



WOORI BANK SUSTAINABILITY FINANCING FRAMEWORK



Document title: Second Party Opinion on Woori Bank Sustainability Financing Framework

Prepared by: DNV Business Assurance Korea Ltd.

Location: Seoul, Republic of Korea

Date: 4 September 2023

Ref. Nr.: PRJN-604005

This statement is valid until the Framework provided in September 2023 remains unchanged.

Table of Contents

| | |
|---|----|
| Table of Contents..... | 2 |
| DNV'S INDEPENDENT ASSESSMENT | 3 |
| Scope and Objectives | 3 |
| Responsibilities of WOORI and DNV | 3 |
| Basis of DNV's opinion..... | 3 |
| Work Undertaken | 4 |
| Findings and DNV's Opinion | 4 |
| Schedule 1. Description of Categories to be financed or refinanced through WOORI's Sustainability Finance Framework | 7 |
| 1. Green Categories | 7 |
| 2. Social Categories | 10 |
| Schedule 2. Contributions to UN SDGs | 13 |
| Schedule 3. Eligibility Assessment Protocol | 15 |
| 1. Use of Proceeds | 15 |
| 2. Process for Project Selection and Evaluation | 16 |
| 3. Management of Proceeds | 17 |
| 4. Reporting | 18 |
| Schedule 4. Sustainability Financing Framework External Review Form | 21 |

Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.dnv.com)

DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

Woori Bank ("WOORI" or the "Company") is one of the largest commercial banks operating in the Republic of Korea ("Korea"), which provides a wide range of financial services including retail, corporate and investment banking, and wealth management, and trust products and services to individuals, small and medium-sized enterprises (SME) and large corporations. Founded in 1899, the Company, a subsidiary of the Woori Financial Group (the "Group"), has one of the largest banking networks in Korea, comprised of 619 branches and 89 local offices, and the largest overseas network among Korean commercial banks with 465 branches and offices in 24 countries.

Under the Group's overarching ESG strategy, WOORI commits to providing financial services to promote sustainability, and has issued ESG labelled bonds since 2019, amounting to over US \$4.5bn equivalent. The proceeds were used to finance renewable energy and green buildings projects and to provide financial support for social enterprises and vulnerable groups. To expand the Company's ESG financing, WOORI has updated its Sustainability Financing Framework (the "Framework"), dated September 2023, under which it intends to issue green, social, sustainability bonds or loans (or collectively "Sustainability Financing Instruments" or "SFI") to finance or refinance new and existing environmental and social projects including low-carbon transport and financial support for SMEs.

DNV Business Assurance Korea Ltd. ("DNV")² has been commissioned by WOORI to review the Framework to provide a Second Party Opinion on the Framework's alignment with the Green Bond Principles 2021 (GBP)³, Social Bond Principle 2023 (SBP)⁴ and Sustainability Bond Guidelines 2021 (SBG)⁵, Green Loan Principles 2023 (GLP)⁶ and Social Loan Principles 2023 (SLP).⁷

No assurance is provided regarding the financial performance of instruments issued via the Framework, the value of any investments, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of WOORI and DNV

WOORI has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform WOORI and other interested stakeholders in the Framework as to whether the Framework is aligned with the GBP, SBP, SBG, GLP and SLP (the "Principles"). In our work we have relied on the information and the facts presented to us by WOORI. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by WOORI and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our assessment methodology to create the WOORI-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four core components:

1. Use of Proceeds

² <https://www.dnv.co.kr/>

³ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf

⁴ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>

⁵ <https://www.icmagroup.org/assets/GreenSocialSustainabilityDb/The-GBP-Guidance-Handbook-January-2022.pdf>

⁶ <https://www.lsta.org/content/green-loan-principles/>

⁷ <https://www.lsta.org/content/social-loan-principles-slp/>

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond/a loan must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental and social benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond/a loan should outline the process it follows when determining eligibility of an investment using green and social bond/loan proceeds and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a bond/a loan should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled.

4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by WOORI in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Protocol, adapted to the purpose of the Framework, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by WOORI on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by WOORI and its website;
- Discussions with WOORI and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

Findings and DNV's Opinion

DNV's findings are listed below:

1. Use of Proceeds

WOORI intends to use the proceeds from the Sustainability Financing Instruments issued under the Framework to finance or refinance eligible green and social assets as identified by the Principles.

The Framework defines the following Green and Social Eligible Project Categories:

Eligible Green Project Categories

- Renewable Energy
- Energy Efficiency
- Pollution Prevention and Control
- Environmentally Sustainable Management of Natural Resources and Land Use
- Low Carbon Transportation
- Sustainable Water and Wastewater Management
- Green Buildings
- Climate Change Adaptation

Eligible Social Project Categories

- Employment Generation, SME Financing and Microfinance
- Social Enterprise Financing
- Affordable Housing
- Access to Essential Services
- Affordable Basic infrastructure

DNV undertook an analysis of the associated project type to determine the eligibility as “Green” and “Social” in line with the Principles. WOORI has provided tables mapping its Eligible Green Categories and Eligible Social Categories with the United Nations Sustainable Development Goals (“UN SDGs”). The outlined types of projects within each category and associated selection criteria are provided in the Framework in order to determine eligibility, followed by the exclusion criteria additionally included by WOORI. Furthermore, a look-back period of no longer than three years (36 months) has been set for refinancing eligible projects, which is in alignment with market practices.

DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the Principles.

2. Process for Project Evaluation and Selection

A list of eligible project candidates, meeting all internal lending criteria in the ordinary course of its business, will be prepared by the Company’s business units, and submitted to its Green, Social and Sustainability Financing Working Group (“GSSFVG”). For final selection, GSSFVG will evaluate the projects against the eligibility criteria set forth in the Framework. The GSSFVG is comprised of representatives from an array of departments including from ESG Planning, Treasury, Co-Prosperity Banking, Housing Fund, Corporate Customer, Corporate Banking Solution, Global Business Promotion, and Corporate & Investment Business.

DNV concludes that the project evaluation and selection process described in the Framework is appropriate and aligned with market practice.

3. Management of Proceeds

The Company will establish a SFI Register (“Register”) to allocate and track the net proceeds, which will be reviewed by GSSFVG on a regular basis. The information managed through the Register will include details of the bond/loan issuances and the use of proceeds such as summary of eligible projects, amount of allocated proceeds, and balance of unallocated proceeds.

DNV can confirm that the proceeds arising from the future issuances will be appropriately managed.

4. Reporting

Within a year following the issuance of the sustainability finance instruments, WOORI will report on the allocation and impact of the net proceeds used to finance the eligible green and social projects and report on an annual basis thereafter until full allocation. The reports will be available on the Company’s website and will include the following:

Allocation reporting:

- Allocation amount for each Eligible Project Category
- Balance of unallocated proceeds
- Share of new financing and refinancing

Impact reporting:

WOORI intends to provide information on relevant impact metrics for each eligible project category.

DNV concludes that the Company’s reporting is aligned with the relevant principles.

On the basis of the information provided by WOORI and the work undertaken, it is DNV’s opinion that the WOORI’s Sustainability Financing Framework meets the criteria established in the Protocol and are aligned with the Principles. Please refer to Schedule 4. Sustainability Financing Framework External Review Form for detailed information.

for DNV Business Assurance Korea Ltd.

Seoul, Republic of Korea, 4 September 2023



Jae Hee Kim
Senior Auditor



Chang Rok Yun
Senior Auditor



Thomas Leonard
**Head of Section, Sustainability
Services, Supply Chain & Product
Assurance**

Project Team

DNV Business Assurance Korea

Schedule 1. Description of Categories to be financed or refinanced through WOORI's Sustainability Finance Framework

1. Green Categories

| Eligible Green Project Categories | Eligible Criteria and Description | DNV Findings |
|-----------------------------------|---|---|
| Renewable Energy | <p>Construction, maintenance and/or operation of renewable energy projects. Examples include:</p> <ul style="list-style-type: none"> On- and off-shore solar and wind energy⁸ Biomass energy (biomass, biogas, bioliquids for heat/cool and power with life cycle GHG emissions <100g CO₂e/kWh; and biomass sources must be from a sustainable feedstock)⁹ Ocean energy (ocean thermal energy, tidal power generation)¹⁰ Hydropower (run-of-river plant that does not have an artificial reservoir; or power density of the electricity generation facility is >5W/m²; or life cycle GHG emissions is <100g CO₂e/kWh) Geothermal energy (life cycle GHG emissions is <100g CO₂e/kWh) <p>Manufacturing and/or import of components of renewable energy technology such as wind turbines and solar panels</p> | <ul style="list-style-type: none"> Wind and solar renewables are considered key drivers in building a clean grid. To effectively reduce GHG emissions from biomass energy, the chain activities from growing of feedstock to final energy conversion must fulfil sustainability criteria. Ocean energy, including waves, tides, marine currents, and temperature gradient, is abundant and renewable, which can play an important role in the energy mix. Hydropower provides flexibility and storage, which are important to stabilize the grid and integrate variable renewable energy production into the grid. Geothermal renewable power and heat can significantly contribute to the energy mix since it is local and constantly available. <p>Based on the key findings and thresholds set by WOORI in alignment with technical screening criteria of the EU Taxonomy and/or Climate Bond Taxonomy, DNV concludes that the renewable energy projects listed will contribute to decarbonizing the energy sector.</p> |
| Energy Efficiency | <p>Development, manufacture, and application of infrastructure, equipment, and technology that lead to energy efficiency improvement (by at least 30% compared to baseline or market average, on a best effort basis), including but not limited to:</p> <ul style="list-style-type: none"> Hydrogen fuel cell technology Buildings/ household energy management: improvements in lighting, air conditioning, waste heat recovery and district cooling Waste heat recovery technologies to recycle heat waste from industrial applications as useful energy for other | <ul style="list-style-type: none"> Regarding Hydrogen fuel cell technology, WOORI has confirmed with DNV that the Company will comply with the relevant technical screening criteria in the EU Taxonomy.¹¹ Improving building (commercial and household) energy management system leads to efficient energy consumption, thereby reduces energy bills and pollution. Waste heat recovery technology involves capturing and utilizing the excess heat generated, which is considered an effective solution to enhance energy efficiency, conserve resources, and ultimately reduce GHG emissions. <p>Based on these findings, DNV concludes that the energy efficiency projects listed by WOORI are eligible green projects that contribute to reductions in</p> |

⁸ As for solar and wind farms, fossil fuel back up can only be used for restart capability and monitoring, operating or resilience measure in the event of no power in the system.

⁹ Regarding use of biomass sources like wood pellets and wood chips, if it is required, WOORI will use FSC certified sustainable fuels only. Where certification is not required, biomass sources that derives from biodiversity resources, competes with food sources, or depletes carbon pools will be excluded.

¹⁰ Fossil fuel back up can only be used for restart capability and monitoring, operating or resilience measure in the event of no power in the system.

¹¹ Electricity generation from fossil gaseous fuels (<https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity/191/view>) or manufacture of hydrogen (<https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity/155/view>)

| Eligible Green Project Categories | Eligible Criteria and Description | DNV Findings |
|--|---|--|
| | industries (e.g., heat pumps, heat exchangers) | energy consumption and thereby contribute to decarbonization. |
| Pollution Prevention and Control | <p>Technology and related services to create sustainable environment through reduction of environmental pollution, by eliminating or significantly mitigating environmental pollutants in water, air, and soil using biological, physical, and chemical methods. Examples include:</p> <ul style="list-style-type: none"> • Lower Global Warming Potential (GWP) refrigerant¹² • Waste to energy with energy recovery efficiency of $\geq 25\%$¹³ • Nitrogen reduction (technology to reduce nitrogen oxides emissions from industrial sources) excluding emissions reduction directly linked to fossil fuel technology • Micro-air pollution management • Soil remediation • Hydrologic restoration | <ul style="list-style-type: none"> • To avoid the use and emissions of hydrofluorocarbons (HFCs), a variety of climate-friendly, energy-efficient, safe, and proven alternatives are available including low GWP refrigerants.¹⁴ • Excessive nitrogen in the environment causes serious damage, including contamination of groundwater, acidification of soils, biodiversity loss, and GHG emissions.¹⁵ • Micro-air pollution management, soil remediation, and hydrologic restoration are recognized critical environmental remediation measures to restore contaminated sites or resources. <p>Based on these findings, DNV concludes that the energy efficiency projects listed by WOORI are eligible green projects that contribute to sustainable development.</p> |
| Environmentally Sustainable Management of Natural Resources and Land Use | <p>Environmentally sustainable agriculture</p> <ul style="list-style-type: none"> • Smart farming, micro-irrigation, agricultural micro-organism, and vertical farming • Eco-Friendly Livestock Products with organic and antibiotic free certification labels provided by Ministry of Agriculture, Food and Rural Affairs (MAFRA)¹⁶ | <ul style="list-style-type: none"> • Smart farming, which refers to digital transformation in agriculture, which can lead to a more sustainable and efficient food system¹⁷ • Where natural crop growing is domesticated for production needs, micro-irrigation contributes to increasing crop productivity by supplying a controlled amount of water when rainfall is short.¹⁸ • Currently more than 60 micro-organisms are approved in the EU for their safe use in plant protection products.¹⁹ • Vertical farming refers to practice of producing food in vertically stacked layers or vertically inclined surfaces, in some cases integrated into buildings, without soil or sunlight, which has advantages such as predictable production and independent of weather, season or climate.²⁰ • MAFRA organic and antibiotic-free labels are agri-food certifications for eco-friendly products implemented by Ministry of Agriculture, Food and Rural Affairs of Korea. |

¹² This may involve investments in processing equipment using refrigerants or foam blowing agents with GWP of less than 15 CO₂e, with reference to EU Directive 2012/19/EU, or investments in research and development aimed to eliminating refrigerants and foam blowing agents with a GWP higher than 15 CO₂e.

¹³ Only facilities outside the EU are potentially eligible. Also, waste hierarchy and local environmental laws will be considered in the approval process of the eligible projects.

¹⁴ https://climate.ec.europa.eu/eu-action/fluorinated-greenhouse-gases/climate-friendly-alternatives-hfcs_en

¹⁵ https://research-and-innovation.ec.europa.eu/research-area/environment/nitrogen-and-phosphorus-pollution/policy_en

¹⁶ <https://www.naqs.go.kr/eng/contents/contents.do?menuId=MN20568>

¹⁷ <https://digital-strategy.ec.europa.eu/en/policies/future-farming>

¹⁸ [https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/644216/EPRS_BRI\(2019\)644216_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/644216/EPRS_BRI(2019)644216_EN.pdf)

¹⁹ https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_852

²⁰ https://www.europarl.europa.eu/RegData/etudes/ATAG/2022/737130/EPRS_ATAG_737130_What_if_vertical_farming_final.pdf

| Eligible Green Project Categories | Eligible Criteria and Description | DNV Findings |
|-----------------------------------|---|--|
| | | Based on the key findings, including DNV's internal evaluation of the robustness of MAFRA labels (Appendix 1), DNV is of the opinion that the sustainable agriculture projects WOORI intends to finance are eligible green projects. |
| Low Carbon Transportation | <p>Development, construction and manufacturing of low-carbon transports and infrastructure. Examples include:</p> <ul style="list-style-type: none"> Non-Public Passenger Transport: Zero tailpipe emission vehicles (i.e., hydrogen fuel cell and electric vehicles) and vehicles with tailpipe emission threshold of $\leq 50\text{g CO}_2/\text{km}$ until 2025 Public Passenger Transport: Zero direct emission light rail transit, metro, tram, trolleybus, bus, and rail or with tailpipe emission threshold of $\leq 50\text{g CO}_2/\text{pkm}$ until 2025 (ineligible thereafter) Infrastructure: Tunnels for electric trains <p>Construction of manufacturing facilities and R&D for batteries for pure electric vehicles / bicycles / motorcycles and vehicles and motorcycles with tailpipe emissions below $50\text{g CO}_2/\text{km}$ until 2025</p> <p>Investment and R&D for waste battery recycling</p> <p>Development, construction and manufacturing of low-carbon sea transports and infrastructure. Examples include:</p> <ul style="list-style-type: none"> Zero direct tailpipe CO_2 emission vessels Until 31 December 2025, hybrid and dual-fuel vessels derive at least 25% of energy from zero direct tailpipe CO_2 emission fuels or plug-in power for their normal operation at sea and in ports (ineligible thereafter) Until 31 December 2025, vessels with Energy Efficiency Design Index (EEDI) value 10% below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO_2 emission | <ul style="list-style-type: none"> According to European Environment Agency (EEA), EVs have clear environmental benefits compared to petrol and diesel cars, including lower GHG emissions and air pollutants, where the benefits are expected to increase with increased use of renewable energy.²¹ <ul style="list-style-type: none"> Meanwhile, environmental and/or social risks associated with manufacturing EVs need to be addressed throughout the chain activities, such as those linked to the raw material sourcing for EV batteries²² and GHG emissions from hydrogen production.²³ EEA also highlights that one of the key solutions for decarbonizing transportation is to notably shift the private transport modes to public transport such as light rail transit, metro, and bus.²⁴ Considering that maritime transport accounted for approx. 2.89% of the global CO_2 emissions in 2020, according to the 4th International Maritime Organization (IMO) GHG Study, low-carbon sea transports, in alignment with the EU Taxonomy criteria, some valid until 31 December 2025, will contribute to decarbonize the shipping sector. <p>Based on the key findings and thresholds set by WOORI in alignment with technical screening criteria of the EU Taxonomy, DNV is of the opinion that the low-carbon on-road transports and vessels WOORI intends to finance are eligible green projects.</p> <p>Meanwhile, DNV recommends WOORI to consider in the project evaluation and selection process the key measures taken by the EV manufacturers to address the environmental and social risks, such as due diligence policy, consistent with international standards, linked to sourcing, processing, and trading raw materials and secondary raw materials.</p> |

²¹ <https://www.eea.europa.eu/articles/electric-vehicles-a-smart>

²² <https://www.europarl.europa.eu/news/en/press-room/20221205IPR60614/batteries-deal-on-new-eu-rules-for-design-production-and-waste-treatment>

²³ <https://www.epa.gov/greenvehicles/glimpse-hydrogen-transportation>

²⁴ <https://www.eea.europa.eu/publications/transport-and-environment-report-2021>

| Eligible Green Project Categories | Eligible Criteria and Description | DNV Findings |
|---|---|---|
| | fuels from renewable sources. For avoidance of doubt, commercial vehicles and vessels transporting fossil fuels will be excluded | |
| Sustainable Water and Wastewater Management | Solutions that promote the sustainable management of water resources <ul style="list-style-type: none"> • Infrastructure to improve water quality • Wastewater treatment • Membrane filtration wastewater recycling (sewage and wastewater recycle, hydrologic restoration) | <ul style="list-style-type: none"> • Increased demand and usage of water resources, followed by deterioration of natural conditions due to such increase on top of the changing climate, imposes significant pressure on water resources. • In this regard, projects to improve water quality, and treating and recycling wastewater play an important role in protecting shared water and marine environments from pollution and over abstraction, and thereby contribute to sustainable water management.²⁵ <p>Hence, DNV concludes that the sustainable water projects listed by WOORI are eligible green projects.</p> |
| Green Buildings | Construction and/or refurbishment of commercial or residential buildings that have or will receive regional, national, or international certifications including: <ul style="list-style-type: none"> • US Leadership in Energy and Environmental Design (LEED): Gold and above • Building Research Establishment Environmental Assessment Method (BREEAM): Excellent and above • Green Standard for Energy and Environmental Design of Korea (G-SEED): Grade 2 and above | <ul style="list-style-type: none"> • The building sector is one of the largest energy consumers in many regions including the EU and Republic of Korea (hereinafter Korea).²⁶ Taking this into consideration, green buildings aiming to improve energy performance of buildings, play a critical role in achieving a low-carbon economy. • WOORI refers to green building eligibility criteria of globally used certification standards including LEED gold and above, BREEAM excellent and above, and national certification standards such as G-SEED Grade 2 and above. <p>Based on DNV's internal evaluation of the certifications (Appendix 2), it is of DNV's opinion that the green buildings certified by the listed schemes will lead to positive environmental impacts.</p> |
| Climate Change Adaptation | <ul style="list-style-type: none"> • Information support systems, such as climate observation and early warning systems • Flooding mitigation (sustainable urban drainage systems, river training) | <p>Considering that the observation and prediction of extreme weather and climate events is considered one of the key responses to mitigating the effects of climate change, and that floods are the most common climate change-related disasters, it is DNV's opinion that the climate change projects proposed by WOORI are eligible green projects.</p> |

2. Social Categories

| Eligible Social Project Categories | Eligible Criteria and Description | DNV Findings |
|---|---|--|
| Employment Generation, SME Financing and Microfinance | Loans to or direct investments in small and medium enterprises (SME), start-up companies and job creating companies <ul style="list-style-type: none"> • SME: as defined under the Enforcement Decree of The | <ul style="list-style-type: none"> • According to the Ministry of SMEs and Startups of Korea, SMEs account for 99.9% of all companies in the country and approx. 82% of total employment.²⁹ Moreover, according to the Ministry, startups nationwide became an emerging source of job creation over the last few years, as in 2022, approx. 34,000 startups hired over |

²⁵ <https://www.eea.europa.eu/themes/water/european-waters/water-management>

²⁶ https://climate-pact.europa.eu/about/priority-topics/green-buildings_en

²⁹ <https://www.mss.go.kr/site/eng/02/2020200000002019110610.jsp>

| Eligible Social Project Categories | Eligible Criteria and Description | DNV Findings |
|------------------------------------|--|--|
| | <p>Framework Act on Small and Medium Enterprises²⁷ that has less than 50 employees</p> <ul style="list-style-type: none"> Job Creating Companies: with more than 50 employees that meet one of the following requirements: i) has hiring programs that commit to increasing the number of employees by at least 5% compared to last financial year, where new hires will be from the unemployed (restricted to those receiving unemployment benefit from the Ministry of Employment and Labor), (ii) awarded outperforming job creation certificates from central government (Ministry of Employment and Labor) or local government agencies (iii) selected for relevant awards related to job creation by industrial bodies such as the Korean Ministry of Employment's Award for Excellence in Job Creation by the Korean Ministry of Employment and Labor Start-up Companies: less than 7 years since establishment²⁸ <p>For avoidance of doubt, loans to companies operating in the sectors listed in the Exclusionary Criteria will not be eligible</p> | <p>56,000 new employees, accounting for 16% of all jobs created in Korea.³⁰</p> <ul style="list-style-type: none"> To secure economic growth and job creation, the Korean Government has been actively supporting the SMEs and startups through national, local policies and programs. Meanwhile, since COVID-19, new startup activities have contracted leading to significant reduction in the growth rate of venture and growth capital.³¹ <p>Based on these findings, DNV concludes that the SMEs, startups, and other job creating companies which WOORI intends to finance aligns with the Korean Government's ongoing efforts to stimulate job growth. Also, DNV views positively that in defining its target groups, WOORI refers to robust standards set forth in Korea's legislations, regulations, and programs.</p> |
| Social Enterprise Financing | <p>Loans to social enterprises defined in Article 2 of the Social Enterprise Promotion Act³² (see Appendix 2)</p> <p>Loans to social enterprises that do not meet all requirements in the Act, but are certified by the central or regional governments³³</p> | <ul style="list-style-type: none"> Social enterprises benefit the public and community environment by providing an array of essential services including education, job training, healthcare, and housing. In Korea, empirical studies have shown that the number of government-driven social enterprises has a positive relationship with regional economic development, including job creation.³⁴ <p>Considering that WOORI refers to robust standards set by the Korean Government in defining its target groups, DNV concludes that the loans WOORI intends to finance will contribute to effectively support local social enterprises in need and thereby benefit local communities.</p> |
| Affordable Housing | Loans to public agencies for development and construction of public housing by providers under the Special Act of Public Housing or | <ul style="list-style-type: none"> In 2015, the Korean Government passed the Special Act on Public Housing to support efficient construction and effective operation of public housing units, with an aim to stabilize housing and |

²⁷ SMEs are defined in the Article 2 of the Enforcement Decree of the Framework Act on Small and Medium Enterprises. The full article can be found in this website: <http://law.go.kr/LSW/eng/engMain.do>

²⁸ Startups are defined in the Article 2-3 of the Support for Small and Medium Enterprise Establishment Act. The full article can be found in this website: https://elaw.klri.re.kr/kor_service/lawView.do?hseq=60093&lang=ENG

³⁰ <https://www.koreaherald.com/view.php?ud=20230621000578>

³¹ <https://www.oecd-ilibrary.org/sites/5abed059-en/index.html?itemId=/content/component/5abed059-en>

³² Social enterprises are defined in the Article 2 of the Social Enterprise Promotion Act. The full article can be found in this website: <http://law.go.kr/LSW/eng/engMain.do>

³³ Requirements for government body certification can be found in this website: www.socialenterprise.or.kr/kosea/reserve.do?dep1_kind=2

³⁴ <https://www.mdpi.com/2071-1050/12/21/8843>

| Eligible Social Project Categories | Eligible Criteria and Description | DNV Findings |
|---|--|---|
| | <p>providers approved by Korea Housing Finance Corporation</p> <p>Loans to target population with the purpose of acquisition of housing</p> <ul style="list-style-type: none"> • Low-income individuals³⁵ • Single parents with dependents aged below 18³⁶ • Individuals with financially dependent(s) aged over 60 or below 18³⁷ • Single parents of multicultural families³⁸ • Other target population criteria set by the Korean government in relevance to affordable housing | <p>improve residential standards for those in need.</p> <ul style="list-style-type: none"> • In 2021, the Korean Government announced its plans to supply 830,000 housing units nationwide, with a focus on providing affordable housing in major cities including Seoul.³⁹ <p>Considering that WOORI intends to finance public developers defined in the Act or approved by Korea Housing Finance Corporation, and target population defined by relevant Korean legislations, DNV concludes that the loans are in alignment with the ongoing national efforts to stabilize affordable housing in Korea.</p> |
| Access to Essential Services (including healthcare, education and financing and financial services) | <p>Medical, education, vocational training programs and loans to the following population (same references apply as above):</p> <ul style="list-style-type: none"> • Low-income individuals • Single parents with dependents aged below 18 • Individuals with financially dependent(s) aged over 60 or below 18 • Single parents of multicultural families | <ul style="list-style-type: none"> • WOORI intends to use the net proceeds of the SFI to fund essential services, including medical and education services and loans for targeted vulnerable groups defined by the Korean legislations and regulations, such as low-income individuals and single parents with dependents aged below 18. <p>Considering that WOORI intends to define the target groups based on clear, robust standards set by the Korean Government, DNV concludes that the proposed projects will contribute to improving the lives of the targeted vulnerable groups.</p> |
| Affordable Basic Infrastructure | <p>Projects that provide, or promote, the following to target populations specified in Appendix 1:</p> <ul style="list-style-type: none"> • Clean drinking water • Sewerage • Sanitation • Public Transportation⁴⁰ • Energy⁴¹ <p>Financing social and infrastructural developments in underdeveloped countries through intermediaries, such as development banks or agencies under the UN.</p> | <ul style="list-style-type: none"> • According to the UN, as of 2023, urgent action for the least developed countries is needed in order to achieve the SDGs; 1.1 billion people live in the 46 least developed countries, which are equivalent to 33%, 22%, 65% of world population without access to safely managed drinking water services, safely managed sanitation, and electricity, respectively.⁴² <p>Considering that WOORI intends to finance affordable basic infrastructure for vulnerable groups in underdeveloped countries through accredited intermediaries including UN affiliated agencies, DNV concludes that the proposed projects will contribute to improving the health, safety, and the overall living standards of the targeted vulnerable groups.</p> |

³⁵ Low-income individuals are determined by the Korean Ministry of Health and Welfare (MOHW) and Ministry of Education (MOE)'s classification, which is based on household income.

³⁶ As defined under the Social Enterprise Promotion Act.

³⁷ Ibid.

³⁸ As defined under the Single-Parent Family Support Act.

³⁹ <https://en.yna.co.kr/view/AEN20210204002651320>

⁴⁰ Project examples are listed under 'Low Carbon Transport' in the Eligible Green Project Categories above.

⁴¹ Project examples are listed under 'Renewable Energy' in the Eligible Green Project Categories above.

⁴² <https://unctad.org/news/why-least-developed-countries-need-urgent-action>

Schedule 2. Contributions to UN SDGs

| Eligible Green Project Categories | UN SDGs | DNV Findings |
|--|--|--|
| Renewable Energy | SDG 7 Affordable and Clean Energy <ul style="list-style-type: none"> Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix | DNV is of the opinion that eligible categories outlined in the Framework contribute to the achievement of the UN SDGs. |
| Energy Efficiency | SDG 7 Affordable and Clean Energy <ul style="list-style-type: none"> Target 7.3: By 2030, double the global rate of improvement in energy efficiency | |
| Pollution Prevention and Control | SDG 11 Sustainable Cities and Communities <ul style="list-style-type: none"> Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management SDG 12 Sustainable Consumption and Production <ul style="list-style-type: none"> Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment | |
| Environmentally Sustainable Management of Natural Resources and Land Use | SDG 2 Zero Hunger <ul style="list-style-type: none"> Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality | |
| Low Carbon Transportation | SDG 11 Sustainable Cities and Communities <ul style="list-style-type: none"> Target 11.2: By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons | |
| Sustainable Water and Wastewater Management | SDG 6 Clean Water and Sanitation <ul style="list-style-type: none"> Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally Target 6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate | |
| Green Buildings | SDG 11 Sustainable Cities and Communities <ul style="list-style-type: none"> Target 11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters | |
| Climate Change Adaptation | SDG 13 Climate Action <ul style="list-style-type: none"> Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning | |

| Eligible Social Project Categories | UN SDGs | DNV Findings |
|---|--|--|
| Employment Generation, SME Financing and Microfinance | SDG 8 Decent Work and Economic Growth <ul style="list-style-type: none"> Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services | DNV is of the opinion that eligible categories outlined in the Framework contribute to the achievement of the UN SDGs. |
| Social Enterprise Financing | SDG 8 Decent Work and Economic Growth <ul style="list-style-type: none"> Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value | |
| Affordable Housing | SDG 11 Sustainable Cities and Communities <ul style="list-style-type: none"> Target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums | |
| Access to Essential Services (including healthcare, education and financing and financial services) | SDG 8 Decent Work and Economic Growth <ul style="list-style-type: none"> Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training Target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all SDG 10 Reduced Inequalities <ul style="list-style-type: none"> Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status | |
| Affordable Basic Infrastructure | SDG 9 Industry, Innovation, and Infrastructure <ul style="list-style-type: none"> Target: 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all | |

Schedule 3. Eligibility Assessment Protocol

1. Use of Proceeds

| Ref. | Criteria | Requirements | DNV Findings |
|------|--------------------------------|---|--|
| 1a | Type of bond / loan | <p>The Bond and Loan must fall in one of the following categories, as defined by the Green/Social Bond and Loan Principles:</p> <ul style="list-style-type: none"> • Green/Social Use of Proceeds Bond • Green/Social Use of Proceeds Revenue Bond • Green/Social Project Bond • Green/Social Securitized Bond • Loan instrument made available for Green/Social project (Green/Social use of loan proceeds) | <p>WOORI's Sustainability Finance Framework clearly states that it intends to issue Sustainability Financing Instruments (SFI) including bonds and loans. Also, the Company clearly indicates that the Framework is established based on the four core components of the GBP 2021, SBP 2023, SBG 2021, GLP 2023 and SLP 2023.</p> |
| 1b | Sustainable Project Categories | <p>The cornerstones of Green/Social/Sustainability Bond/Loan are the utilization of the proceeds of the bond and the loan which should be appropriately described in the legal documentation for the security.</p> | <p>DNV confirms that WOORI intends to use the net proceeds of the sustainability finance instruments to finance the eligible green and social projects listed in Schedule 1.</p> <p>To strengthen the eligibility of projects, the Company also specifies the exclusion criteria as follows:</p> <div> <p>From the Framework</p> <ul style="list-style-type: none"> • <i>Luxury sectors (precious metals wholesale or brokerage, precious minerals wholesale or brokerage, artworks and antiques wholesale or brokerage, golf course services)</i> • <i>Child labor</i> • <i>Forced labor</i> • <i>Adult entertainment</i> • <i>Weapon</i> • <i>Alcohol</i> • <i>Tobacco</i> • <i>Nuclear power generation</i> • <i>Fossil fuel assets (Production, distribution, clean-up operations and R&D operations. Technologies that increase the energy efficiency of fossil fuel production and/or distribution)</i> </div> |
| 1c | Environmental/Social benefits | <p>All designated Green/Social Project categories should provide clear environmentally sustainable/social benefits, which, where feasible, will be quantified or assessed by the Issuer.</p> | <p>Based on the evidence reviewed, including the impact report indicators in the Framework, DNV concludes the designated Green and Social Project Categories will lead to clear environmentally and socially sustainable benefits.</p> |

| Ref. | Criteria | Requirements | DNV Findings |
|------|-------------------|---|--|
| 1d | Refinancing Share | In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced. | In the Framework, WOORI indicates that the proceeds of sustainability finance instruments issued could be used for refinancing activities with a three-year (36 months) look-back period. The Company commits to disclosing the share of financing and refinancing in its annual impact reporting. |

2. Process for Project Selection and Evaluation

| Ref. | Criteria | Requirements | DNV Findings |
|------|---|---|---|
| 2a | Investment-decision process | <p>The Issuer of a Green/Social/Sustainability Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Green/Social/Sustainability Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> A process to determine how the projects fit within the eligible Green/Social Projects categories identified in the Green/Social Bond/Loan Principles; The criteria making the projects eligible for using the Green/Social/Sustainability Bond/ Loan proceeds; The environmental sustainability/social objectives Complementary information on process by which the issuer identifies and manages perceived environmental/social risks associated with the relevant project | <p>List of eligible project candidates, which meet all internal lending criteria in the ordinary course of its business, will be prepared by the Company's business units, and submitted to its Green, Social and Sustainability Financing Working Group ("GSSFVG"). For final selection, the GSSFVG will evaluate the projects against the eligibility criteria set forth in the Framework. GSSFVG is comprised of representatives from an array of departments including from ESG Planning, Treasury, Co-Prosperity Banking, Housing Fund, Corporate Customer, Corporate Banking Solution, Global Business Promotion, and Corporate & Investment Business.</p> <p>Moreover, in all loan screening and credit assessment, the Company considers the Woori Financial Group's ESG finance principles, which have been established to mitigate environmental and social risks in its business activities, namely in three pillars of green, social, and inclusive finance. In this regard, ESG factors such as ethics, safety, environment, working conditions and the Company's sustainability targets are incorporated into processes such as customer verification and customer due diligence. Regarding large-scale project financing, WOORI conducts additional screening through an independent consulting company for high-risk cases and continuously communicates with loan takers to manage environmental and social risks identified during the business period.</p> |
| 2b | Issuer/borrower's environmental and social and governance framework | In addition to information disclosed by an issuer on its Green/Social/Sustainability Bond/Loan process, criteria and assurances, Green/Social/Sustainability Bond/Loan investors may also take into consideration the quality | <p>As a subsidiary of the Woori Financial Group, WOORI pursues the Group's core ESG strategies, which include (1) expansion of eco-friendly management; (2) creation of social value; and (3) enhanced transparent management.</p> <p>In an effort to integrate ESG and into its management activities, the Group has developed its own ESG finance principles with a focus on providing financial products and</p> |

| Ref. | Criteria | Requirements | DNV Findings |
|------|----------|--|--|
| | | of the issuer's overall framework and performance regarding environmental and social sustainability. | <p>services that aim to mitigate environmental and social risks, thereby contribute to sustainable development.</p> <p>In line with the Group's finance principles, WOORI has continuously issued ESG bonds since 2019, which amount to over US 4.5bn used to finance green and social projects including renewables, green building, and support for low-income population.</p> |

3. Management of Proceeds

| Ref. | Criteria | Requirements | DNV Findings |
|------|--------------------|---|--|
| 3a | Tracking procedure | The net proceeds of Green/Social/Sustainability Bond/Loan should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green/Social Projects. | <p>According to the Framework, WOORI will establish the SFI Register which will be managed by GSSFWG. The Register will include an array of information such as the details of the SFI issued, tracked net proceeds, balance of unallocated net proceeds.</p> <p>From the Framework</p> <p>(1) <i>Details of the SFI: ISIN, issue date, maturity date, interest rate or coupon, etc.</i></p> <p>(2) <i>Details of the use of proceeds, including;</i></p> <ul style="list-style-type: none"> <i>Amount of net proceeds earmarked for each eligible project and/or eligible category;</i> <i>Summary of eligible projects and expenditures to which the bond proceeds have been earmarked in accordance with the Framework;</i> <i>Any unallocated proceeds yet to be earmarked for eligible projects and expenditures; and</i> <i>Other necessary information</i> |
| 3b | Tracking procedure | So long as the Green/Social/Sustainability Bond/Loan is outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period. | <p>According to the Framework, the Register, which will keep track of the use of proceeds for each SFI, will be reviewed by GSSFWG on a regular basis.</p> |
| 3c | Temporary holdings | Pending such investments or disbursements to eligible Green/Social Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds. | <p>The Framework explains the treatment of unallocated funds.</p> <p>From the Framework</p> <p><i>Pending the full allocation of the net proceeds, all or a portion of the net proceeds will be held in accordance with Woori Bank's general liquidity management policies. The unallocated can be invested in cash, cash equivalents, investment grade securities or other marketable securities and short-term instruments or other capital management activities. The net proceeds may be swapped or hedged into different currencies subject to the company's needs.</i></p> |

4. Reporting

| Ref. | Criteria | Requirements | DNV Findings |
|------|----------------------|---|--|
| 4a | Periodical reporting | In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Green/Social/Sustainability Bond/Loan proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally and social sustainable impact. | <p>WOORI commits to report on the allocation and impact of the proceeds on the Company's website within approximately one year after the issuance and on an annual basis until the full allocation of the proceeds.</p> <p>From the Framework</p> <p><i>The reporting will include allocation reporting and impact reporting (if available) and will be publicly available on Woori Bank's internet website. The reporting will be available to investors within approximately one year from the date of the bond issuance and yearly thereafter until the bond proceeds have been fully allocated.</i></p> <p>The Framework explains the proposed Allocation Reporting.</p> <p>From the Framework</p> <p><i>Allocation reporting</i></p> <ul style="list-style-type: none"> • Confirmation that the use of net proceeds of each SFI complies with this Framework; • The total amount allocated and breakdown per Eligible Category; • The balance amount of unallocated net proceeds; and • Share of new financing and refinancing <p>Also, the Framework provides relevant impact metrics for each category of Eligible Projects, which will be included in the annual Impact Reporting.</p> |

Appendix 1. Summary of MAFRA's Labels for Organic Agricultural Products

MAFRA's eco-friendly livestock product labelling system is used to foster environment-friendly farming with an aim to protect the environment and systematically produce and distribute sustainable agricultural products. The key takeaways are as follows:

| | MAFRA's Organic Agricultural Products Labels ⁴³ |
|--|--|
| Background | Under the Act on the Management and Support for the Promotion of Eco-Friendly Agriculture/Fisheries and Organic Foods (New Organic Act) an organic certification issued by Korea's accredited certifying agents is required for both fresh (unprocessed) produce and livestock products. |
| Category of Certification | <ul style="list-style-type: none"> Organic produce: organic and no-pesticide Livestock products: organic livestock and antibiotic-free livestock |
| Verification and Assessment Process | <p>The overall certification process is the same for both organic produce and livestock products.</p> <ul style="list-style-type: none"> Application for certification Documentation review On-site inspection Certification decision Certificate issuance Regular inspections |
| Other considerations | Organic agricultural produce and livestock products complying with the U.S. organic standards or international standards still require certification from a NAQS (National Agricultural Product Quality Management Service in Korea)-accredited certification agency. |

⁴³https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20Report_Seoul_Korea%20-%20Republic%20of_3-22-2019.pdf

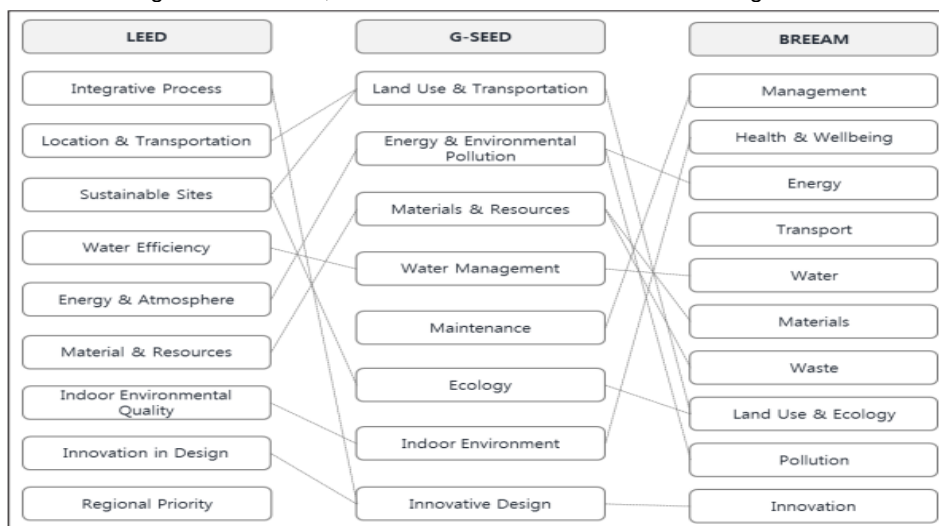
Appendix 2. Comparison of Green Building Certifications

Key comparison of Leadership in Energy and Environmental Design (LEED), BREEAM, and Green Standard for Energy and Environmental Design (G-SEED) certification schemes are as follows:

| | LEED ⁴⁴ | BREEAM ⁴⁵ | G-SEED ⁴⁶ |
|---------------------------------------|---|--|--|
| Country/ Agency | US/ US Green Buildings Council (private org.) | UK/ Building Research Establishment (private org.) | ROK/ Ministry of Land, Infrastructure & Transport and Ministry of Environment |
| Year introduced | 2000 | 1990 (world's first) | 2002 (amended in 2016) |
| Legal Basis | None | None | Green Building Act 2006 |
| Objective | Reduce the use of resources; actively pursue the reuse of material, etc. | Mitigate the life cycle impacts of buildings on the environment; recognize buildings according to their environmental benefits, etc. | Comprehensively assess buildings' environmental friendliness |
| Scope | New buildings | New constructions, in use buildings, and refurbishments, etc. | New buildings Existing buildings Green remodelling (Mandatory for publicly funded buildings exceeding 3,000m ²) |
| Assessment Categories (Fig. 1) | 9 | 10 | 8 |
| Level of Certification | Platinum (80+ points) Gold (60-79 points) Silver (50-59 points) Certified (40-49 points) | Outstanding Excellent Very Good Good Pass | Grade 1 (above 80 points) Grade 2 (above 70 points) Grade 3 (above 60 points) Grade 4 (above 50 points) |
| Other considerations | Internationally recognized | Used in more than 70 countries | Widely used in Republic of Korea |

In all three schemes, the energy and environmental pollution category constitute the largest portion of the assessment.⁴⁷

Figure 1: G-SEED, LEED and BREEAM Assessment Categories⁴⁸



⁴⁴ <https://www.usgbc.org/>

⁴⁵ <https://bregroup.com/products/breeam/>

⁴⁶ gbc.re.kr/app/info/outline.do

⁴⁷ https://www.kieae.kr/_common/do.php?a=full&b=12&bidx=156&aidx=1803

⁴⁸ https://www.researchgate.net/publication/323455761_Analysis_of_Green_Building_Certification_System_for_Developing_G-SEED

Schedule 4. Sustainability Financing Framework External Review Form

Section 1. Basic Information

Issuer name:

Woori Bank

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:

Woori Bank Sustainability Financing Framework 2023

Independent External Review provider's name:

DNV Business Assurance Korea Ltd.

Completion date of this form:

1 September 2023

Publication date of review publication:

4 September 2023

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP and GLP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Based on the information provided by WOORI and the work undertaken, it is DNV's opinion that the Sustainability finance Framework meets the criteria established in the Protocol and are aligned with the GBP 2021, SBP 2023, SBG 2021, GLP and SLP 2023.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

WOORI intends to use the proceeds of Sustainability finance Instruments issued under the Framework to finance or refinance Eligible Projects that fall under the Eligible Green/Social Categories in the Framework. DNV concludes that the Eligible Projects are aligned with the GBP 2021, SBP 2023, SBG 2021, GLP and SLP 2023.

Use of proceeds categories as per GBP:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
|--|---|

- | | |
|--|---|
| <input checked="" type="checkbox"/> Pollution prevention and control | <input checked="" type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input checked="" type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): Sustainable Agriculture |

If applicable please specify the environmental taxonomy, if other than the GBP: EU Taxonomy and Climate Bonds Taxonomy

Use of proceeds categories as per SBP:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Affordable basic infrastructure | <input checked="" type="checkbox"/> Access to essential services |
| <input checked="" type="checkbox"/> Affordable housing | <input checked="" type="checkbox"/> Employment generation / programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises |
| <input type="checkbox"/> Food security and sustainable food systems | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input type="checkbox"/> Other (<i>please specify</i>): Response to Health and Natural Disaster Crisis |

If applicable please specify the social taxonomy, if other than SBPs: N/A

Target populations:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Living below the poverty line | <input checked="" type="checkbox"/> Excluded and/or marginalised populations and /or communities |
| <input checked="" type="checkbox"/> People with disabilities | <input checked="" type="checkbox"/> Migrants and /or displaced persons |
| <input type="checkbox"/> Undereducated | <input checked="" type="checkbox"/> Underserved, owing to a lack of quality access to essential goods and services |
| <input checked="" type="checkbox"/> Unemployed | <input checked="" type="checkbox"/> Women and/or sexual and gender minorities |
| <input type="checkbox"/> Aging populations and vulnerable youth | <input type="checkbox"/> Other vulnerable groups, including as a result of natural disaster/socioeconomic crisis/pandemic |
| <input type="checkbox"/> Other (please specify): | |

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

List of eligible project candidates will be prepared by the Company's business units and submitted to its Green, Social and Sustainability Financing Working Group (GSSFVG). For final selection, GSSFVG will evaluate the projects against the eligibility criteria set forth in the Framework. The GSSFVG is comprised of representatives from an array of departments including from ESG Planning, Treasury, Co-Prosperity Banking, Housing Fund, Corporate Customer, Corporate Banking Solution, Global Business Promotion, and Corporate & Investment Business.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's green/social objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|

- | | |
|---|---|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green/Social/Sustainability Bond/Loan proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

WOORI will establish a SFI Register to allocate and track the net proceeds, which will be regularly reviewed by the GSSFWG. The information managed through the Register will include details of the bond/loan issuances and the use of proceeds such as summary of eligible projects, amount of allocated proceeds and balance of unallocated proceeds.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green/Social/Sustainability bond/loan proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

Within a year following the issuance of the sustainability finance instruments, WOORI will report on the allocation and impact of the net proceeds allocated to the eligible green/social projects and report on an annual basis thereafter until full allocation.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input checked="" type="checkbox"/> Green/Social/Sustainability bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
|--|--------------------------------------|

☐ Other (please specify):

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |
| <input checked="" type="checkbox"/> Target populations | <input type="checkbox"/> Other ESG indicators (please specify): Amount of financial benefits |

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): WOORI will publish the allocation/impact reports on WOORI's website |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g., to review provider methodology or credentials, to issuer's documentation, etc.)

WOORI website:
<https://spot.wooribank.com/pot/Dream?withyou=en>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

DNV Business Assurance Korea Ltd.

Date of publication:

4 September 2023

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND GLP.

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.



WHEN TRUST MATTERS

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

The trademarks DNV®, DNV® and Det Norske Veritas® are the properties of companies in the Det Norske Veritas group. All rights reserved.