

BIG STEP FOR TOMORROW

Hana Bank Equator Principles Report 2025



Equator Principles Report 2025



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Overview

In pursuit of its ESG management mission, Hana Bank joined the Equator Principles in Aug. 2021 with aim to establish an environmental and social risk management system and fulfill related responsibilities.

By adopting the framework, Hana Bank plans to make a responsible decision in lending and investment business and minimize adverse impacts of the financed projects on the environment and society.



What are the Equator Principles?

The Equator Principles are voluntary arrangements established by financial institutions around the world to pledge not to provide loans to large-scale development projects that may cause environmental damage or human rights violations.

Financial Products Covered

The Equator Principles apply to the following 5 financial products.

01	Project Finance Advisory Services where total project capital costs are US\$10 million or more
02	PF with total project capital costs of USD 10 mil. or more
03	PF-related corporate loan of USD 50 mil. or more with a maturity of at least 2 years, where the client has effective operational control on the project
04	Bridge loan with a maturity of less than 2 years that is intended to be refinanced by PF-related corporate loan
05	Refinancing and acquisition financing that satisfy all of the following conditions - If the underlying project was financed under the Equator Principles framework - If there has been no material change in the scale or scope of the project - If project completion has not yet occurred at the time of signing the loan agreement

Key Points of the Equator Principles

In order to prevent or minimize environmental damage and social risk resulted from the financed projects, Hana Bank complies with the following 10 principles.

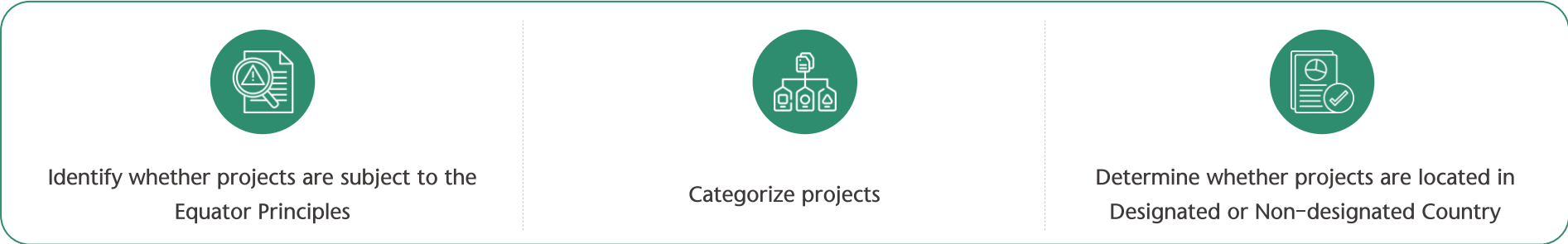
Principles

Details

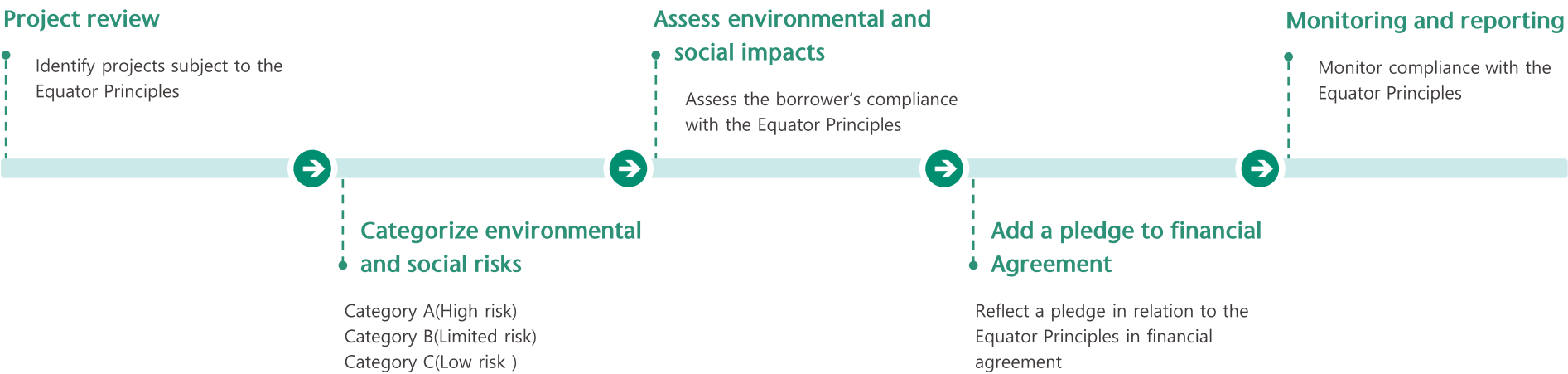
01	1. Review and categorization	Categorize projects based on environmental and social risk (as Category A, B or C)
02	2. Environmental and social assessment	Assess environmental and social impacts based on project category
03	3. Applicable environmental and social standards	Confirm that projects comply with environmental and social laws in the project host country, as well as with the Equator Principles
04	4. Environmental and social management system and Equator Principles action plan	Set up an environmental and social management system and come up with action plans
05	5. Stakeholder engagement	Establish a process of consultation with stakeholders and information sharing
06	6. Grievance mechanism	Establish a grievance mechanism (A system for resolving concerns about projects)
07	7. Independent review	Appoint an independent environmental and social consultant and assess project's compliance with the Equator Principles
08	8. Covenants (Reflected in financial agreement)	Add provisions concerning a pledge to adhere to the EP requirements to financial agreement
09	9. Independent monitoring	Appoint an independent environmental and social consultant and conduct regular monitoring
10	10. Reporting and transparency	Equator Principles Financial Institution(EPFI)'s report on its EP implementation (Brief description of environmental and social assessment documents)

Application Process

Regarding PF and PF-related corporate loan subject to the Equator Principles, the process for applying the framework is as provided below.



Apply different requirements based on the three categories.



Implementation Status

Categorization of the magnitude of environmental and social risks

Category A	Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unpredictable
Category B	Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures
Category C	Projects with minimal or no adverse environmental and social risks and/or impacts

Implementation Status

PROJECT FINANCE TRANSACTIONS

Sector	Category A	Category B	Category C
Mining	-	-	-
Infrastructure	-	1	2
Oil & Gas	1	1	-
Power	2	6	-
Others	-	1	-
Sub Total	3	9	2

Region	Category A	Category B	Category C
Americas	-	1	2
Europe, Middle East & Africa	2	-	-
Asia Pacific	1	8	-
Sub Total	3	9	2

Country Designation	Category A	Category B	Category C
Designated Country	1	9	2
Non-Designated Country	2	-	-
Both	-	-	-
Sub Total	3	9	2

Independent Review	Category A	Category B	Category C
Yes	3	3	2
No (Automatically generated)	-	6	-
Sub Total	3	9	2

PROJECT-RELATED CORPORATE LOANS

Sector	Category A	Category B	Category C
Mining	-	-	-
Infrastructure	-	-	-
Oil & Gas	-	-	-
Power	-	-	-
Others	-	1	-
Sub Total	-	1	-

Region	Category A	Category B	Category C
Americas	-	1	-
Europe, Middle East & Africa	-	-	-
Asia Pacific	-	-	-
Sub Total	-	1	-

Country Designation	Category A	Category B	Category C
Designated Country	-	1	-
Non-Designated Country	-	-	-
Both	-	-	-
Sub Total	-	1	-

Independent Review	Category A	Category B	Category C
Yes	-	1	-
No (Automatically generated)	-	-	-
Sub Total	-	1	-

R&R for the Equator Principles

Dedicated Organization ESG Planning Section

- Assess projects' compliance with the Equator Principles
- Educate front office and branch staff on the Equator Principles

Front office (IB Division) and branches

- Direct contact with clients (explain the Equator Principles and its implementation process)
- Communication regarding third party monitoring reports
- Receipt and submission of project-related assessment materials

Departments in charge of review

- Check the final opinion of dedicated department when reviewing PF deals subject to the Equator Principles

Education of the Equator Principles(EP)

Hana Bank set up internal policies and implementation guidelines to create EP-based procedures and criteria for environmental and social risk assessment.

Since joining the EP, the Bank has been educating its officers and employees on the framework and also developed practical implementation manuals.

The Bank also plans to provide education on case study in an effort to improve Bank staff's capability for environmental and social risk management.



