



Mirae Asset Daewoo Co., Ltd.

**GREEN, SOCIAL AND SUSTAINABILITY
BOND FRAMEWORK**

April 2019

1. Background

Mirae Asset Daewoo Co., Ltd. (“Mirae Asset Daewoo” or “the Group”) is one of Korea’s leading financial institutions with investment activities firmly based on solid investment principles and know how accumulated with its professional experiences. The Group strives to provide its clients with greater value and contribute to creating a vibrant society through investment.

The Group’s headquarter is located in Korea. As of FY2018, the Group carried out its business activities through its global network comprising 136 domestic branches, 3 representative offices (in Beijing, Shanghai and Ho Chi Minh City) and 11 overseas subsidiaries (includes United States, U.K., Hong Kong, Brazil, Vietnam, Indonesia, China(Beijing), Singapore, Mongolia and India). The Group has set up specialization strategies customized to the unique regional characteristics to sharpen our competitive edge in the global market.

The Group generates its revenue primarily through the following five reportable operating business segments and prepares its segment reporting information accordingly for the purposes of resource allocation and assessment of each segment’s performance:

- **Wealth Management:** providing securities brokerage to individual customers and non-professional investors, offering products of wealth management and financial consulting services;
- **Investment Banking:** conducting corporate finance businesses such as various funding and mergers and acquisitions (“M&A”) advisory, among others;
- **Sales and Trading:** trading bonds, providing brokerage services, supplying derivatives, hedge fund management and sales, as well as executing principal investment and proprietary trading;
- **Wholesale:** conducting sales of various financial instruments to corporate customers, providing domestic equity and derivatives brokerage and related services to domestic institutional investors; and
- **Principal Investment and Others:** conducting principal investment, supporting parts of the Group’s headquarter and carrying out operating activities other than those mentioned above

Mirae Asset Daewoo’s Sustainability Business Strategy

Mirae Asset Daewoo is committed to doing its business in a sustainable way throughout the entire business lifecycle from product development to sales, customer care, investment, and asset management. This enables the Group to maximize its business performance, while providing clients with long-term and systematic asset management services.

When making investment decisions, Mirae Asset Daewoo is not only considering its return on investment, but also pursuing to execute investments with positive social impact. The Group strives to make eco-friendly investments, for example on the area of new and renewable energy, develop products and services to deal with the aging population, and provide funding for small medium enterprises (SMEs).

SRI (Socially Responsible Investment) Fund and Investment Principles

Mirae Asset Daewoo is fulfilling its social responsibilities through SRI funds, such as the Mirae Asset Green Index Fund, while supporting companies holding green technologies with paid-in capital increase and initial public offering (IPO), and make direct investments.

Mirae Asset Daewoo provides financing solutions for a wide range of projects for renewable generation to respond to global climate change. Mirae Asset Daewoo is providing financial advisory, brokerage and agency services to renewable projects including, a 105 MW solar project in Chile and a 25MW solar power in Geogum Island.

In addition, the Group offers financial services that are specialized for SMEs and small giants, thereby contributing to the policy of joint growth through finance. As an example, in collaboration with Mirae Asset Venture Investments, Mirae Asset Daewoo has released the Mirae Asset New Growth Venture Investment Association Trust in 2017, where Mirae Asset Group makes joint investment along with partners with strong reliability, such as Mirae Asset Venture Investment, to support financing for promising venture companies. The Group provides individual customers with investment opportunities into medium-sized enterprises and small giants with high growth potential while helping SMEs raise their funds.

The Group is also focused in making the best efforts to ensure financial minorities, including the disabled and senior, have access to financial services in any circumstances by obtaining web accessibility certification for our website and operating ARS services, voice recognition service, and chatting service for the visually impaired.

2. Mirae Asset Daewoo's Green, Social and Sustainability Bond Framework

Mirae Asset Daewoo intends to issue a series of Green, Social and Sustainability Bonds ("GSS Bonds") to fulfill its economic, environmental and social responsibilities. Green, Social and Sustainability Bond Framework has been developed to facilitate transparency, disclosure, integrity and quality in Mirae Asset Daewoo's GSS Bonds for interested investors and stakeholders.

Financing may include instruments such as investments and loans that contribute to sustainable development by earmarking the proceeds for projects and expenditures that fall within the Eligible Project Categories (as described below).

The Framework has been developed to address the four key pillars of the Green Bond Principles ("GBP") 2018, Social Bond Principles ("SBP") 2018, and the Sustainability Bond Guidelines ("SBG") 2018:

1. Use of Proceeds
2. Projects Evaluation and Selection
3. Management of Proceeds
4. Reporting

The framework also covers External Review, and the Framework may be subsequently revised or updated as the sustainable finance market continues to evolve.

2.1 Use of Proceeds

An amount equal to the net proceeds of Mirae Asset Daewoo’s GSS Bond will be used to finance and/or refinance, in whole or in part, new or existing projects (“Eligible Projects”) from any of the Eligible Project Categories as defined below. Eligible products include new investments through acquisition of equity stakes in project SPV or funds and loans, and refinancing of existing projects that have been executed within 36 months prior to the date of issuance of the bond.

The net proceeds or an amount equal to the net proceeds of a Green Bond and/or a Social Bond issued under the Framework will be allocated to projects or lending that fall under the Green Eligible Categories set forth in Section 2.1.1 below or the Social Eligible Categories set forth in Section 2.1.2 below, respectively. The net proceeds or an amount equal to the net proceeds of a Sustainability Bond will be allocated to a combination of Green and Social Eligible Categories.

2.1.1 Green Eligible Categories

Eligible Project Categories	Eligible Criteria	Example / Eligible Projects	UN SDG
Renewable energy	Technology and related infrastructure supporting the production of renewable energy such as solar energy, hydro-power, wind power and bioenergy	<ul style="list-style-type: none"> Solar cell production Solar energy generation (including building-integrated photovoltaics, and solar thermal technology) Biomass energy generation from waste biomass (including marine, agriculture, forest) without co-firing with fossil fuel, following the waste hierarchy Ocean energy generation (ocean thermal energy, tidal power generation) Hydro-power projects Wind power generation 	Goal 7: Affordable and Clean Energy
Green Building	Acquisition, construction or renovation of green buildings that qualified for recognized Green Building Standards ¹	<ul style="list-style-type: none"> Green buildings that meet recognized Green Building Standards: LEED Gold and above, BREEAM Excellent and above, HQE Excellent and above, BBC-Effinergie+ and national equivalents with minimum standards such as G-SEED 2 (Green Standard for Energy and Environmental Design) based on the Act on Development and Support of Green Buildings 	Goal 11: Sustainable cities and communities

¹ Recognized Green Building Standards: LEED Gold or higher, BREEAM Excellent and above, HQE Excellent and above, BBC-Effinergie+ or G-SEED 2 or higher (Green Standard for Energy and Environmental Design) that is based on the Act on Development and Support of Green Building

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 waste water recycling 	Goal 6: Clean water and sanitation
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2.1.2 Social Eligible Categories

Eligible Categories	Eligible Projects	UN SDG
SME financing and microfinance	<ul style="list-style-type: none"> • Loans to or direct investments in start-ups, venture companies² and SMEs that meet one of below criteria: <ul style="list-style-type: none"> – Companies formed by Business Starters (and re-restarter) defined under Support for Small and Medium Enterprise Establishment Act³ with management under age of 39 or 50% of employees under age of 39 – Companies certified as ‘Good Employment Company’ by the central or local government⁴ 	Goal 8: Decent work and economic growth
Affordable housing	<ul style="list-style-type: none"> • Investment in public housing projects provided in accordance with “Happy House” criteria⁵ and “Publicly Supported Private Rental Housing” criteria⁶ set by the Ministry of Land, Infrastructure and Transport (MOLIT) <ul style="list-style-type: none"> – Housing for newlyweds, single parent, college students or person between age of 19 and 39 who does not own a house and meet standards set by MOLIT Low income Families or individuals with financially dependent(s) aged over 65 	Goal 11: Sustainable cities and communities

2.1.3 Exclusionary Criteria

The following industries and/or activities are excluded from consideration for eligibility:

- Luxury sectors (precious metals wholesale or brokerage, precious minerals wholesale or brokerage, artworks and antiques wholesale or brokerage, golf course services);
- Child labour;
- Adult entertainment;
- Weapon;
- Alcohol;
- Tobacco;
- Fossil fuel (e.g. production, distribution, remediation and associated energy efficiency technologies);
- Nuclear power;

² Start-ups and venture companies are defined in Act on Special Measure for the Promotion of Venture Businesses and the Article 2 of the Enforcement Decree of the Framework Act on Small and Medium Enterprises. Full article can be found from this website:

<http://law.go.kr/LSW/eng/engMain.do>

³ Business Starters are defined in the Support for Small and Medium Enterprise Establishment Act. Full article can be found from this website: <http://law.go.kr/LSW/eng/engMain.do>

⁴ Example of selected companies can be viewed from this website:

http://www.moel.go.kr/local/jinju/news/notice/noticeView.do?bbs_seq=20190200076

⁵ Eligible tenant criteria for Happy House as defined in Enforcement Regulation of Special Act on Public Housing. Full article can be found from this website: <http://law.go.kr/LSW/eng/engMain.do>

⁶ Eligible tenant criteria for Publicly Supported Private Rental Housing as defined in Enforcement Regulation of Special Act on Private Rental Housing. Full article can be found from this website: <http://law.go.kr/LSW/eng/engMain.do>

- Large-scale hydro-power projects with a generating capacity of over 25 megawatts; and
- Biomass suitable for food production

2.2 Project Evaluation and Selection

The Project Evaluation and Selection Process is a key process in ensuring that the net proceeds raised by the Mirae Asset Daewoo's Sustainability Bond are allocated to projects and assets which meet the eligibility criteria as defined in Section 2.1.

Potentially eligible projects for the use of net proceeds of each bond issued under the Framework will first be identified and proposed by Mirae Asset Daewoo's business units. These projects will need to meet all investment and lending criteria established by Mirae Asset Daewoo for lending in the ordinary course of its business.

Mirae Asset Daewoo established a dedicated Green, Social and Sustainability Bond Working Group ("GSSBWG") that will assess the environmental and social impact of potential eligible projects by screening customer information against the Eligible Use of Proceeds set forth in Section 2.1, and will make recommendation for inclusion as Eligible Use of Proceeds. GSSBWG is made up of representatives from the follow teams / departments:

- Business Innovation Team
- Business Management Team
- Treasury Team
- Investor Relations Team / Public Relations Team
- Investment Banking Division / Alternative and Principal Investment Department
- Risk Policy Team / Market Risk Management Team / Credit Risk Management Team
- Corporate Finance Assessment Team / Investment Finance Assessment Team

Annually, the GSSBWG will review the allocation of the GSS Bond proceeds to the Eligible Projects and determine if any changes are necessary. The GSSBWG will ensure that all projects included under the Eligible Use of Proceeds still align with the Eligible Criteria or determine if replacement / deletion / additions are necessary.

2.3 Management of Proceeds

The net proceeds of GSS Bond will be deposited in Mirae Asset Daewoo's Treasury Portfolio. An amount equivalent to the net proceeds shall be allocated for the financing and / or refinancing of existing or new Eligible Projects. Mirae Asset Daewoo's treasury team will track the net proceeds through a separate GSS Bond Register (the "Register") that includes details on issuing terms of GSS Bond and amount allocated to Eligible Projects.

The Register will be reviewed annually by the GSSBWG to account for any re-allocation, repayments or drawings on the Eligible Projects and expenditures within the pool.

Pending the full allocation of the net proceeds, all or a portion of the net investments proceeds will be held in accordance with Mirae Asset Daewoo'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.

Mirae Asset Daewoo may issue GSS Bond in any currency, jurisdiction and market reflecting its current and future business needs. The net proceeds can be swapped or hedged into different currencies subject to the company's needs.

2.4 Reporting

The reporting will include allocation reporting and impact reporting and will be publicly available on Mirae Asset Daewoo's internet website.

Allocation report

The allocation reporting will be available to investors within approximately one year from the date of the bond/loan issuance and yearly thereafter until the bond/loan proceeds have been fully allocated and in case of any material changes.

- Confirmation that the use of net proceeds of each bond complies with this Framework;
- The total amount allocated to Eligible Use of Proceeds and breakdown per eligible category; and
- The balance amount of unallocated net proceeds

Impact report

Until full allocation, Mirae Asset Daewoo will provide annual impact reporting on relevant impact metrics for each category of Eligible Projects on a best effort basis.

Eligible Project Categories	Reporting Indicators
Environmental Impact	<ul style="list-style-type: none"> • kWh of power generated from renewable energy • Tonnes of GHG avoided • Tonnes of water treated • Type of certification and number of Green Buildings
Social Impact	<ul style="list-style-type: none"> • Amount of financing provided to start-ups, venture companies and SMEs • Number of start-ups, venture companies and SMEs financed • Amount of financing provided for public housing

External Reviews

Second Party Opinion

Mirae Asset Daewoo has engaged Sustainalytics to provide an independent third party to provide assurance on Mirae Asset Daewoo's Green, Social and Sustainability Bond Framework and its alignment with the GBP, SBP and SBG. The opinion from Sustainalytics ("Second Party Opinion") will be made available on Mirae Asset Daewoo's internet website.