

SUSTAINABILITY

PEOPLE

Our people are what drives Hana Financial Group to achieve its sustainable growth.

Embodying business ethics and possessing professional expertise of the highest order, all employees of Hana Financial Group pursue sustainable growth through finance. And as a responsible employer, the Group provides full support in diverse formats and builds the best workplace possible so that all employees can unlock their full potential.



Promoting Business Ethics

Hana Financial Group is fully aware of the importance of ethical management, and accordingly practices ethical management as its core management principle. “Code One”, a set of ethical standards, was adopted in 2016 to outline how the Group employees should make and carry out their business decisions. “Expansion of Ethical Management” was selected as a key management task in 2017, and “Core 7” was devised as an action plan, consisting of seven core principles of conduct. The principles are composed in short sentences to facilitate clear understanding and help employees exercise their ethical responsibilities in their daily lives.

As a result of our efforts to instill ethical management in our corporate culture, in 2019 Hana Financial Group was able to acquire both the ISO 19600 and ISO 37001 certifications, international standards on compliance and anti-bribery management systems. This industry-first achievement has brought the attention of domestic and international business communities to our successful operations of compliance and anti-bribery management systems. In 2020, Hana Financial Group commenced a project standardizing internal controls across its operations with an eye toward strengthening all internal controls to a level where finance becomes synonymous with trust. Improving on compliance management, anti-corruption and internal controls, we will continue to be a new role model for Korea’s financial industry.

Ethical and compliance management is a business principle crucial to long-term sustainability. We will therefore conduct diverse activities to incorporate “Code One”, the Group-wide code of ethics, and “Core 7”, our core code of conduct, as well as the “Declaration of Human Rights” and compliance and anti-bribery systems into part of our daily operations. This will enable us to heighten employee awareness of ethics and compliance while promoting the culture of ethical and compliance management.

Respecting Human Rights

Hana Financial Group had made its “Declaration of Human Rights” in December 2017, to meet international standards on human rights management and to further strengthen sustainability management. The declaration reflects our mission, “Growing Together, Sharing Happiness” and ethical standard “Code One” as well as the “UN Guiding Principles on Business and Human Rights” of United Nations Human Rights Council, and the “Guidelines for Human Rights Management and Checklist” of National Human Rights Commission of Korea. Practicing our “Declaration of Human Rights”, we will do our utmost to prevent any violations of the human rights of all stakeholders.

Empowering Our People

ATTRACTING AND RETAINING THE BEST TALENT Hana Financial Group considers dedicated employees as our most important asset and accordingly supports their efforts to grow into experts in their respective fields. We provide a systematic career development training to all employees, irrespective of their position, and are making such efforts at fostering them into leaders of the Fourth Industrial Revolution era as establishing a program roadmap for nurturing digital experts and offering training programs customized by job category.

Aiming to increase the share of overseas business income to 40% of total income by 2025, we overhauled existing human resources development (HRD) programs into a Group-wide system under the name of “Global Talent (GT)”. We then created two pools, GT1 and 2, of global talent separated by degrees of their overseas exposure and developed talent programs to the objectives and required traits of each pool. GT1 is comprised of employees possessing basic capabilities to conduct global business, and GT2 is a group of employees who can work overseas immediately or with minimum training. We provide GT1 talent with language and other types of training related to basic overseas work skills, and GT2 talent with programs designed to develop practical job skills, thus enhancing the level of their preparedness for working overseas. Through this system, we will foster future talent who can lead the implementation of the Group’s global strategies, thus preemptively and proactively responding to fast-developing changes in the global financial market.



ISO 19600 & ISO 37001

Acquired international certifications on both compliance and anti-bribery management systems for the first time in Korea’s financial industry



Code One

A set of 25 ethics guidelines which governs decisions and actions of all employees at Hana Financial Group

Core 7

The seven core principles of action for execution of Code One and promotion of ethical management

CREATING A GREATER WORKPLACE We support a happy and healthy workplace and encourage employees to balance their work and life. We also promote a corporate culture where employees communicate and cooperate with others based on our humanity-centered management philosophy, and as part of the efforts, we operate a two-way communication channel in the Group portal. In addition, by expanding and encouraging the use of a mobile electronic library, we induce employees to enjoy reading books online, and by offering knowledge trend reports through the Group newsletter, we support employee efforts to become creative, convergent talent in a digital era.

In addition, Hana Financial Group seeks to improve work efficiencies and thus help improve employees’ work-life balance. In 2020, we sought to establish a work environment where employees can readily balance their work and life by encouraging them to leave work on time, turning off PCs at specific hours, and having a monthly “Family Day”. We also supported employees’ work-life balancing, adopting a “Smart Lounge” system to reduce branch hours and expanded the application of robotic process automation (RPA) to other repetitive processes.

Hana Bank encouraged employees to adopt and address one another in English nicknames in order to promote proactive communication among generations and to thus facilitate cognitive flexibility, with the goal of creating a horizontal organizational structure. Also, to do away with the long-held conservative image and to instead highlight the autonomous and innovative sides of financial business, we adopted a casual dress code, enabling employees to serve customers in a more friendly and trust-inspiring manner.

PLANET

Pristine nature is a precious asset that we should do our best to preserve and protect.

Hana Financial Group is therefore implementing diverse efforts to reduce greenhouse gas (GHG) emissions at the Group level, supporting related global initiatives, and fulfilling its role as an eco-friendly financial institution supported by all of its employees proactively practicing environmental management in daily life, all in the interest of green growth.

Green Growth for All

BIG STEP FOR TOMORROW Hana Financial Group declared its mid- to long-term ESG vision, “Big Step for Tomorrow”, promoting the maximization of value for all stakeholders in accordance with its “NEXT 2030 Management Principle” and practicing its mission of “Growing Together, Sharing Happiness”. In addition, we have set “2030 & 60” and “Zero & Zero” as two strategic goals to reach on our journey of realizing the vision. The former represents our intention to supply KRW 60.0 trillion through ESG finance by 2030, and the latter is our resolve to reduce the financing of coal-related project to zero and to leave no carbon footprint throughout our operations by 2050.

To achieve “2030 & 60”, we have established “Hana-Taxonomy”, a system for sustainable finance, and environmental/social risk management systems, thereby setting standards in ESG finance. Based on these standards, we are improving relevant processes in order to transparently disclose the progress we make toward the strategic goal. In implementing “Zero & Zero”, we seek to actively take part in the Korean government’s “2050 carbon neutrality” goal, and to lead the transition toward a low-carbon economy through contribution to the expansion of the new and renewable energy market. Most significantly, we have declared our intention to no longer finance or underwrite any coal power generation projects at home and abroad. Also, conducting nine tasks we have identified as crucial to achieving the two objectives, we will increase our social contributions through finance, enhance the transparency in ESG management, and facilitate the transition to a low-carbon economy.

Moreover, we created the Sustainable Management Committee within the Board of Directors, with an aim to strengthen ESG Management, which is authorized and responsible for making decisions on matters related to ESG in Group operations, including strategy and policy formulation. Through the Committee, we will proactively respond to global ESG issues and establish effective ESG strategies for implementing the Group’s three strategic direction - platform-based, globally-oriented, and socially-responsible finance.



SUPPORTING GLOBAL INITIATIVES Hana Financial Group is committed to green management, minimizing GHG emissions as part of its response to climate change. Based on the international standard environmental management system of ISO 14001 adopted in 2018 by the holding company and Hana Bank, we have been systematically managing environmental indicators and improving energy efficiencies. We are also striving to minimize GHG emissions and meet annual reduction goals, thereby taking an active part in global initiatives to reduce GHG emissions.

For these and other efforts, Hana Financial Group won “Leadership A”, the top grade recognition in climate change leadership from Carbon Disclosure Project (CDP). CDP supports thousands of companies to measure and manage their risks and opportunities on climate change, water security and deforestation, at the request of their investors, customers and stakeholders. Through CDP, more than 9,600 companies around the world disclose information on their environmental responses; and some 270 companies, including seven in Korea, are in the A-List of the climate change response category. Since our first participation in the CDP program in 2016, we have made the “CDP Korea Carbon Management Sector Honors” list in the financial category; and for the first time in 2020, we received the top grade, gaining worthy recognition for our excellence in climate change response-related governance, risk management, business strategy, and management of GHG reduction goals and performances.



As a follow-up to our responses to climate change risks, detailed in the 2019 Sustainability Report, in line with the “Task Force on Climate-related Financial Disclosures (TCFD)”, we plan to publish a TCFD report in 2021. Moreover, we will actively take part in the government’s “2050 carbon neutrality” goal and to lead the transition toward a low-carbon economy. To this end, we will seek to play a pivotal role as an intermediary, one of the fundamental roles of a financial institution, in the virtuous cycle of capital reallocation which in turn leads to sustainability. Furthermore, in our efforts to help establish climate finance in Korea, we will support collaborations among supervisory institutions, the new and renewable energy market, and local communities, and in order to lay the base, we are looking into ways to develop an ESG product classification system that incorporates global taxonomy.

PROSPERITY

Hana Financial Group strives for a happy financial life of all stakeholders.

In pursuit of our mission of “Growing Together, Sharing Happiness”, we make continuous and utmost efforts to enhance “Happiness for All”. In particular, we are faithfully fulfilling our responsibilities as a member of society by steadying the direction of our social contributions toward resolving issues facing our societies and satisfying practical needs.

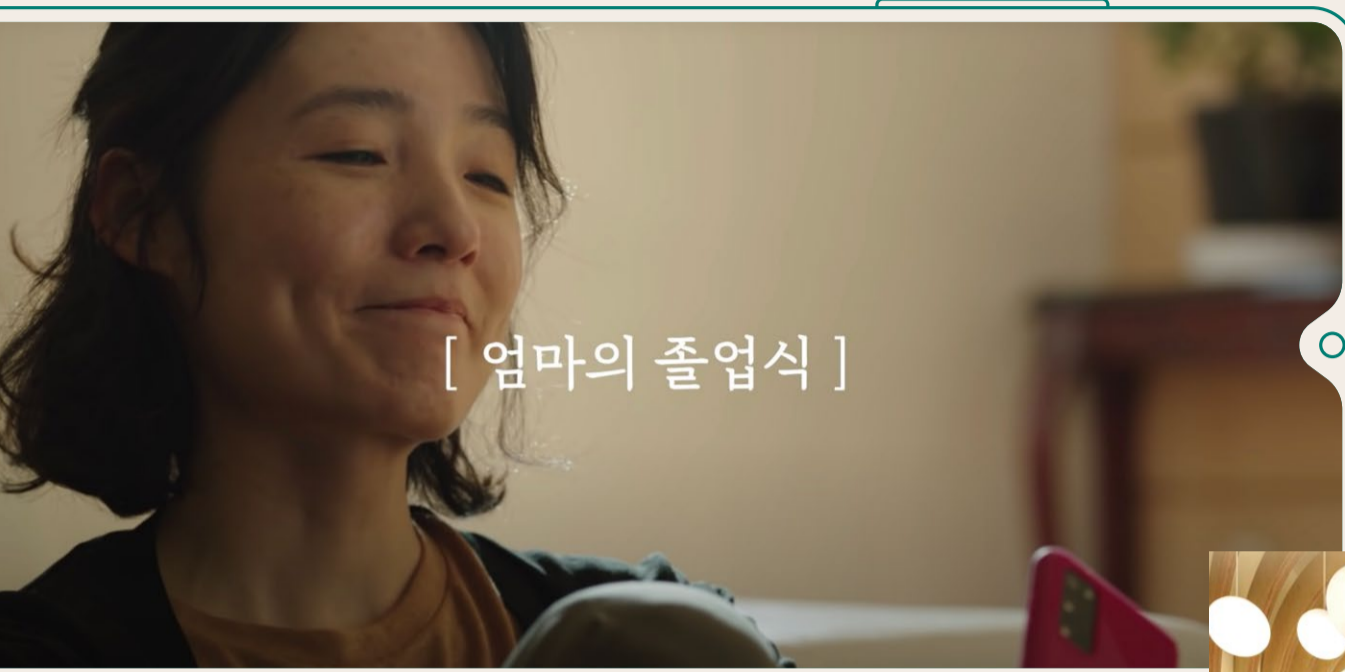


Happiness for All

Hana Financial Group declared its “NEXT 2030 Management Principle” in 2019, publicly expressing its resolve to enhance social values for all of its stakeholders, including customers, employees, shareholders, and society. In 2020, following up on the declaration of the new management principle, we sought to significantly increase value creation through social contributions, focusing on six major areas – supporting childcare, preparing for Korean reunification, social finance, supporting the disadvantaged, global social contribution, and social responsibility.

In addition, as a corporate citizen of the global community, we support the 10 principles of the UN Global Compact (UNGC). In connection with the UN Sustainable Development Goals (SDGs), we practice the Principles for Responsible Banking (PRB) established by the United Nations Environment Program Finance Initiative (UNEP FI), fulfilling our responsibilities as an enactor and signatory of the PRB. In particular, we continue to contribute to such social values as job creation, talent development, and cultural well-being through diverse avenues; and to ponder the development of crowdfunding platforms using innovative technologies as a way to practice inclusive finance. Going forward, we will work toward building a healthy society where all stakeholders can live together in harmony through the support of sports as well as culture and art.

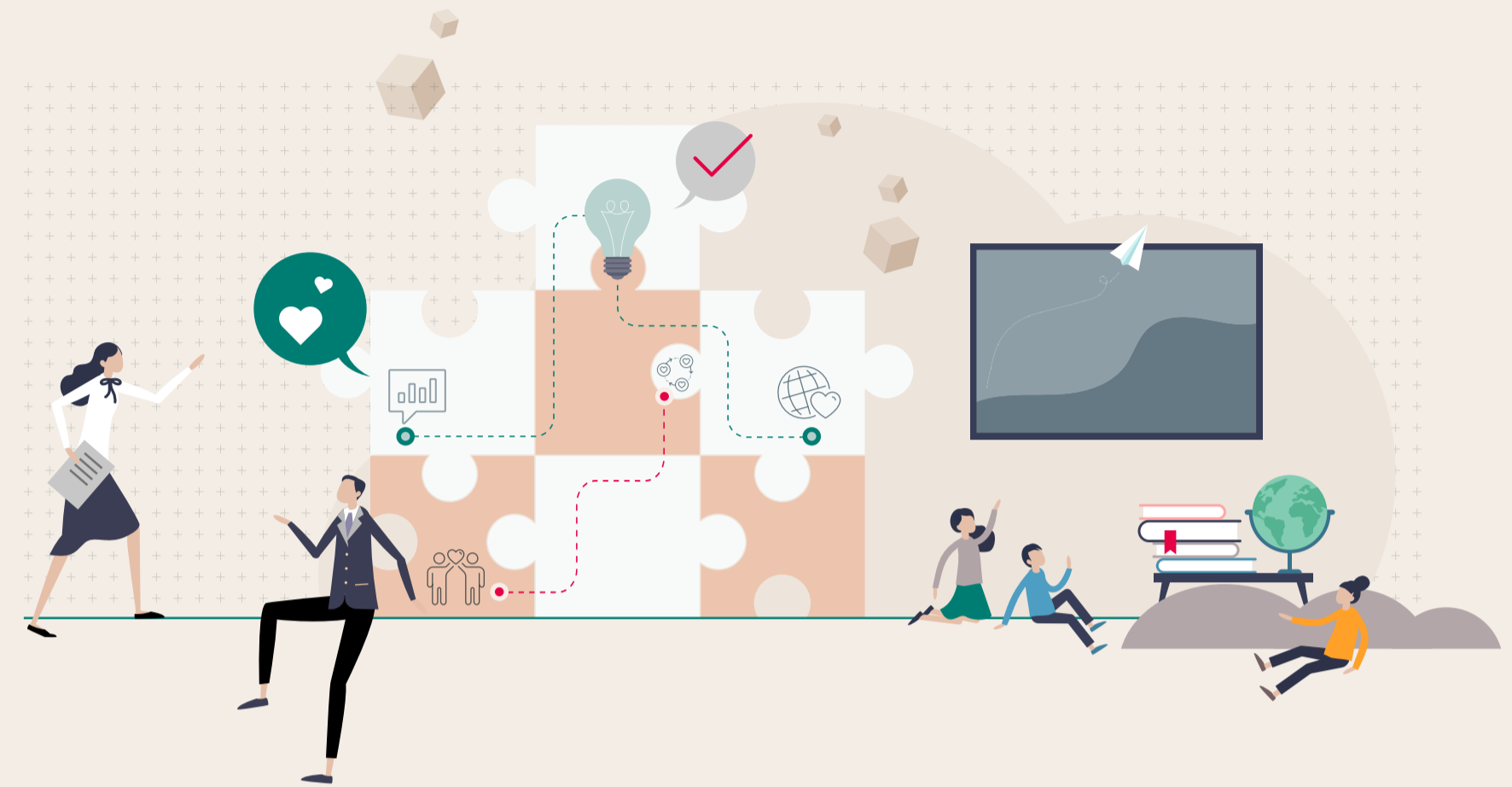
We are pushing forward a project supporting the construction and operation of public daycare centers as part of our social contribution to resolving low birth rate, aging population, and other related social issues facing Korea as well as to lessen working mothers’ childcare burden. Since the launch of the project in 2018 with the goal of establishing 100 public and workplace daycare facilities, 69 facilities have been either built or are under construction, including one in the Cheongna company building that, once complete, can accommodate 300 children, the most advanced daycare facility in Korea.



#Hana Power on Impact



In the area of social finance, we are supporting the growth of social enterprises and social ventures through “Hana Power on Impact”, “Hana Power on Challenge”, and “Hana Social Venture Academy”. Hana Power on Impact, commenced in 2017 as one of our social value creation programs developed to support the vitalization of the social economy, focuses on helping people with developmental disabilities find employment and become financially independent. Hana Power on Challenge connects young designers and women with professional experiences whose careers have been put on hold due to childcare and other reasons with social innovators as a way to support design and marketing capabilities which are essential to the growth of social innovation companies. In 2020, when many social innovation companies experienced difficulties due to COVID-19, Hana Financial Group continued to provide diverse forms of support for the growth of social enterprises and social ventures and the creation of quality jobs.



DJSI

Included in the DJSI Asia Pacific Index and Korea Index

PRB of the UNEP FI

Supporting the PRB as an enactor and signatory

Adoption of the Korea Stewardship Code

5 Group affiliates – Hana Bank, Hana Financial Investment, Hana Life, Hana Alternative Asset Management, and Hana Ventures

In support of these Group-level efforts, each affiliate is focusing on social value creation as well. Hana Bank, Hana Financial Investment, Hana Life, Hana Alternative Asset Management, and Hana Ventures adopted the Korea Stewardship Code in 2019 to expand sustainable growth and promote business transparency. Each of them established its own principles of fiduciary responsibilities to execute detail principles, and published them on the Korea Stewardship Code website and its own, with the goal of improving customer interests and enhancing the mid- to long-term corporate value of investment targets. By complying with and practicing the stewardship code in a transparent manner, we will enhance shareholder value and contribute to the spread of social value.

In recognition of these efforts, in 2020 Hana Financial Group was included in the DJSI Asia Pacific Index and Korea Index, an improvement from its 2019 inclusion in the Korea Index. We also scored an “A” in an ESG evaluation conducted by Korea Corporate Governance Service (KCGS).