

Sustainability Policy

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Purpose of the Policy

The Bank is committed to conducting its business responsibly by integrating sustainability considerations, also known as environmental, social, and governance (ESG) practices, into its operations, decision-making processes, and risk management strategies. This policy aims to promote good corporate governance, mitigate environmental and social risks, support responsible lending and investing, and contribute to positive social impact while ensuring long-term financial stability. This policy provides an overarching framework for the Bank and its financial group to use as a guide in the approach to sustainability.

Sustainability Governance

Board of Directors holds the utmost responsibility in sustainability governance, overseeing the alignment of sustainability performance with the corporate strategy, as well as ensuring the implementation of the sustainability policy.

Nomination, Remuneration and Corporate Governance Committee is tasked with the responsibility of reviewing and endorsing the sustainability policy, human rights policy, matters pertaining to sustainability, and the strategic direction, prior to the board of directors' final approval.

Risk Oversight Committee is tasked with the responsibility of reviewing and endorsing the strategic direction and key policies, while also overseeing the management of climate-related risks, responsible lending, and environmental and social risks, prior to the board of directors' final approval.

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Chief Executive Officer is responsible for approving an annual review with minor changes to the policy concerning all material topics, listed in the Policy Statement below, except Climate Action and Risk Management. CEO oversees establishing the sustainability policy, strategic direction, plans, and sustainability KPIs.

Chief Risk Officer is tasked with approving the annual review with minor changes to the policy for the following material topics: Climate Action and Risk Management. CRO assumes responsibility for monitoring the progress and implementation plan and regularly reporting on issues pertaining to climate risks.

Sustainability Function is responsible for conducting necessary reviews, both major and minor, of the Policy concerning all material topics, except Climate Action and Risk Management. The team is further tasked with developing strategic goals, sustainability KPIs, and action plans, while also providing support and coordination for sustainability performance across the bank.

Risk Management Function is responsible for conducting required reviews with major and minor changes to the Policy, particularly focusing on material topics like Climate Action and Risk Management. The team is also responsible for effectively managing climate-related risks, encompassing climate scenarios, stress testing, monitoring, and reporting.

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Policy Statement

The Bank strives to integrate sustainability considerations into our business and to ensure that our strategic objectives do not only fulfill short-term goals but also contribute to long-term sustainable growth. The Bank's sustainable framework consists of four key areas: business sustainability, environmental sustainability, social sustainability, and corporate governance and business ethics.

Business Sustainability

- Financial Well-being: Improving customers' financial well-being to comfortably meet current commitments and ensure financial resilience into the future.
- Digital Transformation: Enhancing digital platforms to deliver a better experience, higher customer engagement, and lower cost to serve.
- Ecosystem: Extending from existing areas of strength, through own solution and partnership, to address banking and beyond-banking needs and ultimately maximize customers' lifetime value.

Environmental Sustainability

- Climate Action: Managing climate-related risks on the Bank's own operation and portfolio and developing climate change adaptation products and services to strike a balance between risk management and business opportunities in order to promote the transition to a low-carbon society.
- Sustainable Finance: Integrating environmental, social and governance considerations into financing, investment, and product and service development to manage ESG risks and to create positive environmental and social impacts.

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Social Sustainability

- Financial Literacy and Inclusion: Promoting access to financial education, products, and services for customers and society to enhance their financial security and wealth.
- Social Development: Creating positive impacts on local communities for sustainable growth.
- Human Rights: Respecting human rights and mitigating related risks within our operations and throughout the value chain.
- People: Prioritizing employee development, strategic planning, a diverse and inclusive workforce, and well-being.

Cooperate Governance and Business Ethics

- Corporate Governance and Business Ethics: Adhering to the highest standards of good corporate governance to ensure accountability, fairness, and transparency of the Bank for the long-term interests of stakeholders, while conducting business with utmost integrity and adherence to all applicable laws and regulations.
- Risk Management: Implementing effective risk management to ensure that risks are contained to acceptable levels consistent with the Bank's risk appetite and ensuring the protection of customer and confidential information through robust safeguards and effective management of cyber risks.