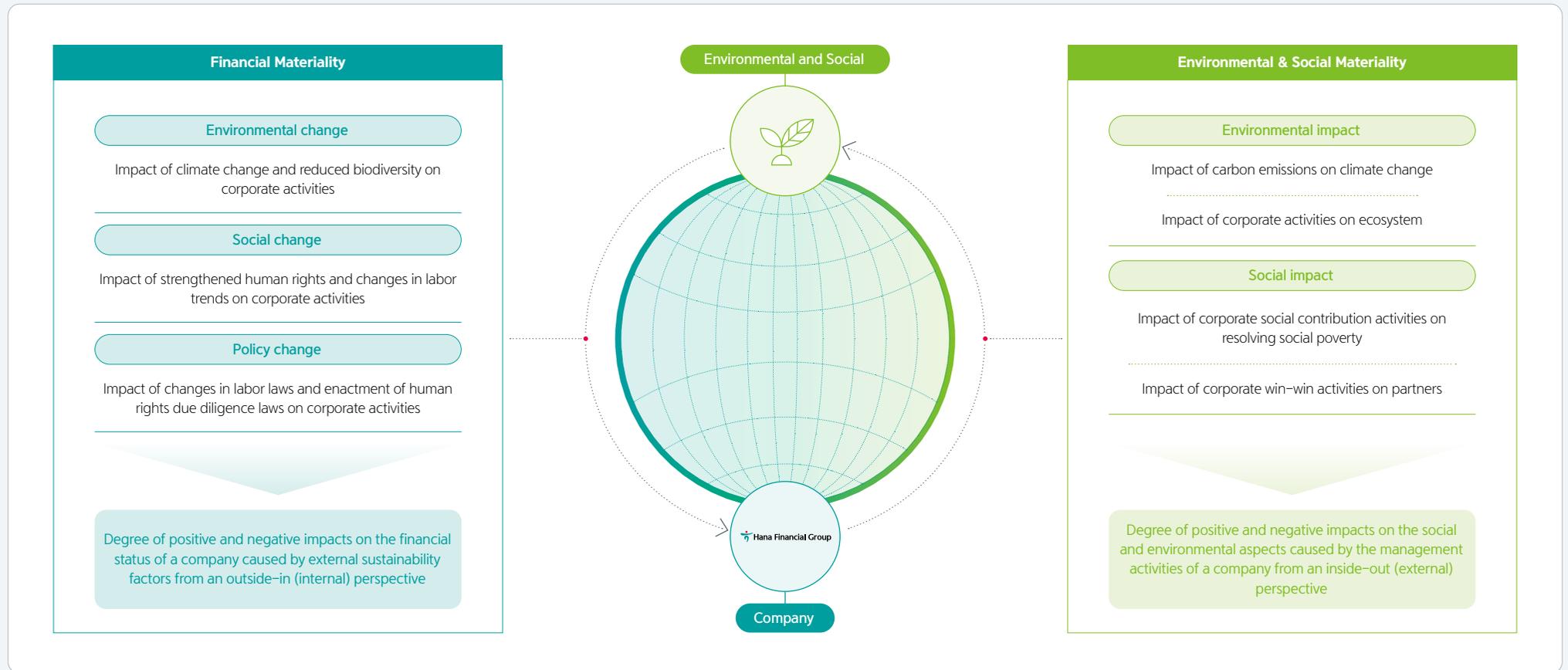
	 <b>Customers</b>	 <b>Employees</b>	 <b>Suppliers &amp; Partners</b>	 <b>Government/Local Governments</b>	 <b>Shareholders/ Investors</b>	 <b>Local Communities</b>
<b>Topics of Interest</b>	Managing customers satisfaction ----- Protecting financial consumers ----- Protecting customer information	Recruiting and education human resources ----- Welfare benefits ----- Strengthening employees' competency	Communicating with partners ----- Fair trade	Environmental policy ----- Inclusive finance ----- Creating jobs	Governance ----- Ethical management ----- Risk management	Social contribution ----- Supporting SMEs and small business owners
<b>Comm. Channels</b>	Website ----- Customer counseling center ----- Customer roundtable ----- Customer committee ----- Customer satisfaction survey ----- SNS	Employee portal ----- Labor-management council ----- Management talk	Partner meeting ----- Website questionnaire	Government's financial policy presentation ----- Financial Supervisory Service meeting	Business report, general meeting of shareholders ----- Announcement of business performance ----- Corporate disclosure	Social contribution website ----- Foundation website ----- Social contribution activity ----- Support for sports and culture

# Double Materiality Assessment

## Double Materiality Assessment

### Concept of Double Materiality Assessment

The GRI Standards demand companies measure the external impact of their activities by introducing the double materiality assessment, which accounts for all environmental, social, and financial impacts. Additionally, various international organizations like the Corporate Sustainability Reporting Directive (CSRD) and the World Economic Forum (WEF) have announced relevant guidance and disclosure guidelines. Accordingly, Hana Financial Group started to conduct a double materiality assessment this year to gather opinions from employees, business partners, customers, local communities, and ESG experts. Through these efforts, we improved our business performance and advanced the reporting level by determining material issues based on the opinions of our stakeholders.

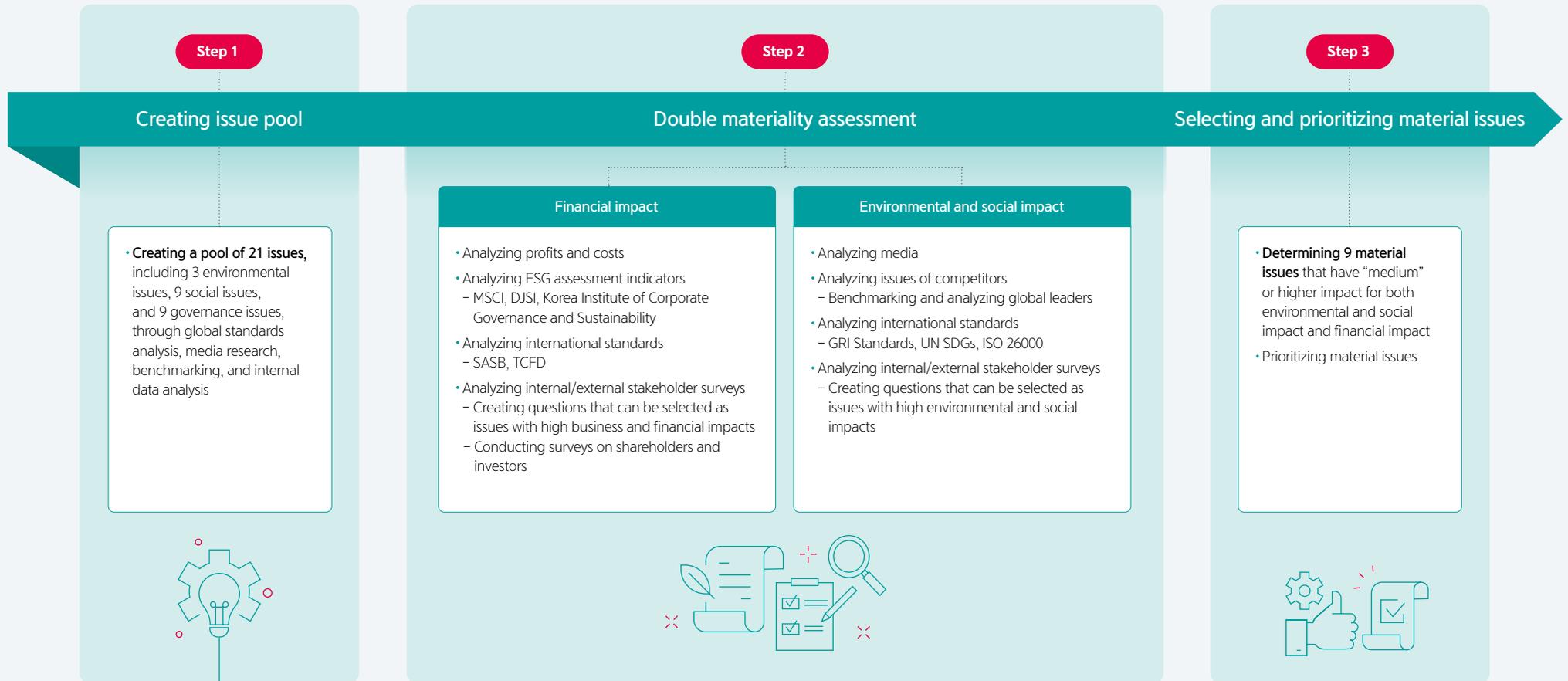


# Double Materiality Assessment

## Double Materiality Assessment

### Double Materiality Assessment Process

Hana Financial Group conducts annual materiality assessment based on the Materiality Principle in the GRI Standards, and nine material issues have been determined by undergoing the three steps below. This report contains policies, goals, and performances regarding each material issue.



# Double Materiality Assessment

## Double Materiality Assessment Results

Hana Financial Group determined material issues linked to its mid- to long-term strategies while accounting for both environmental and social impact and financial impact. The Risk Management Committee, which integrates the company-wide risk management process and materiality assessment results to manage the risks of the Group, establishes response strategies to mitigate the impact and level of risks identified through the double materiality assessment. Additionally, the double materiality assessment results are reported to the BOD, and a third-party assurance has been completed on the materiality assessment process and results.



- |   |  |  |
|---|--|--|
| 1 Creating eco-friendly management and culture  | 4 Practicing and strengthening ethical management    | 7 Strengthening information security       |
| 2 Practicing climate change response strategies | 5 Expanding ESG financial products                   | 8 Strengthening digital financial services |
| 3 Protecting financial consumers                | 6 Expanding financial services for vulnerable groups | 9 Supporting growth of employees           |

Mid- to Long-term Strategy	Issue	Environmental, Social	Financial	Page	GRI Standards
[E] Facilitating implementation of low-carbon economic system	E1 Practicing climate change response strategies	●	●	41-49p	201-2
	E2 Creating eco-friendly management and culture	●	●	57-60p	N/A
[S] Social contribution through financing	S1 Expanding financial services for vulnerable groups	●	●	25-29p, 36-37p	413-1
	S2 Protecting financial consumers	●	●	30-31p	418-1
	S3 Strengthening digital financial services	●	●	89p	N/A
	S4 Supporting growth of employees	●	●	74-78p	404
[G] Decision-making based on transparency and responsible management	G1 Expanding ESG financial products	●	●	33-40p	2-6
	G2 Practicing and strengthening ethical management	●	●	108-111p	205-1, 2
	G3 Strengthening information security	●	●	117-121p	418-1

# Double Materiality Assessment

## Double Materiality Assessment Results

Category	Materiality of Issue (Business Case)	Impact	Business Strategy	Goal/Indicator	Target Year	Degree of Achievement	Management Reward (KPI Linkage)
[E1] Practicing climate change response strategies	Climate change may lead to financial risks by causing financial risks from natural disasters and management risks from relevant regulations. It is important for Hana Financial Group to establish climate change response strategies and participate proactively.	Risk	Hana Financial Group has built internal systems, such as the sustainable financial classification system and ESRM, to response to climate change-related risks. We manage our portfolio by determining the ratio of carbon to exposure and carbon intensity for each industry through physical risk analysis.	<ul style="list-style-type: none"> <li>Zero carbon emissions at business sites of the Group</li> <li>Zero coal project financing (PF)</li> </ul>	2050	<ul style="list-style-type: none"> <li>Reduced carbon emissions of the Group's business sites by 63,149 tons compared to the previous year (Scope 1+2)</li> <li>'Zero' new coal project financing (PF) after declaring Powering Past Coal (March 2021)</li> <li>Acquired SBTi approval (October 2022)</li> </ul>	<ul style="list-style-type: none"> <li>Implemented 2050 'Zero &amp; Zero'</li> <li>Established SBT and acquired approval</li> <li>Established climate risk management policy and supported system development</li> </ul>
[S1] Expanding financial services for vulnerable groups	Financial systems have a significant impact on economic and social stability, and the exclusion of vulnerable groups within the systems may cause inequality. Vulnerable groups stabilized through financial services can facilitate economic growth and contribute to expanding the market as new customers.	Cost	Hana Financial Group has set consumer protection and increased financial accessibility as its core tasks. In particular, we offer financial support through 'Hana Happy Financing Project' focused on four sectors: small business owners and self-employed; people, youth, and vulnerable borrowers; household loan demanders; and social value creation.	<ul style="list-style-type: none"> <li>Financial support of KRW 26 trillion through Hana Happy Financing Project</li> </ul>	2024	<ul style="list-style-type: none"> <li>Total financial support of KRW 1,065,641 million (as of January 2023)</li> </ul>	<ul style="list-style-type: none"> <li>Practiced finance for growing together and sharing happiness</li> <li>Focused on key activities of the Group for shared growth with various stakeholders (annual financial support of KRW 26 trillion, etc.)</li> </ul>
[G1] Expanding ESG financial products	There is an increasing demand for financial products that consider the sustainability of investors with the increasing social interest in ESG. Hana Financial Group expects to see increase in sales and fulfill the needs of investors by expanding the types and scales of its ESG products.	Sales	Hana Financial Group strengthens its financial support for ESG areas, including GHG reduction, with the financial products handled by all affiliates. Accordingly, each affiliate issues sustainable bonds and social bonds and plans to expand the scale of such bonds gradually.	<ul style="list-style-type: none"> <li>Procuring 2030 green and sustainability fund of KRW 60 trillion</li> </ul>	2030	<ul style="list-style-type: none"> <li>ESG bond of KRW 4.3 trillion</li> <li>ESG loan of KRW 12.4 trillion</li> <li>ESG investment of KRW 1.8 trillion</li> </ul>	<ul style="list-style-type: none"> <li>Implemented '2030 &amp; 60' focused on sustainable financing</li> <li>Promoted 2030 Green/Sustainable Financing of KRW 60 trillion</li> <li>Established the Group's internal regulation for ESG financing (ESG restricted and alert businesses)</li> </ul>

# Double Materiality Assessment

## Material Issues of External Stakeholders

Category	Relevance to External Stakeholders	Character of Impact	Cause of Impact (Range of Impact Assessment, %)			Impact Assessment Area				Indicator	Impact Assessment	Impact Indicator
			Business Site	Products and Services	Supply Chain	Environment	Social	Consumers	Partners			
Expanding ESG financial products  	ESG financial products have a positive impact on investors by satisfying the investment demand for sustainable companies.	Positive	● 100%			●	●	●		<ul style="list-style-type: none"> <li>Environmental value (monetary) created by contributing to GHG reduction through environment-friendly project financing</li> </ul>	<ul style="list-style-type: none"> <li>Environmental value created (gained): Investment performance in renewable energy (Amount of GHG emissions from power generation – Amount of GHG emissions from existing methods of power generation) x social cost of carbon x annual amount of power generation x contribution rate</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance of KRW 43,6 billion through reduction of GHG emissions</li> </ul>
Protecting financial consumers  	We have a positive impact on customers by providing various services protecting financial consumers, aiming to gain customers' trust and enhance customer satisfaction.	Positive	● 100%				●	●	●	<ul style="list-style-type: none"> <li>Prevention of victims to tele-communication fraud (voice phishing)</li> <li>Social costs reduced by preventing tele-communication fraud (voice phishing)</li> </ul>	<ul style="list-style-type: none"> <li>Social costs reduced (avoided): Number of incidents prevented through activities (detection of malicious apps related to voice phishing, monitoring open banking of customers who are victims to information leakage, etc.) X amount of damage per voice phishing incident</li> </ul>	<ul style="list-style-type: none"> <li>Number of voice phishing incidents prevented in 2022: 13,015 cases</li> <li>Average damage per voice phishing incident: KRW 25 million</li> <li>Total social costs reduced through voice phishing prevention activities: KRW 325,4 billion</li> </ul>

# Third Party Reporting Assurance

## Dear Stakeholders of Hana Financial Group,

KFQ has been engaged by Hana Financial Group to provide independent assurance on the 2022 Sustainability Report for Hana Financial Group (the 'Report'). It is our responsibility to provide an independent assurance statement in accordance with the standards and scope of assurance as specified below. Hana Financial Group has sole responsibility for the preparation of the Report.

### Standards and Scope of Assurance

- **Standards:** AA1000AS(v3), AA1000AP(2018)
- **Type:** Type 2, covers the assessment of adherence to the Accountability principles of inclusivity, materiality, responsiveness, impact; and reliability and quality of disclosed information on sustainability performance.
- **Level:** Moderate, limited evidence has been obtained to support our assurance statement
- **Scope:** Hana Financial Group complied with all requirements specified in the GRI Standards(2021) to report in accordance with the GRI Standards

### Methodology

In order to assess the reliability of disclosures about the sustainability performance in the Report by applying the standards, we reviewed sustainability-related processes, systems, internal control procedures, and available data. The documentation reviewed during the assurance engagement includes

- Non-financial information e.g., data provided to us by Hana Financial Group, disclosed Business Reports, and information obtained from media and/or the internet; and
- Financial information i.e., Financial statements reported on the DART (Data Analysis, Retrieval and Transfer System, <https://dart.fss.or.kr>), the Electronic Disclosure System managed by Financial Supervisory Service.

The assessment was performed by document review and onsite inspection. We interviewed employees who are responsible to prepare the Report, where we evaluated the validity of the materiality assessment processes, a stakeholder-centric approach to select material issues, data collection and management procedures, report preparation procedures, and validation of claims stated in the Report. It was confirmed that errors, inappropriate information, and ambiguous expressions identified during the assessment were properly corrected prior to the Report being published.

Requirement	compliance	GRI Standards/Topic Disclosure
1. Reporting Principles	<input type="radio"/>	GRI 1: Foundation 2021(section 4)
2. Report the disclosures in GRI 2	<input type="radio"/>	GRI 2: General Disclosures 2021(2-1~2-30)
3. Determine material topics	<input type="radio"/>	GRI 3: material Topics 2021
4. Report material topics	<input type="radio"/>	GRI 3: material Topics 2021(3-1, 3-2)
		<b>[Material topics]</b> GRI 201: Economic Performance GRI 205: Anti-Corruption GRI 305: Emissions GRI 404: Training and Education GRI 413: Local Communities GRI 418: Customer Privacy
5. Report disclosures from the GRI Topic Standards for each material topic	<input type="radio"/>	<b>[Other topics]</b> • Impacts on the economy GRI 203: Indirect Economic Impacts GRI 206: Anti-competitive Behavior GRI 207: Tax • Impacts on the environment GRI 302: Energy GRI 303: Water and Effluents GRI 306: Waste • Impacts on the people GRI 401: Employment GRI 403: Occupational Health and Safety (including Absentee Rate) GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination
6. Provide reasons for omission for disclosures and requirements that the organization cannot comply with	<input type="radio"/>	
7. Publish a GRI content Index	<input type="radio"/>	
8. Provide a statement of use	<input type="radio"/>	
9. Notify GRI	<input type="radio"/>	

# Third Party Reporting Assurance

## Competency and independence

The assurance team was organized in accordance with KFQ's internal regulations. KFQ has no conflict of interest which could threaten the independence and impartiality of verification, other than providing third-party audit services to the Hana Financial Group business.

## Limitations

The completeness and responsiveness of sustainability performance represented in the Report have inherent limitations due to its nature and the methodology used to determine, calculate and estimate its performance. In accordance with the terms of the contract, we assessed the information and evidence provided by the company. We did not perform any further assessment procedures on raw data.

## Findings and Conclusions

As a result of the assessment, we confirm that the 2022 Sustainability Report for Hana Financial Group reports in accordance with the GRI Standards, adheres to the AA1000AP(2018)'s Accountability principles, and demonstrates a Type 2 assurance level, as evidenced by reviewed data and information. Based on the assessment, nothing has come to our attention to suggest that the Report provides material errors or misstatements and does not properly describe the adherence to the Accountability principles.

## Inclusivity

Hana Financial Group is gathering opinions from various stakeholders including customers, shareholders, investors, employees and local communities through communication channels such as customer satisfaction survey, general shareholders' meeting and Hana Power On Program. Nothing came to our attention to suggest that the main stakeholders are not stated in the Report.

## Materiality

Hana Financial Group has established its 2030 vision and objectives in alignment with the group's mission of 'Growing together, Sharing Happiness'. We confirmed that Hana Financial Group has been doing its best to realize unique customer-centric value, provide new value through sustainability management, and proactively adapt to change by creating greater value.

In an effort to identify internal and external stakeholders' interests and their impacts, Hana Financial Group identified 21 issues from economic, environmental, and social perspectives and determined 9 material topics by conducting a materiality assessment. It was confirmed that the identified issues resulting from the materiality assessment were fully described in the Report without any omission.

## Responsiveness

Hana Financial Group consistently engages with stakeholders to respond to their feedback and main interests. Nothing came to our attention to suggest that its responses and performance are inappropriately described in the Report.

## Impact

We found during our assessment that Hana Financial Group is identifying and monitoring impacts relating to stakeholders and reporting them to the extent possible. Nothing came to our attention to suggest that it does not properly assess and report impacts relating to material issues.

## Reliability and quality of disclosed information on sustainability performance

We assessed the reliability of specified environmental and social performance data related to sustainability. We interviewed employees who are responsible to prepare the Report, where we reviewed internal data on a sample basis and publicly available documentation, and confirmed the reliability of the processes for collating qualitative and quantitative sustainability data described in the Report. Nothing came to our attention to suggest that intentional misstatements and/or material non-conformities in data are presented during the assessment.

## Recommendation for improvement

KFQ recommends following developmental approaches in order to internalize sustainability management in the future and to disclose the results of the report effectively.

- Hana Financial Group is communicating with stakeholders through ESG reports which have disclosed ESG strategy, activity and performance every year. We hope that HANA FINANCIAL GROUP is documenting and implementing internal processes and procedures, which contain compiling, analyzing and reporting ESG information, to ensure quality and reliability of information and data by oneself which is disclosed through the Report.
- We look forward to seeing Hana Financial Group will report additional disclosures from the GRI Topic Standards beyond information related to selected material issues in response to stakeholders' needs and expectations.

June, 2023  
Seoul, Korea  
Ji Young Song, CEO  
**Korean Foundation for Quality (KFQ)**

# GHG Verification Statement

KEB Hana Bank



## Verification Scope

Korean Standards Association has conducted verification for GHG emissions based on GHG report provided by KEB Hana Bank which includes Scope1 and Scope2 emissions.

## Verification Standards and Guidelines

To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.

- Guidance for reporting and verification of GHG emissions trading scheme (No. 2022-279 provided by Ministry of Environment, Republic of Korea)
- ISO 14064-1, 3: 2006
- 2006 IPCC Guidelines for National Greenhouse gas Inventories

## Level of Assurance

KEB Hana Bank's GHG emissions satisfies the under Reasonable Assurance(less than ±5% of total emissions).

## Verification Conclusion

As a result of verification activities, verification team has found no significant errors, omissions, and misstatements. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

## 2022 Emissions(Scope1, Scope2)

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

Year	Scope 1	Scope 2	Total
2022	7,100,990	55,442,798	62,211

\* Decimal place is not considered when calculating the emission of each workplace.

June 16, 2023

**KOREAN STANDARDS ASSOCIATION**

# GHG Verification Statement

## Verification Opinion

Hana Financial Group



### Verification Objective

Hana Financial Group's 2022 Scope3 GHG Emissions.

- Scope 3 GHG emissions for Purchased goods and services, Business travel and Employee commuting

### Verification Scope

The scope of this verification is the annual Scope3 GHG emissions related Purchased goods and services, Business travel & Employee commuting at Hana Financial Group's domestic business sites, and Scope 3 GHG emissions were verified based on the activity data provided by Hana Financial Group.

### Verification level

Limited Level of Assurance

### Data Verified

Hana Financial Group's annual Scope 3 GHG emissions related to Purchased goods and services, Business travel and Employee commuting in domestic business sites in 2022 are as follows.

(Unit: ton CO<sub>2</sub>-e/yr)

Scope3 Category	Purchased goods and services	Employee commuting	Total	Total Emissions
Annual emissions	1,201.0	3363.2	8,240.4	11,619

### Verification Criteria and Protocol

The verification was performed at the request of Hana Financial Group using the following verification standards.

- The GHG Protocol of the WBCSD/WRI WBCSD/WRI Technical Guidance for Calculating Scope 3 Emissions (version 1.0)
- Carbon emission factor for environmental labeling (Korea Environmental Industry & Technology Institute, 18. Apr.2021)
- Guidelines for low-carbon green events, Ministry of Environment (2008)
- US,EPA, Emission Factors for Greenhouse Gas Inventories (2023,04.18)
- BSI Greenhouse Gas Emission Verification Scheme (KM007, R17)

### Verification Opinion:

As a result of the verification in accordance with the standards listed above, it is the opinion of BSI that:

- In conducting this verification, no visits to the verification target business site or verification of the authenticity of the data provided by Hana Financial Group were carried out.
- This verification may be affected by limited factors such as the limitation of provided data, non-execution of on-site verification, and sampling. Due to the limitation of this verification, there is an unavoidable risk that important errors may not be found and exist.
- No material misstatement in the GHG emission calculations was detected, related records were maintained appropriately.
- The data quality was considered corresponding to the international key principles for GHG emissions verification.

For and on behalf of BSI:

Managing Director Korea, **SeongHwan Lim**

Issue: 24/04/2023

# TCFD Index

Topic	Disclosure	Reference Page
Governance	A Describe the board's oversight of climate-related risks and opportunities.	Sustainability Report 43p TCFD Report 5p~6p
	B Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Report 43p TCFD Report 5p~6p
Strategy	A Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Sustainability Report 44p~48p TCFD Report 7~8p
	B Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	Sustainability Report 44p~48p TCFD Report 9p~10p
	C Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Sustainability Report 44p~48p TCFD Report 11p~18p
Risk Management	A Describe the organization's processes for identifying and assessing climate-related risks.	Sustainability Report 44p~48p TCFD Report 19p~22p
	B Describe the organization's processes for managing climate-related risks.	Sustainability Report 44p~48p TCFD Report 19p~22p
	C Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Sustainability Report 44p~48p TCFD Report 19p~22p
Metrics and Targets	A Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sustainability Report 49p TCFD Report 23p~24p
	B Disclose scope 1, scope 2, and if appropriate, scope 3 GHG emissions and the related risks.	Sustainability Report 49p TCFD Report 23p~24p
	C Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Sustainability Report 49p TCFD Report 23p~29p

# GRI Index

Overview	GRI 1 Used	Applied GRI Standards
Hana Financial Group applies the GRI Standards to its sustainable management report for the period between January 1 and December 31, 2022.	GRI 1:Foundation 2021	Cannot be used in the present (standards not announced for financial industries)

## General Disclosure

Topic	Disclosure	Page and Details	
GRI 2: General Disclosure	2-1	Organizational details	6-7p
	2-2	Entities included in the organization's sustainability reporting	2p, 6-7p
	2-3	Reporting period, frequency, and contact point	2p
	2-4	Restatements of information	Not applicable
	2-5	External assurance	141-142p
	2-6	Activities, value chain, and other business relationships	6-7p, 36-37p, 94-95p
	2-7	Employees	125p
	2-8	Workers who are not employees	125p
	2-9	Governance structure and composition	103-105p
	2-10	Nomination and selection of the highest governance body	103p, 106p
	2-11	Chair of the highest governance body	105p
	2-12	Role of the highest governance body in overseeing the management of impacts	104p
	2-13	Delegation of responsibility for managing impacts	18p
	2-14	Role of the highest governance body in sustainability reporting	104p
	2-15	Conflicts of interest	106p

Topic	Disclosure	Page and Details	
GRI 2: General Disclosure	2-16	Communication of critical concerns	104p
	2-17	Collective knowledge of the highest governance body	BOD education not conducted
	2-18	Evaluation of the performance of the highest governance body	106p
	2-19	Remuneration policies	106-107p
	2-20	Process to determine remuneration	106-107p
	2-21	Annual total compensation ratio	107p
	2-22	Statement on sustainable development strategy	5p
	2-23	Policy commitments	8-9p, 12p, 52p, 56p, 72p, 84p, 88p, 103p, 112p
	2-24	Embedding policy commitments	13-19p, 56-60p, 79-81p, 82-83p, 86-88p, 106p, 109-111p
	2-25	Processes to remediate negative impacts	33-35p, 90p, 96p, 97p, 114p
	2-26	Mechanisms for seeking advice and raising concerns	91-92p, 99p
	2-27	Compliance with laws and regulations	130-131p
	2-28	Membership associations	10p
	2-29	Approach to stakeholder engagement	136p
	2-30	Collective bargaining agreements	128p

# GRI Index

## Material Topics 2021

Topic	Disclosure	Page and Details
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics 137p
	3-2	List of material topics 138p
	3-3	Management of material topics 139-140p
<b>Economic Performance</b>	201-2	Financial implications and other risks and opportunities due to climate change 43-49p
<b>Indirect Economic Impacts</b>	203-1	Infrastructure investments and services supported 62-67p
<b>Anti-corruption</b>	205-2	Communication and training about anti-corruption policies and procedures 108-111p
	205-3	Confirmed incidents of corruption and actions taken 131p
<b>Anti-competitive Behavior</b>	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 131p
<b>Tax</b>	207-4	Country-by-country reporting 132p
<b>Energy</b>	302-1	Energy consumption within the organization 124p
	302-3	Energy intensity 124p
	302-4	Reduction of energy consumption 57p
<b>Water and Effluents</b>	303-5	Water consumption 124p
<b>Emissions</b>	305-1	Direct (Scope 1) GHG emissions 124p
	305-2	Energy indirect (Scope 2) GHG emissions 124p
	305-3	Other indirect (Scope 3) GHG emissions 124p
	305-4	GHG emissions intensity 124p
	305-5	Reduction of GHG emissions 59p
<b>Waste</b>	306-3	Waste generated 124p
	306-4	Waste diverted from disposal 124p
	306-5	Waste directed to disposal 124p

Topic	Disclosure	Page and Details
<b>Employment</b>	401-1	New employee hires and employee turnover 126p
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees 82-83p
	401-3	Parental leave 24p
<b>Occupational Health and Safety</b>	403-1	Occupational health and safety management system 79p
	403-2	Hazard identification, risk assessment, and incident investigation 80-81p
	403-3	Occupational health services 83p
	403-4	Worker participation, consultation, and communication on occupational health and safety 79p
	403-5	Worker training on occupational health and safety 80-81p
	403-6	Promotion of worker health 86p
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 80-81p
	403-8	Workers covered by an occupational health and safety management system 79p
	403-9	Work-related injuries 126p
	403-10	Work-related ill health 126p
<b>Training and Education</b>	404-1	Average hours of training per year per employee 127p
	404-2	Programs for upgrading employee skills and transition assistance programs 74-78p
	404-3	Percentage of employees receiving regular performance and career development reviews 127p
<b>Diversity and Equal Opportunity</b>	405-1	Diversity of governance bodies and employees 105p
	405-2	Ratio of basic salary and remuneration of women to men 126p
<b>Non-discrimination</b>	406-1	Incidents of discrimination and corrective actions taken 88p
<b>Local Communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs 62-67p
<b>Public Policy</b>	415-1	Political contribution 129p
<b>Customer Privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data 130p

# SASB Index

Topic	Code	Metric	Reporting Method	Page and Details
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Number, percentage (%)	130p
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks		117p
Financial Inclusion and Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Number, reporting currency	35p
	FN-CB-240a.2	(1) Number and (2) amount of past due and non-accrual loans qualified to programs designed to promote small business and community development	Number, reporting currency	-
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Number	-
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Number	30-31p
Incorporation of ESG Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Reporting currency	39-40p
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis		33-40p
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Reporting currency	-
	FN-CB-510a.2	Description of whistleblower policies and procedures		108p
System Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Basis points (bps)	-
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities		114p

# UNGP Index

Reporting Framework				Reporting Area
<b>PART A: Governance of Respect for Human Rights</b>	Policy commitment	A1	What does the company say publicly about its commitment to respect human rights?	84p
		A1.1	How has the public commitment been developed?	-
		A1.2	Whose human rights does the public commitment address?	84p
		A1.3	How is the public commitment disseminated?	85p
	Embedding respect	A2	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	85p
		A2.1	How is day-to-day responsibility for human rights performance organized within the company, and why?	85p
		A2.2	What kinds of human rights issues are discussed by senior management and by the Board, and why?	87p
		A2.3	How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?	-
		A2.4	How does the company make clear in its business relationships the importance it places on respect for human rights?	85p
		A2.5	What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	86p
<b>PART B: Defining the Focus of Reporting</b>	Statement of salient issues	B1	State the salient human rights issues associated with the company's activities and business relationships during the reporting period.	86p
	Determination of salient issues	B2	Describe how the salient human rights issues were determined, including any input from stakeholders.	85p
	Choice of focal geographies	B3	If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	-
	Additional severe impacts	B4	Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.	86p
<b>PART C: Management of Salient Human Rights Issues</b>	Specific policies	C1	Does the company have any specific policies that address its salient human rights issues and, if so, what are they?	84p, 87p
		C1.1	How does the company make clear the relevance and significance of such policies to those who need to implement them?	84p
	Stakeholder engagement	C2	What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?	84p
		C2.1	How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?	84p
		C2.2	During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	-
	C2.3	During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?	-	

# UNGP Index

Reporting Framework				Reporting Area
<b>PART C: Management of Salient Human Rights Issues</b>	Assessing impacts	C3	How does the company identify any changes in the nature of each salient human rights issue over time?	85p
		C3.1	During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	86p
		C3.2	During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	86p
	Integrating findings and taking action	C4	How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	85p
		C4.1	How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?	-
		C4.2	When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?	-
		C4.3	During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?	86p
	Tracking performance	C5	How does the company know if its efforts to address each salient human rights issue are effective in practice?	85p
		C5.1	What specific examples from the reporting period illustrate whether each salient issue is being managed effectively?	88p
	Remediation	C6	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?	85p
		C6.1	Through what means can the company receive complaints or concerns related to each salient issue?	88p
		C6.2	How does the company know if people feel able and empowered to raise complaints or concerns?	88p
		C6.3	How does the company process complaints and assess the effectiveness of outcomes?	88p
		C6.4	During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?	86p, 88p
	C6.5	During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?	87-88p	

# PRB Index

## Principle 1 Alignment

<p><b>Business Model</b></p>	<p>Hana Financial Group started as Korea Investment Finance in 1971, turned into Hana Bank in 1991, and became a general financial group in 2005 by undergoing continued growth. Hana Financial Group manages diversified financial businesses centered around Hana Financial Holdings, such as banking, securities, credit card, capital, life insurance, and indemnity insurance. As of the end of March 2023, Hana Financial Group has 14 subsidiaries (including Hana Bank, Hana Securities, Hana Card, Hana Capital, Hana Life Insurance, and Hana Insurance), 30 sub-subsidiaries, 1 sub-sub-subsidiary, and a global network of 208 affiliates in 25 regions around the globe. Hana Financial Group pursues change and innovation based on the solid trust of all stakeholders, including societies, neighbors, and communities, and aims to pursue corporate growth, happiness of customers, and hope for societies. Hana Financial Group continues its efforts to take a 'Big Step for Tomorrow' and bring pleasure to everyone.</p>	<p>Hana Financial Group Business Report (March 16, 2023) 2. Business Status</p>
<p><b>Strategy alignment</b></p>	<ol style="list-style-type: none"> <li>Leading low-carbon economy for sustainable growth (SDGs 13) Hana Financial Group declared 2050 Net Zero in 2021 and established the 'Zero &amp; Zero' goal of turning the net carbon emissions at business sites and the carbon project financing balance into ZERO by 2050. We created a roadmap for accomplishing 2050 Net Zero. Moreover, we acquired approval for our carbon reduction target from the Science Based Targets initiative (SBTi), which has become an international standard, in October 2022.</li> <li>Practicing "with society" by expanding social value creation (SDGs 10) Hana Financial Group has been conducting the 100 Daycare Center Project since 2018 to overcome low birthrate and aging issues, resolve the shortage of child care facilities, and seek work-life balance. We constructed 74 daycare centers total, including 30 daycare centers in farming and fishing villages where population is declining and 18 daycare centers for disabled children.</li> <li>Enhancing corporate value by building a trusted ESG group (SDGs 17) Hana Financial Group aims to maximize its positive impacts and secure global ESG leadership by actively participating in various ESG initiatives and partnerships in Korea and abroad.</li> </ol>	<p>Hana Financial Group 2022 Sustainability Report p. 13, 17, 10</p>

## Principle 2 Impact and Target Setting

<p><b>2.1 Impact Analysis</b></p>	<p><b>a) Scope</b> Hana Financial Group comprises 14 affiliates, including Hana Bank, Hana Securities, Hana Card, Hana Capital, Hana Life Insurance, Hana Insurance, Hana Savings Bank, Hana Asset Trust, Hana Alternative Asset Management, Hana F&amp;I, Hana Ventures, Hana Investors Services, Hana TI, and Finnq. The business sectors of all Group companies are classified into asset management and trust, corporate finance, retail finance, PF, corporate finance and brokerage, insurance underwriting, and others (securities trading, insurance business, etc.).</p>	<p>Hana Financial Group 2022 Sustainability Report p. 6</p>
<p><b>2.1 Impact Analysis</b></p>	<p><b>b) Portfolio composition</b> #1. Hana Financial Group comprises 14 affiliates that manage banking, financial investment, insurance, loan, people's finance, and other businesses. We set our reduction target by measuring the carbon emissions at the business sites of each affiliate and the financial emissions of asset groups that belong to the high-carbon sectoral decarbonization approach (SDA). #2. The business sectors of Hana Financial Group are divided into asset management and trust, corporate finance, retail finance, PF, corporate finance and brokerage, insurance underwriting, and others (securities trading, insurance business, etc.). We aim to measure the performance and impact of inclusive financial activities in the retail finance sector, which accounts for about 9% of the total operating revenue.</p>	<p>Hana Financial Group 2022 Sustainability Report p. 6</p>
<p><b>2.1 Impact Analysis</b></p>	<p><b>c) Context</b> #1. With the goal of accomplishing the target of 'Zero &amp; Zero' established under the ESG vision of "Big Step for Tomorrow" and contributing to the common global effort to prevent the earth's temperature from rising by 1.5 degrees, Hana Financial Group has established a roadmap for attaining 2050 Net Zero in accordance with the international standards, SBTi Guidance and PCAF. #2. Hana Financial Group aims to expand the scale of inclusive financing to increase its social impact and manage inclusive financing performance by measuring the impact. We will fulfill our social responsibility by increasing the impact gradually. In particular, we will measure the impact of inclusive financing by measuring the currency value of sunshine loans (guaranteed loans to replace high-interest-rate loans), which are loan products to support vulnerable groups in the retail finance sector. Based on the impact analysis, our first target of reducing financial emissions is in the adverse impact area. Our second target of creating social value of inclusive financing is in the positive impact area.</p>	<p>Hana Financial Group 2022 Sustainability Report p. 13, 49</p>
<p><b>2.1 Impact Analysis</b></p>	<p><b>d) Performance measurement</b> #1. Hana Financial Group measures adverse impacts and calculates and manages carbon intensity by analyzing portfolio scenarios to attain Net Zero financial emissions. Hana Financial Group utilizes the sales and investment values of borrowers to measure the carbon intensity of its portfolio using three methods to be managed as an indicator for GHG reduction. #2. Hana Financial Group measures the currency value of social value created by sunshine loans (loan products to support vulnerable groups), which are its representative inclusive financial products.</p>	<p>Hana Financial Group 2022 Sustainability Report p. 43-49</p>

# PRB Index

## Principle 2 Impact and Target Setting

2.2 Target Setting	<p><b>a) Alignment</b></p> <p>#1. Hana Financial Group declared Net Zero to strengthen its resilience against climate-related risk factors according to the Paris Climate Agreement and SDGs 13, aiming to achieve Zero &amp; Zero.</p> <p>#2. Hana Financial Group will develop products and services that can contribute to the 'Hana Financial Group Sustainable Finance Framework,' ESG Response Principles 2, Environmental and Social, established by committees within the Board of Directors.</p>	<p>Hana Financial Group 2022 Sustainability Report p. 49</p>					
	<p><b>b) Baseline</b></p> <p>#1. – We used carbon intensity, one of the indicators that reflect the SDA methodology, to establish the SBTi reduction target and measure financial emissions.</p> <p>#2. – Data used to measure the inclusive financial impact</p> <table border="1" data-bbox="412 638 1883 765"> <tr> <td data-bbox="412 638 613 765"> <p><b>Loan period</b></p> <p>5 years</p> </td> <td data-bbox="613 638 824 765"> <p><b>Interest rate</b></p> <p>6,046%</p> </td> <td data-bbox="824 638 1525 765"> <p><b>Targets</b></p> <p>Customers whose annual income is KRW 35 million or less or KRW 45 million or less if they belong to bottom 20% of CB Credit Rating</p> </td> <td data-bbox="1525 638 1883 765"> <p><b>Balance (new)</b></p> <table border="1"> <tr> <td>2020 KRW 525.8 billion</td> <td>2021 KRW 427.6 billion</td> </tr> </table> </td> </tr> </table> <p>– Measurement formula: (Interest on sunshine loan – average loan interest of other institutions) × redemption period × contribution × conversion into present value (4.5%)</p>	<p><b>Loan period</b></p> <p>5 years</p>	<p><b>Interest rate</b></p> <p>6,046%</p>	<p><b>Targets</b></p> <p>Customers whose annual income is KRW 35 million or less or KRW 45 million or less if they belong to bottom 20% of CB Credit Rating</p>	<p><b>Balance (new)</b></p> <table border="1"> <tr> <td>2020 KRW 525.8 billion</td> <td>2021 KRW 427.6 billion</td> </tr> </table>	2020 KRW 525.8 billion	2021 KRW 427.6 billion
<p><b>Loan period</b></p> <p>5 years</p>	<p><b>Interest rate</b></p> <p>6,046%</p>	<p><b>Targets</b></p> <p>Customers whose annual income is KRW 35 million or less or KRW 45 million or less if they belong to bottom 20% of CB Credit Rating</p>	<p><b>Balance (new)</b></p> <table border="1"> <tr> <td>2020 KRW 525.8 billion</td> <td>2021 KRW 427.6 billion</td> </tr> </table>	2020 KRW 525.8 billion	2021 KRW 427.6 billion		
2020 KRW 525.8 billion	2021 KRW 427.6 billion						
2.3 Plans for Target Implementation and Monitoring	<p><b>c) SMART targets</b></p> <p>#1. In comparison to the base year of 2020, we aim to reduce carbon emissions at business sites by 42% by 2030 and 75.4% by 2040 and achieve “0” emissions by 2050. As for asset portfolio emissions, we aim to reduce emissions of asset groups that belong to SDA by 32.8% by 2030, 64.6% by 2040, and 100% by 2050.</p> <p>– Estimated emissions (BAU)</p> <p>Branches: Emissions reduced by 6% each year compared to the previous year through integration and closure</p> <p>Office building: Emissions of each building maintained at the level in 2020 (operating Cheongna Building of Hana Financial Group in 2025)</p> <p>#2. We plan to progressively raise the social value of inclusive financing turned into the currency value.</p> <p><b>d) Action plan</b></p> <p>#1. All our affiliates with work to attain the target by complying with the Environmental and Social Risk Management (ESRM) Policy under the Hana Financial Group Sustainable Finance Framework to reduce SDA GHG emissions.</p> <p>#2. We aim to attain the target by developing various products and services that can expand financial accessibility.</p>	<p>Hana Financial Group 2022 Sustainability Report p. 49</p> <p>Hana Financial Group 2022 Sustainability Report p. 19</p> <p>Hana Financial Group 2022 Sustainability Report p. 43–49</p>					

# PRB Index

## Principle 3 Clients and Customers

<p><b>3.1 Client Engagement</b></p>	<p>Based on the belief that values of a company can exist because of its customers, Hana Financial Group focuses on the essential service value and strives to satisfy customers based on responsible financial services.</p> <p>Providing responsible financial services is the very means to secure a competitive advantage for the mid- to long-term growth of Hana Financial Group.</p> <p>Hana Financial Group operates the Consumer Risk Management Committee and Non-deposit Product Committee for the responsible protection of customers and manages risks of its financial products and services in advance. We have established relevant internal regulations, such as the Guideline for Managing Financial Product Risks and Guideline for Managing Operational Risks. Furthermore, we conduct financial education to protect customers in the rapidly-changing financial environment. We also prevent voice phishing, a major social issue, by advancing the Fraud Detection System (FDS).</p> <p>Hana Financial Group operates the Agile Lab, a permanent organization for system improvement to support the sustainable life of customers. We eliminate the fundamental causes of customer complaints and prevent the recurrence of the same complaints. Moreover, we identify the inconvenience of customers and unreasonable practices and improve our systems through a contest on ideas to make customers happy.</p>	<p>Hana Financial Group 2022 Sustainability Report p. 90-101</p>
<p><b>3.2 Business opportunities</b></p>	<p>Hana Securities, one of the major affiliates of Hana Financial Group, actively participates in the market as a leader in carbon emissions trading. Hana Securities operates a GHG reduction business to provide 123 solar-powered water purification facilities in Bangladesh, aiming to accomplish low-carbon business. By installing water purification facilities that use solar power instead of fossil fuels in Bangladesh, a place suffering from high population density and drinking water shortage, Hana Securities expects to create jobs for facility management and reduce GHG emissions. The supply of solar-powered water purification facilities practices 'SDG 6 (healthy and safe water management),' 'SDG 8 (expansion of decent work and economic growth),' 'SDG 12 (sustainable production and consumption),' and 'SDG 13 (climate change and response)' among the UN SDGs. The significance is in connecting our voluntary Net Zero efforts with social contribution activities for the poorest country in Asia. Hana Securities operates a GHG reduction business planting 2.6 million trees in India. Hana Securities plans to obtain the Voluntary Emission Reduction (VER) certification from 'VERRA,' the VER certification body, with this project. The forestation project in India is estimated to produce carbon credits of about 500,000 tons. Through this project, we expect to absorb GHG, create employment opportunities, enrich soils, increase biodiversity, and preserve the ecosystem.</p>	<p>Hana Financial Group 2021 Sustainability Report p. 39, Hana Financial Group 2022 Sustainability Report p. 59</p>

## Principle 4 Stakeholders

<p><b>4.1 Stakeholder identification and consultation</b></p>	<p>Hana Financial Group strives to realize finance beyond finance for all by linking future values through its new vision of 'One Finance for All' for 'Next 2030. We aim to practice finance that allows everyone to grow together and share happiness through voluntary communication and participation according to the Principles for Responsible Banking.</p> <p>Hana Financial Group defines customers, employees, partner companies, central and local governments, shareholders and investors, and local communities that have direct and indirect impacts on its business activities as major stakeholders. Hana Financial Group strives to reflect the opinions received through various communication channels, such as annual stakeholder surveys, in its business activities. We select material issues by surveying internal and external stakeholders and disclose the material issues through our reports.</p> <p>Hana Financial Group participated as the main sponsor in the UNEP FI PRB Asia-Pacific Roundtable in May 2023 and shared the ESG vision of Hana Financial Group through the keynote address by the CEO and Chairman Ham Young-ju.</p>	<p>Hana Financial Group 2022 Sustainability Report p. 135-140</p>
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# PRB Index

## Principle 5 Governance & Culture

5.1 Governance Structure for Implementation of the Principles	Hana Financial Group has installed and is operating the 'Sustainability Committee,' a committee under the BOD, to make strategic and systematic decisions on major pending issues, including sustainable management. Additionally, the 'Sustainable Management Promotion Committee' comprising the CEOs of major affiliates of Hana Financial Group has been installed to discuss policies related to the Group's sustainable management in pursuit of economic reliability, environmental soundness, and social responsibility.	Hana Financial Group 2022 Sustainability Report p. 43
5.2 Promoting a culture of responsible banking	In 2007, Hana Financial Group joined the UN Global Compact, a voluntary corporate initiative that urges and encourages corporate social responsibility, to declare its support for the Ten Principles, including human rights, labor, environment, and anti-corruption. We comply with the global principles of social responsibility and disclose our performance to the UNGC transparently each year. Additionally, we joined the Women's Empowerment Principles, a joint initiative of the UN Women under the UN Global Compact, in May 2022. The Seven Principles of the WEPs are based on actual business operations. By supporting the WEPs, Hana Financial Group aims to further raise gender equality awareness in relation to the wide-ranged values and goals of the UN.	Hana Financial Group 2022 Sustainability Report p. 154
5.3 Policies and due diligence processes	Hana Bank, the largest affiliate of Hana Financial Group, joined the Equator Principles in August 2021 to spread ESG management through the environmental and social risk management system and implementation of responsibilities. By implementing the Equator Principles, Hana Bank aims to make responsible judgments when making loan and investment decisions and minimize the adverse environmental and social impacts of the projects financed by Hana Bank. Hana Bank will annually publish the Equator Principles Implementation Report to disclose its implementation status transparently and spread ESG management through the Equator Principles. In addition, Hana Bank focuses on identifying environmental and social (E&S) risk factors related to loan and investment decisions, establishing appropriate screening methods to eliminate or minimize potential adverse impacts, Hana Bank has improved ESG-related monitoring, evaluation, and management systems and established clear directions and processes to manage E&S risks, which include the screening and supervision of direct and indirect adverse consequences of E&S. By monitoring and controlling environmental and climate risks along with traditional financial risks, we can build a comprehensive and strict risk management system and monitor all businesses. Hana Bank strictly follows its internal ESG guideline when conducting business activities and performs individual analyses and evaluations of business opportunities that can incur high E&S risks. During the Know Your Customer (KYC) screening process, we may reject or suspend certain transactions that involve high potential E&S risks.	Hana Financial Group 2022 Sustainability Report p. 33-35

## Principle 6 Transparency & Responsibility

6.1 Verification	We conduct integrated verification through a third party.	
6.2 Reporting on other frameworks	Hana Financial Group discloses its sustainable management status through the GRI, SASB, CDP, TCFD, and Impact Report.	Hana Financial Group 2022 Sustainability Report p. 43-49, p. 145-146, p. 147
6.3 Forecast	In July 2023, Hana Financial Group revised the 'Hana Financial Group Sustainable Finance Framework' previously established in July 2021 according to the need for increased sustainable finance competency and a financial decision-making process that reflects environmental and social risks. Through this revision, we plan to strengthen the binding force of the policy and reflect on the latest ESG trends, such as the biodiversity issue.	Hana Financial Group 2022 Sustainability Report p. 33

# UNGC/WEPs

## UN Global Compact

In 2007, Hana Financial Group joined the UN Global Compact (UNGC), which is a voluntary corporate initiative that encourages corporate social responsibility, and declared to advocate the top 10 principles, including human rights, labor, environment and anti-corruption. We comply with the global principles of social responsibility, and we transparently disclose the performance to the UNGC every year.

## WEPs

In May 2022, Hana Financial Group joined the WEPs, a set of joint initiatives of the UNGC and the UN Women. The seven WEPs principles are founded under actual business operations, and Hana Financial Group strives to further develop the awareness of gender equality of the UN's wide range of values and goals.

### The Ten Principles of the UNGC

#### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.



#### Labour

- Principle 3: Companies should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.



#### Environment

- Principle 7: Companies should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.



#### Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



### The Women's Empowerment Principles

- 1 — Establish high-level corporate leadership for gender equality
- 2 — Treat all women and men fairly at work—respect and support human rights and nondiscrimination
- 3 — Ensure the health, safety and well-being of all women and men workers
- 4 — Promote education, training and professional development for women
- 5 — Implement enterprise development, supply chain and marketing practices that empower women
- 6 — Promote equality throughout community initiatives and advocacy
- 7 — Measure and publicly report on progress to achieve gender equality

# Data Index

Data Item	2020–2021	2022	Remarks
No. of employees according to employment type and diversity indicator	Regular employees	Hana Financial Holdings, Hana Bank, Hana Securities, Hana Card	Hana Financial Group
	Unlimited contract workers		
	Fixed-term/Temporary workers		
	Total		
Diversity and inclusion of employees	By age		
	Employees by nationality	Hana Financial Holdings, Hana Bank, Hana Securities, Hana Card	Hana Financial Group
	Managers by nationality		
	Disabled employees	Collected since 2022	Hana Financial Group
Ratio of female workers by payroll quartile	Collected since 2022	Hana Bank	<ul style="list-style-type: none"> <li>• After aligning employee wages from highest to lowest, they have been divided into four parts to calculate the ratio of women for each quartile.</li> <li>• Wages: Basic salary + non-regular bonus</li> </ul>
Ratio of workers by duty	Hana Financial Holdings, Hana Bank, Hana Securities, Hana Card	Hana Financial Holdings, Hana Bank, Hana Securities, Hana Card	<ul style="list-style-type: none"> <li>• Departments related to profit-making: Branches and corporate finance department</li> <li>• Science, Technology, Engineering, Math (STEM) duties: Digital, IT, etc.</li> </ul>
No. of employees by job rank	Executive managers	Hana Financial Holdings, Hana Bank, Hana Securities, Hana Card	Hana Financial Group
	Managers		
	Officers (intermediate managers)		
	Employees (bank employees)		
New hires	By gender	Hana Financial Holdings, Hana Bank, Hana Securities, Hana Card	Hana Financial Group
	By age		
	Gender of experienced	Collected since 2022	Hana Financial Group
	Open positions for internal employees	Hana Bank	Hana Financial Group (excluding Hana Capital, Hana Savings Bank, Finng)

Data Item	2020–2021	2022	Remarks
Average years of service	Collected since 2022	Hana Financial Group	
Employee fluctuation status	Collected since 2022	Hana Financial Group	
Turnover rate	Hana Bank	Hana Financial Group (excluding Finng)	
Voluntary turnover rate	Hana Bank	Hana Financial Group (excluding Finng)	
Parental and maternity leaves	Collected since 2022	Hana Financial Holdings, Hana Bank, Hana Securities, Hana Card	Employees subject to parental and maternity leaves
			Employees who used parental and maternity leaves
			Employees expected to return to work after parental and maternity leaves
			Employees who returned to work after parental and maternity leaves
Basic payroll and remuneration by gender	Hana Financial Group	Hana Financial Group	Employees holding position for over 12 months after returning from parental and maternity leaves
			Percentage of employees holding position for over 12 months after returning from parental and maternity leaves
Collective agreement	Hana Bank	Hana Financial Group	No. of employees who can join labor unions
			No. of employees with membership in labor unions
			Ratio of employees with membership in labor unions
			Ratio of employees impacted by collective agreement
Current status of industrial accidents	Hana Financial Holdings, Hana Bank	Hana Financial Holdings, Hana Bank, Hana Securities, Hana Card	

# Data Index

Data Item	2020–2021	2022	Remarks
Social contribution status	Total investment in social contribution	Hana Financial Group (excluding Hana Financial Holdings, Hana Securities, Hana Insurance, Hana F&I, Hana Ventures, Finnq)	
	No. of beneficiaries to one-company, one-school financial education	Hana Bank	
	Time-converted amount (volunteer activities during working hours)	Hana Bank	
	No. of employees recruited by youth financial education		
Employee satisfaction	Hana Bank	Hana Financial Group	<ul style="list-style-type: none"> <li>• Key survey indicators: Work experience (competitive products and customer services), goals (appropriate recognition and encouragement about effort and performance), happiness and mental health (work &amp; life balance), etc.</li> <li>• Conducted annually to enhance the long-term satisfaction of employees</li> </ul>
License acquisition and competency program participation by employees	Hana Bank	Hana Financial Group (excluding Hana Financial Holdings, Hana Securities, Hana Insurance, Hana F&I, Hana Ventures, Finnq)	
Employees who received regular performance appraisals	Hana Bank	Hana Financial Group	
Employee education and development status	Average hours of education per person (gender)	Hana Bank	
	Average hours of education per person (age)	Hana Bank	
	No. of employees who received education among all employees		Including mandatory training

Data Item	2020–2021	2022	Remarks
Employees who completed ethical management and compliance management education	Collective education on anti-money laundering	Hana Bank	Hana Financial Group (excluding Hana Financial Holdings, Hana Life Insurance)
	Cyber education on anti-money laundering		Hana Financial Group (excluding Hana Financial Holdings)
	Cyber education on ethics		Hana Financial Group (excluding Hana Financial Holdings, Hana Life Insurance)
	Collective education on internal control and ethics		Hana Financial Group (excluding Hana Financial Holdings, Hana Life Insurance, Finnq)
Employees who completed ethical management and compliance management education	Human rights education	Collected since 2022	Hana Financial Group (excluding Hana Financial Holdings, Hana Card, Hana Life Insurance, Hana Insurance, Hana Savings Bank, Finnq)
	Financial consumer protection education		Hana Financial Group (excluding Hana Financial Holdings, Hana Savings Bank, Finnq)
Fair trade or fair competition education	Collected since 2022		Hana Financial Group (excluding Hana Financial Holdings, Hana Securities, Hana Life Insurance)
Customer satisfaction	Hana Bank	Hana Bank	
Customer complaints	Total customer complaints received	Hana Financial Group (excluding Hana Ventures)	Hana Financial Group (excluding Hana Financial Holdings, Hana TI)
	Complaints handled		
	Completion rate		
	Complaints received through Financial Supervisory Service		
SME support programs	Ratio investigated through agency		
	No. of consumer protection councils held	Collected since 2022	Hana Financial Group (excluding Hana Financial Holdings, Hana Life Insurance, Hana Savings Bank, Hana TI, Finnq)
Venture investment performance		Hana Bank	
		Hana Bank, Hana Securities, Hana Ventures, Hana Capital, others	Hana Bank

# Data Index

## Financial and Management Data

Data Item	2020-2021	2022	Remarks
Consolidated Financial Statement in Summary	Hana Financial Group	Hana Financial Group	
Consolidated Income Statement in Summary	Hana Financial Group	Hana Financial Group	• Based on regular employees
BIS leverage ratio	Hana Financial Group	Hana Financial Group	• Wages of Hana Bank employees in Korea: Basic salary + non-regular bonus
Corporate income status	Hana Financial Group	Hana Financial Group	
Contributions and other spending	Lobbying, interest representation, or similar		• For Hana Financial Group (2019-2022), there are no lobbying, regional election campaign, and other political contributions. Article 31 of the Political Funds Act forbids political donations by foreigners and corporations or organizations in Korea and abroad. Also, political funds cannot be donated using funds related to corporations or organizations in Korea and abroad. Hana Financial Group strictly complies with laws and does not provide funds for political lobbying. However, we do sponsor associations that are politically neutral for public interest.
	Local, regional or national political campaigns / organizations / candidates	Hana Financial Group	
	Trade associations or tax-exempt groups	Hana Bank, Hana Securities, Hana Card, Hana Life Insurance, Hana Savings Bank, Hana TI	
	Others (e.g. spending related to ballot measures or referendums)		
Total contributions and other spending	Hana Financial Group		
Contributions and membership fees	Hana Bank, Hana Securities, Hana Card, Hana Savings Bank, Hana Life Insurance, Hana Insurance, Hana TI	Hana Bank, Hana Securities, Hana Card, Hana Savings Bank, Hana Life Insurance, Hana Insurance, Hana TI	
No. of deposit customers and amount	Hana Bank	Hana Bank	<ul style="list-style-type: none"> <li>• Total deposit of individual customers in KRWNo. of customers whose balance in KRW exceeds 0 before closing</li> <li>• No. of SME customers with deposit amount / no. of business customers</li> <li>• Total deposit balance in KRW of individual customers at the end of the year</li> <li>• SMEs (external audit + non-external audit) + SOHO, payment on demand (low-interest deposit LCF) + fixed deposit (excluding subscription) + installment deposit</li> </ul>

Data Item	2020-2021	2022	Remarks
No. of customers and credit amount by individual, SME, and large company	Hana Bank	Hana Bank	
Violation of customer information protection	Complaints posed by external parties and verified by organization		• Financial accidents reported after investigation by the department in charge (Inspection Department, Compliance Support Department, etc.)
		Hana Financial Group	
Complaints verified	Complaints posed by regulatory agencies		• Matters pointed out by the Financial Supervisory Service (inspection results, prepared as of notification date, results for 2018 notified by the end of August 2020 and announced on the FSS website for this case)
IT infrastructure accidents	Hana Financial Group	Hana Financial Group	• Registration on operational risk management system
Information protection and cyber security status	Ratio of IT infrastructure and information protection management systems certified for information protection	Hana Bank	
	Violations of information protection or cyber security accidents		
	Violations of information protection, including personal information of customers	Hana Financial Group (excluding Hana Ventures)	Hana Financial Group
	No. of customers affected by personal information infringements		
Amount of fines and penalties incurred by violations of information protection or cyber security accidents			• Violations occurred in 2021 and fines imposed and paid in 2022

# Data Index

## Financial and Management Data

Data Item	2020-2021	2022	Remarks
Investment in information security	Collected since 2022	Hana Financial Group	
Cases of anti-corruption and unfair competition	Hana Financial Group (excluding Hana Ventures)		<ul style="list-style-type: none"> <li>Completed administrative actions (imposition of fines) related to unfair subcontracting in 2019, completed actions (pay cut for six months) related to violation of unfair trading in 2021</li> </ul>
Actions taken for unfair-competition practices			
Fines and settlements related to anti-monopoly/anti-competitive business practices			
Number of confirmed cases of corruption and bribery			
Number of filings related to conflict of interests (violations)			
Number of anti-money laundering/internal trading cases	Collected since 2022		
Management of incomplete sales	Hana Financial Group (excluding Hana Ventures)	Hana Bank	
Members of financial services	Hana Card, Hana Bank	Hana Card, Hana Bank	
Customer accessibility	Hana Bank	Hana Bank	
Financial incidents	Hana Financial Group	Hana Financial Group	<ul style="list-style-type: none"> <li>Limited to financial incidents reported to the Financial Supervisory Service</li> <li>Disciplinary action status including financial incident doers, assistants, and supervisors</li> </ul>
No. of violations			
No. of actions taken			

