

ESG HIGHLIGHT



‘Do the Right Thing for a Wonderful World’

2023 Shinhan ESG Finance Makes the World a Better Place

Top 10 ESG News

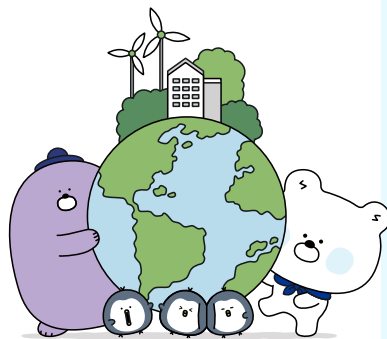
Shinhan Financial Group continued various ESG activities in 2023 in collaboration with stakeholders.

Beyond mere business operations, we strive to gather sincere efforts from all employees to become a warm financial institution that contributes to the future of our society together.

We introduce the 'Shinhan Top 10 ESG News,' showcasing Shinhan Financial Group's efforts and achievements in realizing 'Do the Right Thing for a Wonderful World.'

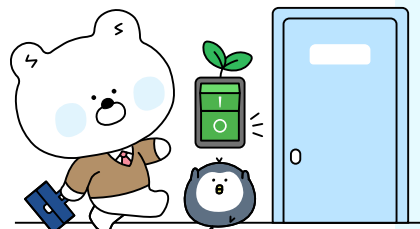
Sustainable Finance

- Establishment of Transition Finance Policy
- Establishment of a Virtuous Cycle of Green Finance



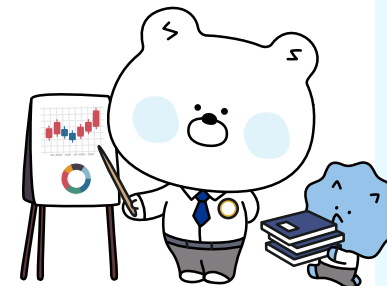
Environmental

- Shinhan Financial Group, Serious About Energy
- Shinhan Financial Group's Resource Circulation
- Publishing the First Biodiversity Report of a Financial Institution in Korea



Social

- Expanding Win-Win Finance
- Gracious Companionship
- Strengthening Financial Education



Governance

- Establishment of the Group's ESG Data Platform
- Protecting Financial Consumers



Establishment of the Group's ESG Data Platform

As interest in ESG management grows around the world, regulations and requirements from various organizations are increasing. In particular, ESG-related data management and performance analysis have become essential for companies. Shinhan Financial Group aims to gather data from 15 group companies and the holding company to a single location and establish a system managing the data systematically to disclose ESG information. We have thus developed an ESG data platform for the first time as a Korean financial group in 2023 and are playing a leading role in the ESG field.

Key Features of Shinhan Financial Group's Data Platform

Expanding the Scope of ESG Information

Shinhan Financial Group aims to manage ESG data, overseen individually by each group company, more thoroughly on a single platform. We enabled each group company and their subsidiaries to enter their ESG data into the platform. In addition, we expanded the previous environmental management data items to include not only environmental, social, and governance items but also ESG loans and investments, and even cover data required for mandatory disclosures and ESG evaluation criteria. We will continue to expand applicable companies, data items and so on while upgrading the ESG data platform to allow easy checking and management of necessary ESG data.

Expanding the Scope of ESG Information

The biggest feature of the IT-utilizing data platform is that the platform can process the data within the system, automatically calculating the data necessary for Shinhan and generating required reports based on such results, only by entering data values into the platform. This reduces errors in manual calculations and enhances scalability so that we can always derive data we need even while minimizing the amount of input.

Managing ESG Activities and Handling Disclosures

The platform gathers various data to a single system and enables ESG activities' performance monitoring of each group company and of each area through dashboards within the platform. We can also review the level of ESG practice by checking the target achievement rate for ESG strategies. We are also strictly managing the ESG data to ensure that requisite items for disclosure are included.

Platform Screen Images (Example)



ESG Data Platform Structure

Each group company enters data for external disclosure into the platform.

Managing ESG performance targets



Analyzing and evaluating ESG data performance



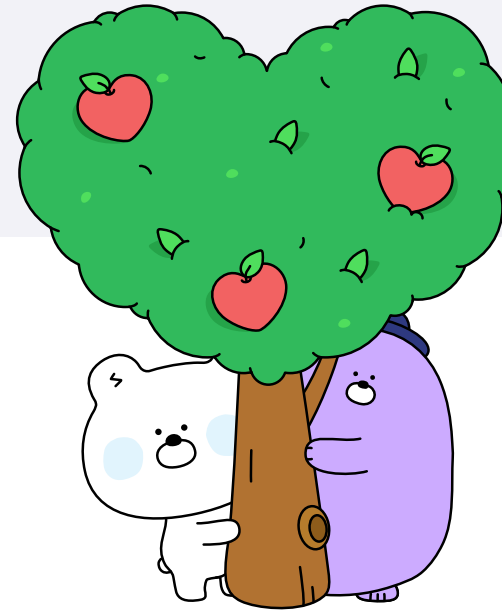
Deriving monthly and quarterly statistics



Measuring and estimating carbon emissions



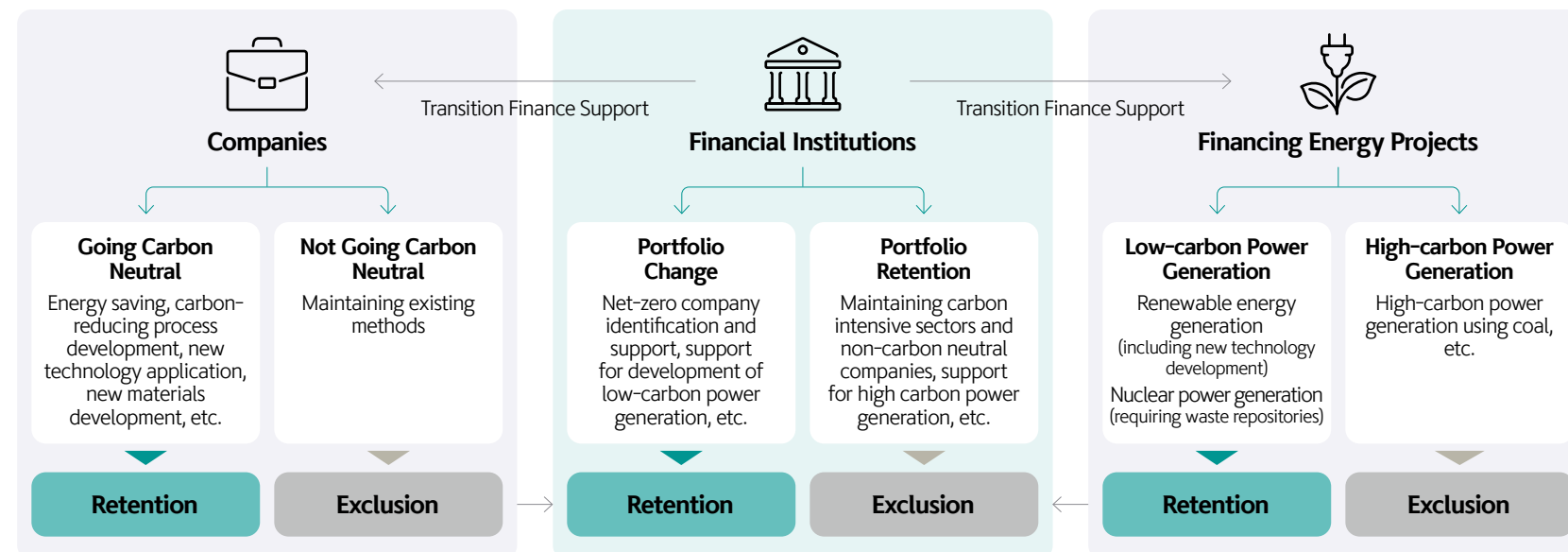
Establishment of the Transition Finance Policy



Shinhan Financial Group recognizes the importance of reducing financed emissions* to combat climate change and achieve carbon neutrality. We established a plan to promote transition finance for eco-friendly transition in 2022 and began a full-scale implementation in 2023. We also established the transition finance policy statement for the first time as a Korean financial group.

Background of the Transition Finance Policy

Reducing "exposure" such as loans, financial support and investments to carbon-intensive industries is one way to reduce financed emissions, but reducing exposure does not solve the fundamental problem of climate change. Rather, divested companies may still obtain financing from non-bank financial institutions that have relatively less strict carbon reduction regulations, and if banks are unable to continue their relationships with companies due to divestment, banks will no longer be able to advise companies on reducing their emissions. Hence, instead of divesting from carbon-intensive industries, Shinhan Financial Group is supporting transition finance for eco-friendly transition and addressing the challenges of carbon reduction for financial companies.

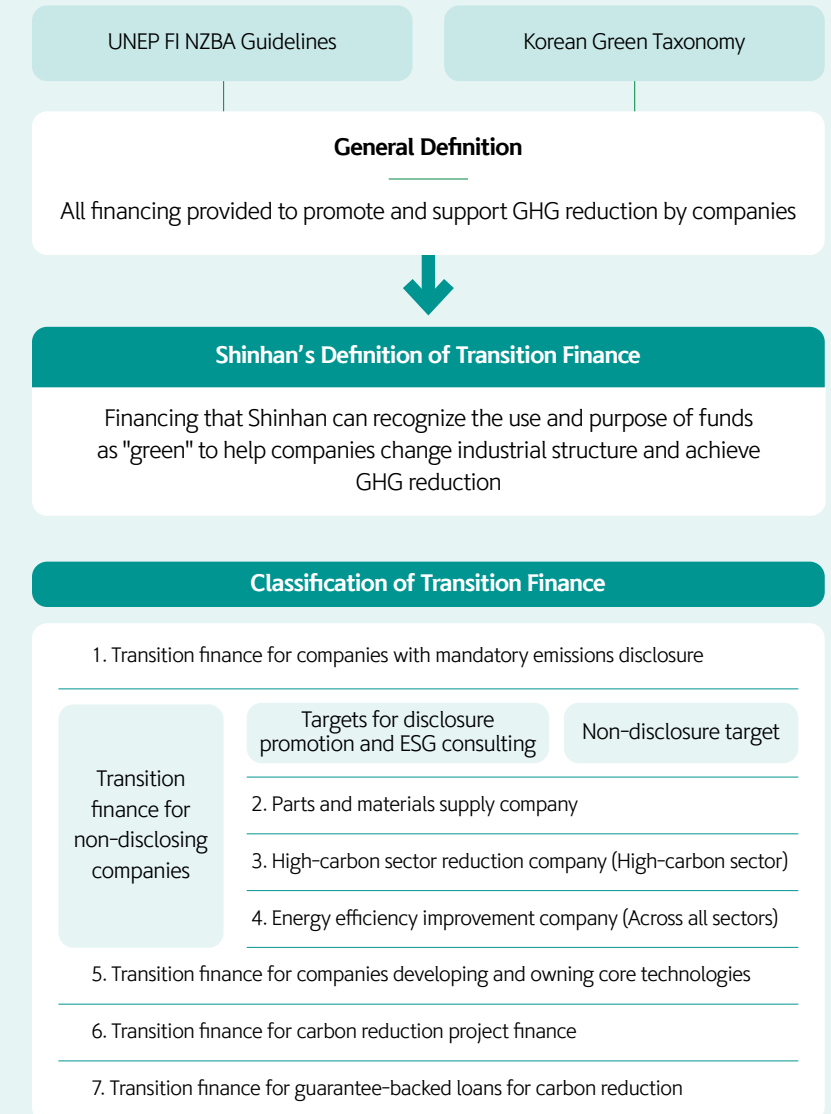


*Financed emissions: Greenhouse gas emissions indirectly generated by a financial institution through the management of financial assets such as investments, loans, and insurance

Transition Finance Policy

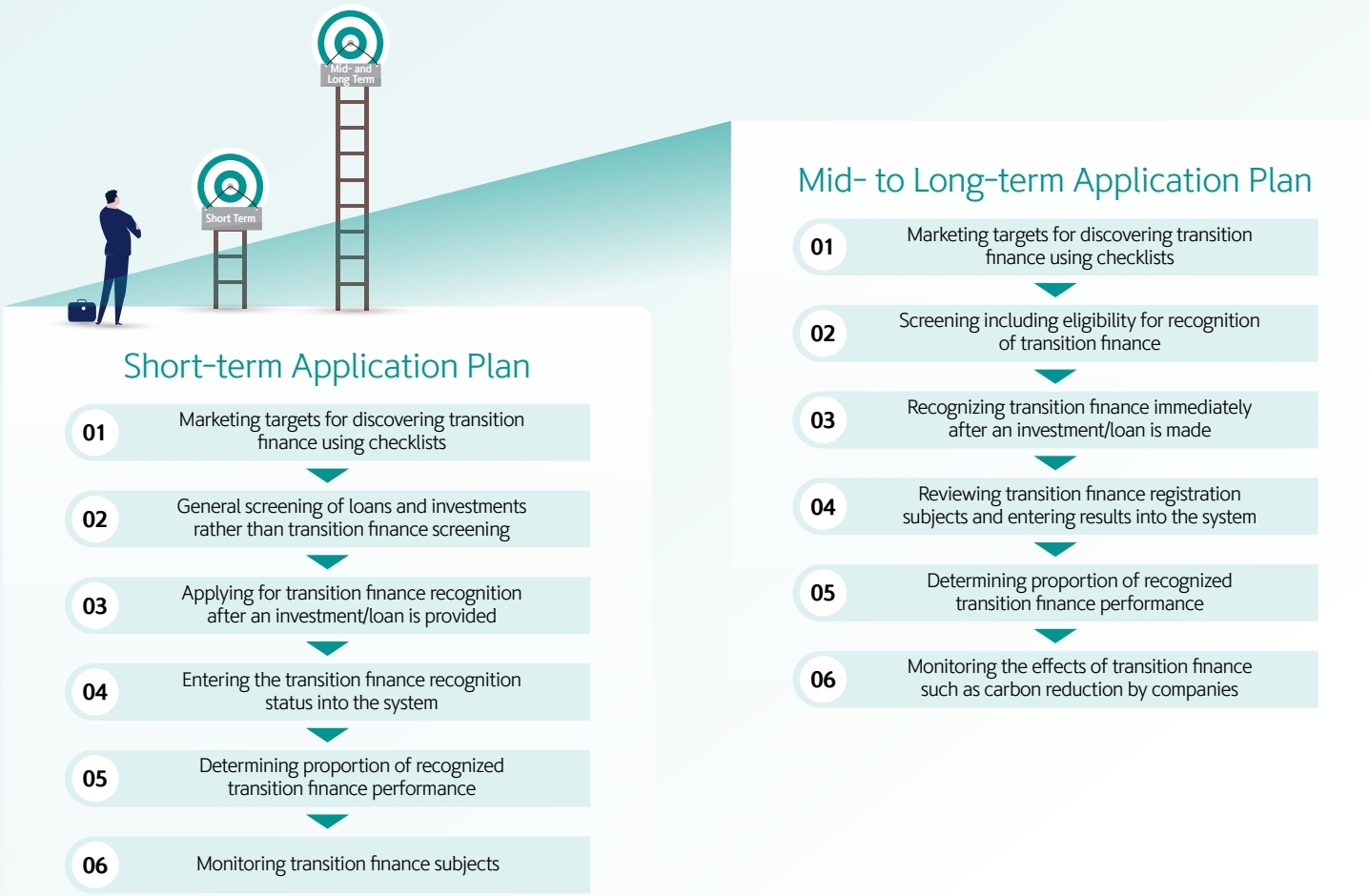
Defining Transition Finance Targets

Transition finance refers to financial transformation such as loans and investments provided to promote and support GHG reduction by companies. Shinhan Financial Group considers the general definition of transition finance based on the guidelines of the UNEP FI Net Zero Banking Alliance (NZBA) and the Korean Green Taxonomy as well as distinct features of the domestic industry.



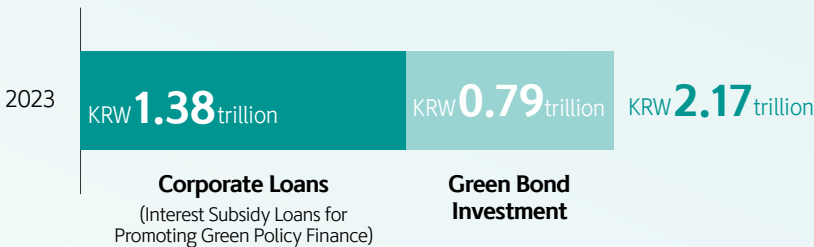
Process for Recognizing Transition Finance

The method of calculating the performance of financial activities in terms of “transition finance” is a process of evaluating which financial activities contribute to the achievement of carbon neutrality. Typically, a loan or an investment is registered and acknowledged as transition finance when it is implemented, and its contributions are analyzed thereafter. Thus, branch offices must have a clear understanding of transition finance before investment. As Shinhan Financial Group is in the early stage of implementing transition finance, we have broadly defined the scope in consideration of the distinct features of the domestic industry and the situation of Shinhan Financial Group, while differentiating the short-term application plan with the mid- and long-term application plan. In the short term, we plan to determine whether a loan or an investment corresponds to transition finance after screening, and in the mid- to long-term, we plan to determine the transition finance status when a loan or an investment is screened and made.



Transition Finance Performance

Shinhan Financial Group has supported transition finance in various ways since it started promoting transition finance. We will continue to reduce financed emissions by facilitating the low-carbon transition of carbon-intensive economic entities and expand transition finance to various portfolios so that Shinhan's investment portfolio can succeed in the low-carbon transition.

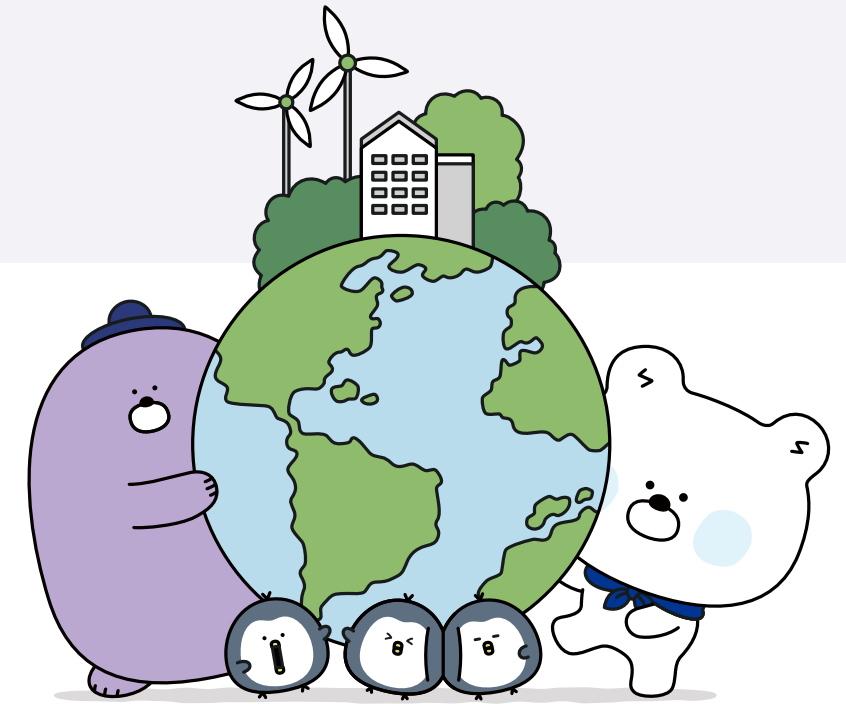
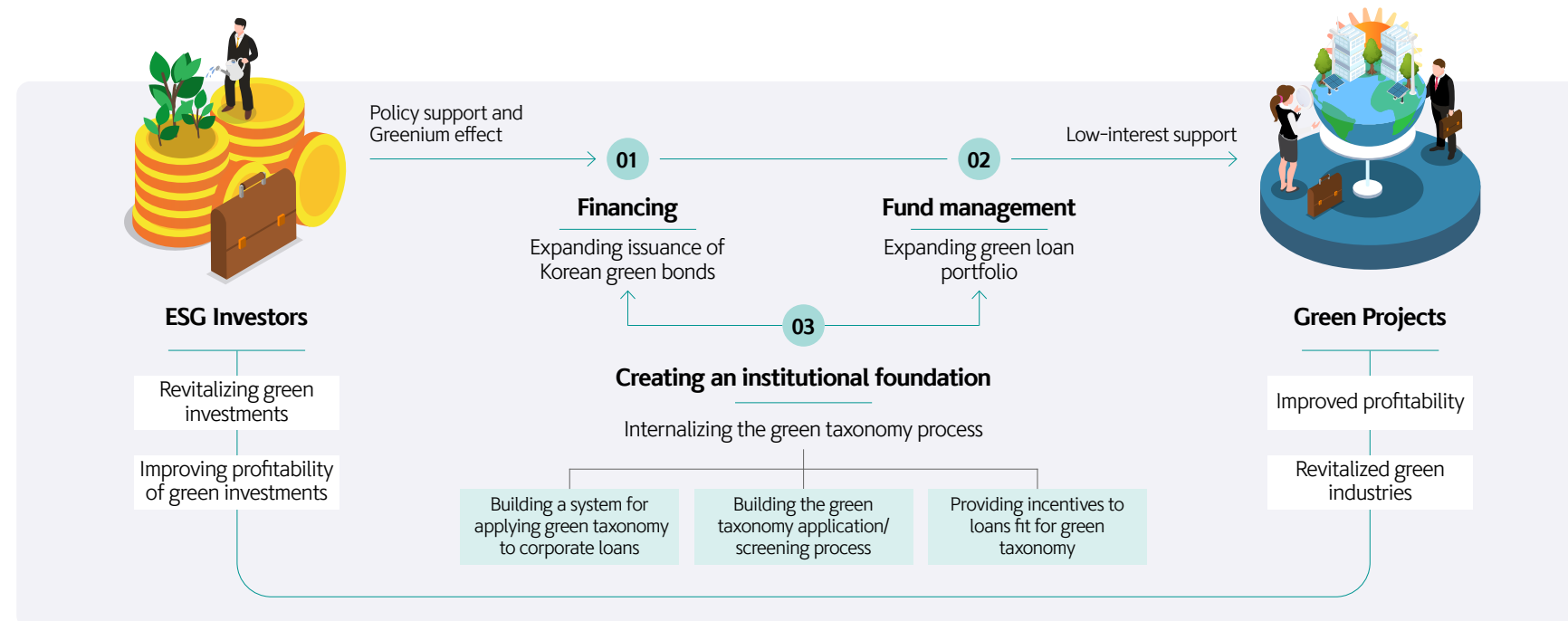


Establishment of a Virtuous Cycle of Green Finance

Shinhan Financial Group has considered how green finance can be expanded, and as a result, it has established a "virtuous cycle of green finance" that organically links the issuance of green bonds with the support for green loans.

Virtuous Cycle of Green Finance

Shinhan Bank plans to expand the issuance of green bonds taking into account the 'Greenium' effect, which is expected to expand in the future. Greenium is an effect that enables companies to reduce the cost of issuing bonds as the interest rate of green bonds becomes lower than that of general bonds. This means that even if the profitability of green bonds is low, investors positively evaluate the eco-friendliness of the issuer and expect stable returns in the future. Shinhan Bank is operating a virtuous cycle of utilizing the funds saved from issuing green bonds to expand support for green loans. We have also established investment criteria utilizing the Korean Green Taxonomy to verify the green nature of investee companies and projects.



Advantages of Applying Green Taxonomy



Companies

If assets, projects and business activities of a company are recognized as "green," investors including financial institutions can utilize the cost saved with the Greenium effect to provide preferential interest rates and policy support to companies.



Financial Institutions

Financial institutions may mitigate greenwashing risks by identifying genuine green economic activities, and meet demands from stakeholders such as reduction of financed emissions by discovering needs and strengthening support for green finance.

Laying the Institutional Foundation for the Virtuous Cycle of Green Finance

Green finance starts with determining the greenness of the products for investment. Shinhan Bank issued green bonds that met all four criteria required by the Korean Green Taxonomy (activity, accreditation, exclusion and protection) in 2022 for the first time among Korean financial institutions, and is participating in the Korean Green Bond Issuance Interest Subsidization Support Project led by the Ministry of Environment. This is a project to provide interest subsidization to companies that have issued Korean green bonds, with Shinhan Bank handling a total amount of KRW 1.4 trillion to support preferential interest rates for green loans extended to SMEs. In addition, we have established a “green taxonomy corporate loan application system” to support companies' green economic activities and to facilitate the discovery and marketing of green loans by branch offices. This system utilizes 74 items of green economic activities recognized by the Korean Green Taxonomy in loan screening, enabling us to handle approximately KRW 400 billion in pilot operations at Shinhan Bank branches in 2023. In 2024, we will fully use this system and if customers apply for new loans of KRW 1 billion or more as green loans, we will examine the supporting materials for their suitability. For loans that conform to green taxonomy, we will provide various incentives such as preferential evaluation and preferential interest rates of up to 40 basis points to encourage companies to implement green economic activities.



Korean Green Bond Issuance Interest Subsidization Project

KRW **1.4**trillion



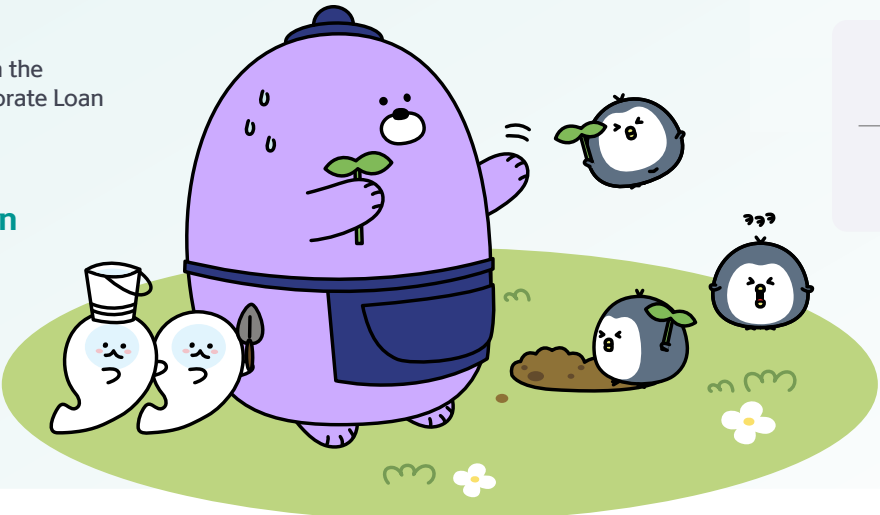
Preferential Interest Rates for Loans in Conformity with Green Taxonomy

Max. **40**bp



Discovered green loans through the “Korean Green Taxonomy Corporate Loan Application System” in 2023

KRW **400**billion



System to Apply the Green Taxonomy to Corporate Loans

Process

Loan consultation at branches

Application Registration

Green taxonomy application and screening

Interest rate calculation

Loan screening

Loan extension

Detailed Application Criteria

Basic Principles

A loan is recognized as conforming to green taxonomy only when the loan extended by Shinhan Bank can be clearly proved to have been used for green economic activities.

Criteria for Judgment

Applying all four criteria of green taxonomy

- ① Activity: Whether the activity constitutes a certain green economic activity.
- ② Accreditation: Whether the activity meets a certain technical level.
- ③ Exclusion: Whether the activity causes other environmental damage.
- ④ Protection: Whether the activity complies with laws and regulations on human rights, labor, etc.

* The letter of confirmation for the exclusion and protection criteria must be submitted

Proportion of Required Green Funds

If the ratio of green funds¹⁾ is not less than 50%, the entire amount is recognized as a green loan

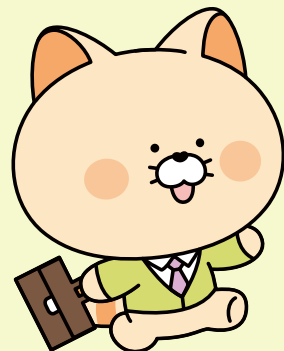
1) Proportion of required green funds (%)
= Funds applied to green economic activities / Total loan amount

Financing through Green Bond Issuance

Shinhan Bank succeeded in issuing green bonds that met all the requirements of the Korean Green Taxonomy for the first time in Korea, and is continuing to launch various projects and products to expand support for green finance. In January 2024, Shinhan Bank also succeeded in issuing Korea's first green foreign currency covered bond at abroad, proving its excellence in green bond issuance.

Participated in the Ministry of Environment's "Korean Green Bond Issuance Interest Subsidization Support Project"

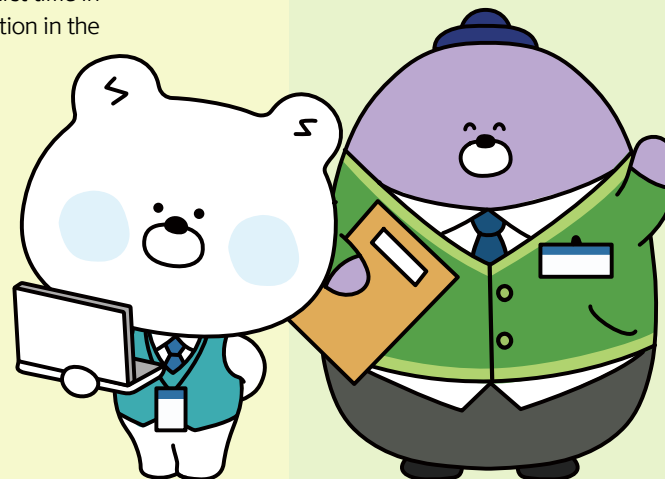
The Ministry of Environment has pursued an interest subsidization project to revitalize Korean green bonds, providing green bond issuers with interest in the amount of 0.2% of the issue amount up to KRW 300 million for one year after the bond issuance. Following the successful issuance of green bonds worth KRW100 billion for the first time in 2022 by applying the green taxonomy, Shinhan Bank participated in the Ministry of Environment's green bond interest subsidization support project in 2023, issuing green bonds worth KRW 150 billion and saving KRW 300 million in procurement costs. The saved funds will be used to support the expansion of green loans to SMEs in line with Shinhan Bank's strategy to build a virtuous cycle of green finance.



Issued Green Foreign Currency Covered Bonds

In January 2024, Shinhan Bank succeeded in securing a new financing channel by issuing green foreign currency covered bonds¹⁾ worth EUR 500 million in Europe for the first time. In particular, Shinhan Bank issued the bonds in the form of green mortgages that financed mortgage loans for apartments with G-Seed green building certification for the first time in Korea, consolidating its leading position in the ESG-linked procurement market.

1) Covered bonds: Bonds issued by a financial institution based on the collateral created with blue-chip assets such as mortgage loans and loans to public institutions.



GREEN FINANCE

Managing Funds for Green Investments

Shinhan Bank is building a virtuous cycle of green finance through active expansion of its green loan portfolio and application of incentives. We will continue to actively support related activities to improve their profitability and create an environment to invigorate green industries.

Preferential Interest Rates for Building Energy Reduction by SMEs

One of the difficulties that SMEs have in pursuing ESG management is management of carbon emissions data as most SMEs estimate their carbon emissions based on their sales, making the data inaccurate. Therefore, Shinhan Bank signed an MOU on "Utilization of Building Energy DB" with the Korea Real Estate Agency, which has a database on building energy, to secure carbon emissions data for SMEs. For companies that have provided building energy reduction agreements for their business sites, Shinhan Bank utilizes the existing data from the Korea Real Estate Agency to identify progress in the reduction of electricity bills or energy consumption, and differentially provides preferential interest rates based on energy reduction rates to encourage SMEs to voluntarily reduce energy consumption, thereby reducing Shinhan Bank's financed emissions.



Financial Support to Strengthen Competitiveness of Key Materials for Secondary Batteries

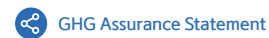
Secondary batteries play an important role in the transition to carbon neutrality as they are used in electric vehicles. Hence, Shinhan Bank signed an MOU with POSCO Chemical to foster the secondary battery material industry and strengthen its international competitiveness, and has provided loans of KRW 1 trillion for three years from 2022. This provided POSCO Chemical with financial support for facility investment, import and export, and overseas business to strengthen its competitiveness in the production of anode and cathode materials, key materials for manufacturing electric vehicles.



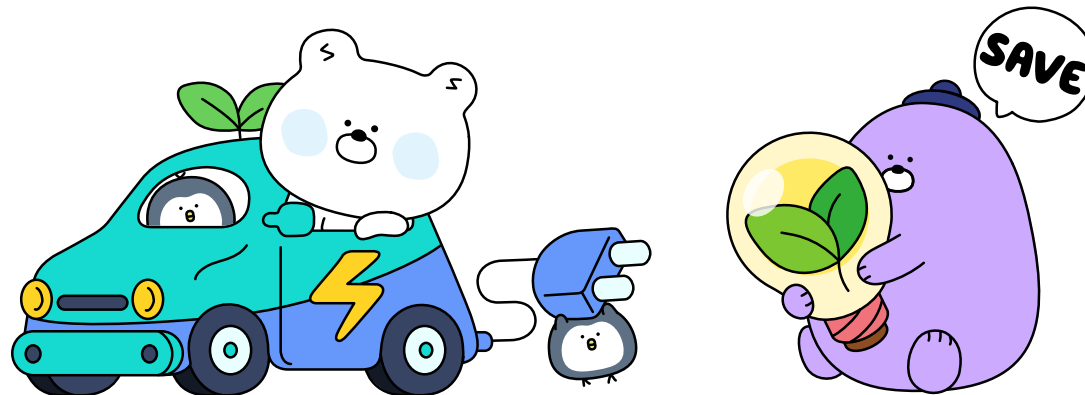
Shinhan Financial Group, Serious about Energy

Shinhan Financial Group is committed to using eco-friendly energy for our business activities to reduce internal greenhouse gas emissions and spreading the good influence of sharing the activities and results of our employees' energy savings with energy vulnerable groups. In 2023, Shinhan declared "Shinhan Financial Group, Serious about Energy" as the Group's energy strategy, and set "using eco-friendly energy", "saving energy" and "supporting the energy vulnerable" as key directions of strategy implementation.

Shinhan Financial Group Joined RE100



Shinhan Financial Group joined RE100 after making a digital RE100 declaration in March 2023. With the goal of converting 100% of the electricity used by all group companies to renewable energy by 2040, we have established a plan to convert to renewable energy through various methods such as power purchase agreements (PPAs) and renewable energy certificates (RECs). Major group companies such as Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life, Jeju Bank and Shinhan Savings Bank are striving to achieve RE100 by purchasing RECs and green premiums. In addition, to make Shinhan's efforts toward RE100 transparent, we conduct third-party verification and disclose the details of renewable energy consumption.



RE100



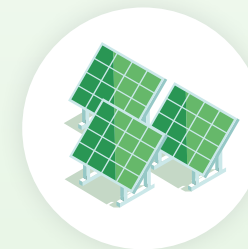
Shinhan Financial Group,
Serious about Energy

Sourcing

Using eco-friendly
energy

Shinhan's "Digital RE100"

Sourcing 100%
of the electric power
for the Group's
data centers with
renewable energy

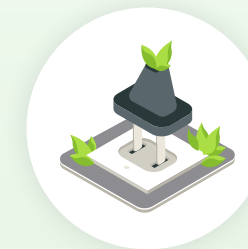


Using

Saving energy

Shinhan's "Let's Save" Campaign

Saving energy including
electricity, gasoline,
paper, water, etc.

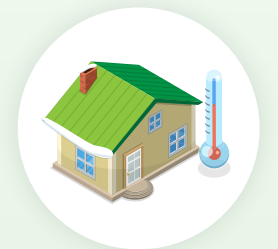


Sharing

Supporting energy
vulnerable groups

Supporting winter heating costs

Supporting winter energy
costs of energy vulnerable
groups such as young heads
of households and elderly
living alone



Shinhan Financial Group's "Digital RE100"

The strengthening of digital capabilities including transition to digital and mobile finance is leading to an increase in electricity consumption at Shinhan Financial Group's data centers. As the power consumption by data centers is directly related to carbon emissions, Shinhan Financial Group aims to turn the crisis of "increasing internal carbon emissions" into an opportunity. Hence, in March 2023, we announced the "Shinhan Digital RE100" initiative, which aims to source 100% of the electricity for our digital centers with renewable energy. To cover the power consumption of data centers, we are using renewable energy certificates (RECs) and green premiums. In particular, as of December 2023, six group companies - Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life, Jeju Bank and Shinhan Savings Bank - completed REC purchase contracts.

Shinhan Bank Became the First Korean Bank to Sign a REC Purchase Agreement

In March 2023, Shinhan Bank became the first Korean bank that signed an MOU to pursue REC trading with Korea East West Power Co., Ltd. in order to successfully promote RE100, and will trade RECs equivalent over the next five years. In addition, we are striving for the transition to renewable energy through mutual cooperation such as development of new business models for renewable energy and information exchange and joint investment for renewable energy development projects.



Status of Shinhan Financial Group's Digital RE100 Initiative



Achieved **Digital RE100**

- Shinhan Data Center Energy Consumption in 2023: 41,789.9 MWh
- Renewable Energy Consumption: 41,789.9 MWh

Shinhan's "Let's Save" Campaign

From April to September 2023, Shinhan Financial Group implemented the "Let's Save" campaign to reduce energy and resources consumed by employees such as electricity, gasoline, paper, and water. Shinhan Financial Group presented an easily recognizable campaign name and seven tasks linked to reduction items to encourage employee participation, and held monthly events of voluntarily participation by employees, after which their energy savings were doubled in monetary value and donated. Shinhan Financial Group will continue to strive for energy reduction by creating a culture of employees' voluntary participation.

Achievements of the "Let's Save" Campaign in 2023

Saved electricity consumption

2,004 Mwh

Saved gasoline consumption

162,894 ℓ

Saved A4 paper

6,495 boxes

Saved disposable bottled water and beverages worth

Approx. KRW **66** million

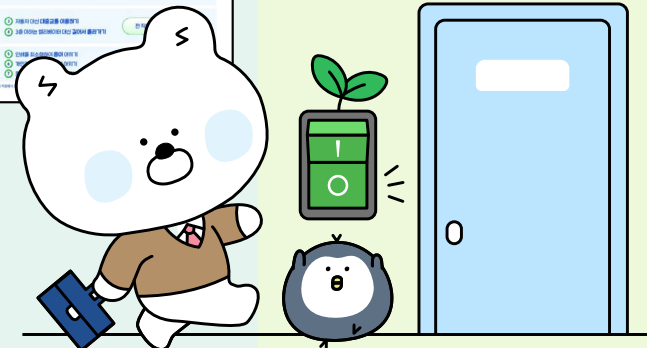
Saved energy worth

KRW **9** million



Donation through matching grants

KRW **2** billion



Supporting Energy-Vulnerable Groups for Winter Heating Expenses

While endeavoring to reduce energy consumption across its business activities, Shinhan Financial Group also supported our neighbors so that they can live in a healthy and safe environment without restrictions on energy use.

Replacement of Air-conditioning and Heating Equipment at Local Children's Centers

In November 2022, Shinhan Financial Group signed an MOU with the Social Welfare Foundation and the National Council of Community Children's Centers to support local children's centers struggling with rising prices and aging equipment. A total of KRW 900 million (KRW 300 million per year until 2024) is provided to replace old heating and cooling equipment with high-efficiency appliances at 369 local children's centers nationwide.



1st Round (October 2022 ~ February 2023)

Supported **105** local children's centers

2nd Round (July 2023 ~ October 2023)

Supported **123** local children's centers

Supporting Child Protection Centers Nationwide for Heating Expenses

To ease the burden of heating expenses of child protection centers nationwide due to the increase in utility bills, Shinhan Financial Group, together with the Social Welfare Foundation and the Korea Council for Children and Youth Group Homes, will provide child protection centers with a total of KRW 900 million for heating expenses for three years starting from 2023.

1st Round (February 2023~October 2023)

Supported **363** group homes

Expanding Win-Win Finance

As the economic instability and high interest rates increase the interest burden on customers, there is a growing need for banks to take the lead in creating a sustainable financial ecosystem and strive for mutual growth with financial consumers. In 2023, Shinhan Bank established the “Win-Win Finance Office” in the ESG Division as a control tower for creating social value in finance, and established a win-win finance policy that encompasses both financial and non-financial matters for sustainable win-win finance. In recognition of Shinhan's efforts for win-win finance, the Financial Supervisory Service selected Shinhan Bank as an “Excellent Institution for Promoting Coexistence and Cooperation” of the year in 2023 and awarded it the Financial Supervisory Service Governor’s Prize.

Win-Win Finance Policy and Support

Announcing “Comprehensive Support Measures for Win-Win Finance” and Yearly Support for Win-Win Finance

In March 2023, Shinhan Bank announced the “Comprehensive Support Measure for Win-Win Finance” at the Win-Win Finance Conference held with the Financial Supervisory Service. In line with the announced support measures, Shinhan Bank reduced interest rates for individual customers and provided financial support to micro businesses and SMEs. Its major activities were selected as an excellent example of win-win finance by the Financial Supervisory Service. In addition, we provided support for vulnerable young people, voice phishing prevention projects, legal counseling for jeonse (long-term rental deposit) fraud victims, and grants for out-of-home youth to support their self-reliance for mutual growth with financial customers experiencing hardships.



Supported asset-building of young and vulnerable groups and exempted e-finance and repayment fees

KRW **21** billion



Supported voice phishing prevention projects, legal counseling for jeonse fraud victims and grants for out-of-home youth for self-reliance

KRW **31.7** billion

Loans and financial support for individual customers

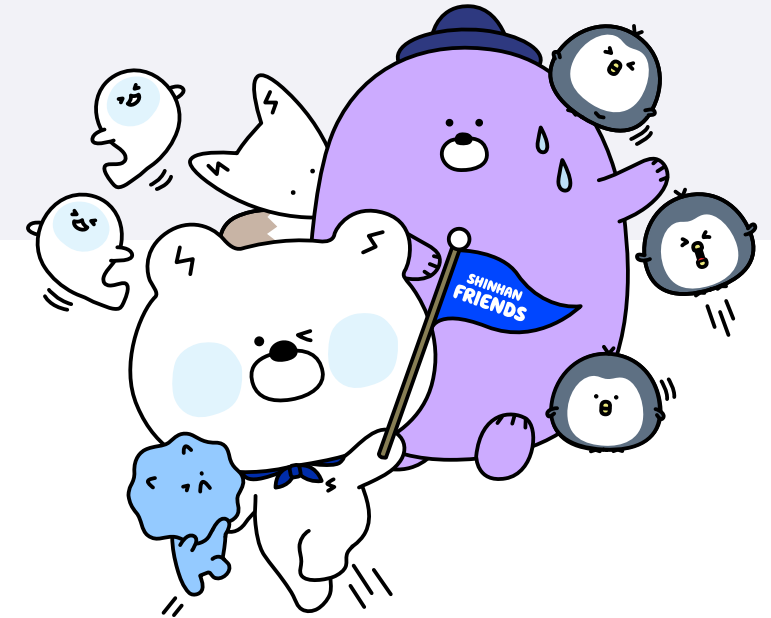
- Reduced interest rates of major products such as mortgage loans, jeonse loans, general unsecured loans and the New Hope Spore Loan
- Implemented projects to support housing stability of youth

KRW **82.9** billion support to
296,000 customers

Loans and financial support for micro businesses and SMEs

- Extended the interest subsidization period for COVID-19 loans
- Reduced interest rates of loans for vulnerable SMEs
- Special loans with safe fixed interest rate
- Low-interest refinance loans for SMEs

KRW **62.3** billion support to
54,000 corporate customers



Internalizing Win-Win Finance Culture

To ensure that our efforts for win-win finance are not limited to the headquarters but also to our branches, Shinhan Bank identifies best practices, holds contests for new product ideas, and enhances rewards and recognition for ideal win-win finance practices. In the first half of 2023, we received 121 reports of branch activities related to win-win finance and selected 5 cases of excellent practices that are highly useful and easily spreadable to branches and 4 cases of excellent fulfillment of social responsibilities and support for win-win finance policy products. We will continue to plan and promote various products, services, and systems for win-win finance and strive to create social value in finance.

Win-Win Finance Best Practices

Songdo Finance

Provided borrowers in distress due to temporary liquidity shortages from declining sales or repayment pressure as interest subsidization loan installments became due with an opportunity of normalization through the possibility of recovery, new financial support and loan extension in consideration of industry characteristics, suspension of expected loan repayment and interest rate reduction.

Social Responsibility Fulfillment

Mapo

Contributed to minimizing customer damage through an exhaustive investigation of loans related to suspected jeonse frauds

Gangneung Gyeongpo

Provided prompt on-site support and financial solutions to customers affected by the Gangneung wildfires

Policy Product Support

Dongdaemun

Reduced the financial burden and prevented delinquency by providing low-interest refinance loans to micro businesses

Jecheon Finance

Supported customers struggling with high interest rates and multiple debts with affordable finance

Shinhan Bank's Major Win-Win Finance Activities in 202

Extending the Interest Subsidization Period for COVID-19 Loans

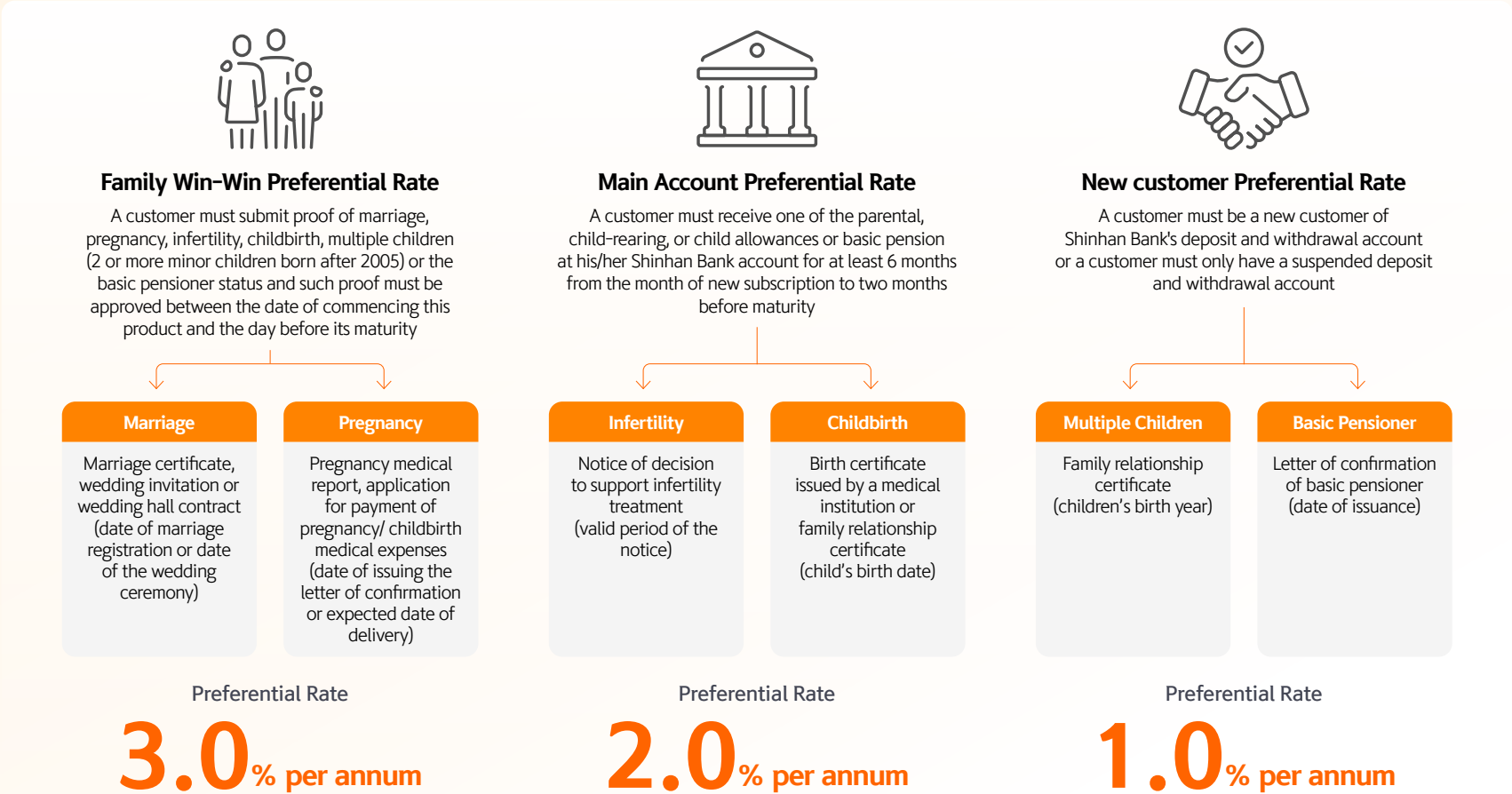
During the COVID-19 pandemic period, the government supported micro enterprises facing livelihood difficulties with the "COVID-19 Interest Subsidization Loan". This is a system that allows micro enterprises to borrow at the same low interest rate regardless of the lender as the government pays the difference between the interest rate of a loan provided by the government and that of a loan extended by a financial institution. When the loan matures, the guaranteed benefit disappears and the actual interest rate increases, putting a lot of pressure on the borrowers who have benefited from interest subsidization loans.

Under the name of the "Shinhan COVID-19 Micro Enterprise Support Loan," Shinhan Bank extended the COVID-19 interest subsidization period and directly provided subsidization for an interest rate of 1.35%p to 2.0%p to micro enterprises that may experience an increase in interest rates. Shinhan Bank also made the loan maturity extension process completely contactless, making it easy and convenient for micro businesses in need to maintain their loans without having to visit a branch office. As of January 2024, Shinhan Bank reduced interest rates and extended maturities on loans worth KRW 438.5 billion for 18,179 corporate customers, reducing their interest burden by approximately KRW 410,000. In recognition of its efforts for mutual growth, Shinhan Bank was selected as an outstanding example in the first round of the "New Products for Win-Win and Cooperative Finance" by the Financial Supervisory Service.



Family Win-Win Savings Account

Shinhan Bank aims to contribute to solving social issues such as the declining birthrate and aging population by utilizing the characteristics of finance. In November 2023, Shinhan Bank launched the "Family Win-Win Savings," which focuses on the life cycle of customers. In particular, it is a high interest rate product with a base interest rate of 3.0% per annum plus a preferential interest rate of up to 6.0 percentage points, i.e., a maximum interest rate of 9.0% per annum, and customers may make a deposit up to KRW500,000 per month for one year. In particular, unlike existing savings products, Shinhan Bank diversified the preferential interest rate items and enhanced customer convenience by accepting documents such as wedding invitations and family relationship certificates uploaded through the SOL application as proof to apply for the preferential interest rate. Thanks to Shinhan Bank's efforts for mutual growth with customers, this product, which was limited to 50,000 accounts, was not only sold out in January 2024, but also selected as an outstanding example in the 3rd round of the "New Products for Win-Win and Cooperative Finance" by the Financial Supervisory Service in 2023



Gracious Companionship

In 2024, Shinhan Financial Group launched a social contribution brand “Gracious Companionship” to clarify the direction of social contribution activities that Shinhan has pursued. By conducting social contribution activities one stop from planning to execution, Shinhan Financial Group aims to sincerely share and overcome the difficulties faced by our society and create a bright and beautiful future for our customers and society.

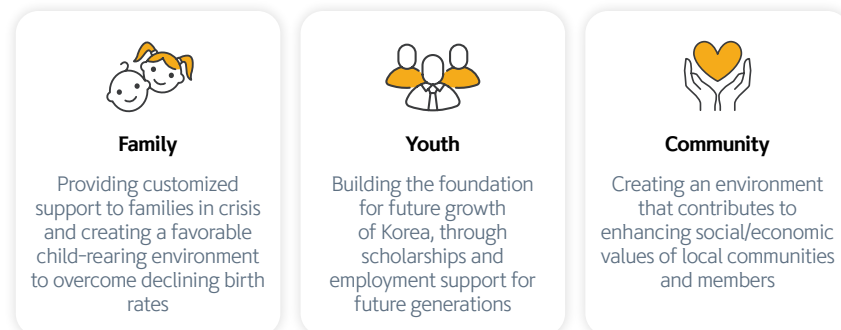
Social
Contribution
Slogan

Gracious Companionship

Implementation
Structure



Business Area



Shinhan Financial Group conducts various programs to provide customized support to families in crisis and create a favorable nurturing environment to overcome declining birthrates.

Support for Case Management in Association with Social Workers

In a rapidly changing social environment, new welfare blind spots are emerging and the areas in need of assistance, such as family care and social isolation, is increasing. To address these issues, social welfare centers provide “case management” services, i.e., dedicated social workers intervene and provide appropriate support to socially vulnerable groups facing various difficulties in their lives. Shinhan Financial Group operates a program to support case management in association with social workers in order to reduce the burden of case management on social workers and to ensure that beneficiaries receive prompt support for their needs. In principle, Shinhan Financial Group receives applications from social workers in need, reviews details of case management and provides everything the beneficiaries need in a timely manner. Depending on the circumstances of each household, we provide support in various areas such as livelihood, housing, medical care, education, and disaster relief expenses. We also held a year-end award ceremony for social workers and awarded eight outstanding social workers, expressing our gratitude for their hard work. We will continue to support our neighbors to improve their quality of life and find emotional stability through customized services for the vulnerable, as well as strengthen the capacity of case managers who work with them and inspire their self-esteem.



Number of participating welfare centers

211 centers



Support to 1,705 household provided

KRW **2.43** billion
(as of March 2024)

Shinhan Dream DoDamTeo



To address declining birth rates, a family-friendly culture where employees focus on work at workplace and parents take care of children together at home becomes more important. In response, Shinhan Financial Group has joined the “Creating Shared Childcare Centers for Primary Schoolers” project through an MOU with the Ministry of Equality and Family since 2018, establishing “Shinhan Dream DoDamTeo” across the country and providing teaching materials and equipment for their operation. The Dream DoDamTeo is a place where primary schoolers who experience care gaps during after-school hours due to their parents' working hours can stay and spend free playtime, as well as participate in various activities such as financial education, social development education, and coding education. We utilized idle spaces in residential areas or public facilities such as community centers to make them safe and convenient for both parents and children. We also increased accessibility by operating Dream DoDamTeo in school grounds, small libraries, and sports facilities. From 2023, we expanded the targets from primary schoolers to infants and toddlers and operated the “joint care” program in which residents can interact with each other, establishing this program as a community care center that anyone can use when necessary.



Used by

710,000 people



Provided education to

7,326 people
(as of 2023)



196 centers built

(as of the end of 2023, with 200 centers planned for 2024)

Shinhan helps to build the foundation for Korea's future growth by providing scholarships and employment support for future generations so that young people can freely pursue their dreams.

Shinhan Global Young Challenger (GYC)

Shinhan's Global Young Challenger (GYC) is a talent development program that provides overseas employment opportunities to young adults who want to expand their skills overseas, but have been stuck due to lack of information. Shinhan Financial Group, KOTRA, and Hankuk University of Foreign Studies provide language, culture, and job training, overseas job information, and all expenses for the program (training, room and board, airfare, overseas visits, etc.) so that trainees can focus on job preparation and maximize their personal capabilities. We also actively leverage our existing GYC network, including job matching and mentoring by senior entrepreneurs. Currently, the GYC supports young people who want to work in Vietnam, Hungary, Poland, and Japan, and we plan to gradually expand the target countries we support in the future to become the go-to resource for young people's overseas employment.

Classification	GYC Program Participants	Employed	Employment Rate
4 th term (2022)	49	46	94%
5 th term (2023)	42	31*	74%
Cumulative (2019~2023)	317	251	69%

Youth Employment Support Program "Shincheonghae"

Shinhan Financial Group operates the "Shincheonghae" (meaning Shinhan supports youth) program to help young, low-income jobseekers who have left their hometowns and settled in the Seoul metropolitan area to pursue their dreams so that their enthusiasm does not dwindle due to financial difficulties from rents and living expenses. This program began in 2023 with an MOU with the Ministry of Employment and Labor and provides support for housing expenses and study space expenses to young adults participating in vocational training courses of the Ministry of Employment and Labor. In particular, housing expenses can be used for all practical needs such as housing, utilities, food, transportation and education, and study space expenses can be used not only for study cafes and reading rooms but also ordinary cafes so that recipients can focus on learning. In addition, through the "Shincheonghae" community, we provided a communication space where participants could share their monthly goals and impressions of the program, creating an environment where they could encourage each other and move forward together.



Shinhan strives to create an environment where local communities and their members are not marginalized and can create socioeconomic value together.

Cafe'S with



Shinhan Financial Group supports "Cafe'S with" operated by a social cooperative Swith to help expand social participation opportunities for the hearing impaired. Cafe'S with is a space where people with and without disabilities can work together in one space, respect each other's diversity, demonstrate their capabilities and work without discrimination.

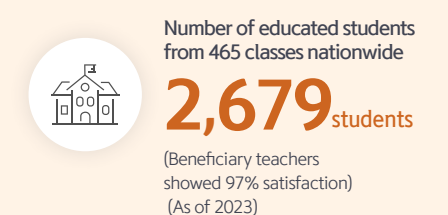
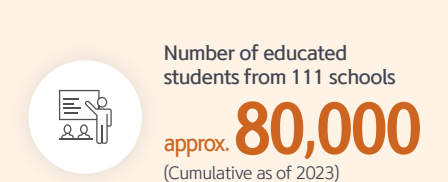
As of 2023, Cafe'S with, which means "Shinhan" and "With," is operated at six locations including the headquarters and group companies, and is staffed by baristas and pastry chefs with hearing impairment. All stores support communications between employees and customers using sign language and handwriting. We have also eliminated all discrimination in working conditions, salaries, and promotions, creating a work environment where all employees are fully recognized for their capabilities and leadership. Shinhan Financial Group supports the operation of this cafe by providing the venue and beans free of charge, and the proceeds from Cafe Sweet are reinvested in training and job support for baristas with hearing impairment, creating a daily life where people with and without disabilities can live together.



Hope School SW Class

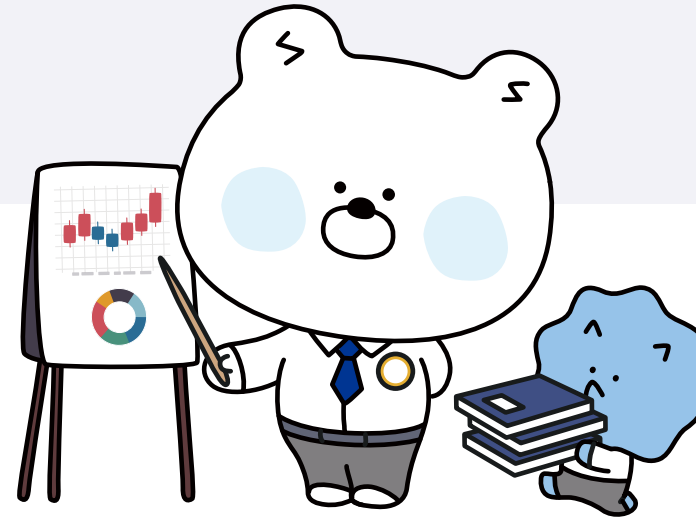


In an era of great transition where software technologies such as AI, coding and robotics are deeply entrenched in our lives, Shinhan Financial Group envisions a future where students with developmental disabilities can grow into future-customized talents through equal educational opportunities without discrimination and difficulties. We are thus operating the "Hope School SW Class," the first software (SW) education program for special schools in Korea, in partnership with the Ministry of Education. Once a week, we visit special schools and give children hands-on classes using AI robots and teaching materials. In particular, some of Shinhan Financial Group's retirees also serve as SW instructors, utilizing their work expertise and experience and leading the growth of future talents.



Strengthening Financial Education

While the transition to a digital society brings convenience to many areas of our lives including finance, it also poses challenges for those who find it difficult to adapt to rapid changes. Hence, Shinhan Financial Group is expanding access to financial education and providing experiential education to ensure that no one is left behind by changes in the financial environment and that everyone can learn essential financial knowledge according to their life cycle and characteristics.



Digital Financial Multi-Purpose Education Center "Shinhan HakYJe"

In September 2023, Shinhan Bank opened a financial education center "Shinhan HakYJe" in Namdong-gu, Incheon where people can easily learn and experience digital finance. Created based on the spirit of "Isn't it fun to learn and sometimes master?" from the Analects of Confucius, it is a multi-purpose financial consumer education complex where everybody can easily learn, master and enjoy digital aspects. In particular, it provides various opportunities to experience, among other things, digital and contactless services and easy financial education to provide practical assistance to various financial customers, including the elderly who are not familiar with the rapidly changing social environment. In addition to education, we also offer digital photo printers, game tables, VR devices, and more to help customers get familiar with digitization and have fun in the process.

Experiencing digital financial devices

Experiencing digital financial services using educational ID cards and bankbooks

- Issuing debit cards and changing passwords through video consultation
- Transactions such as bankbook updating, deposits and withdrawals through smart kiosks (ATMs)



Experiencing SOL mobile app

Experiencing how to install, sign up, and use the Shinhan SOL app

- Account inquiry, remittance, ATM withdrawal using the app, etc.



Experiencing kiosks used in daily lives

Experiencing how to use kiosks in the areas where kiosks are frequently used in daily lives

- Restaurants, cafes, public transportation, unmanned complaints, movie theaters, hospitals, etc.



Financial fraud prevention education

Produced senior financial fraud prevention education programs in collaboration with the Financial Supervisory Service

- Voice phishing, farming, smishing, etc.



Providing Experiential Financial Education

ESG Future Generation Financial Education Grand Festival

In October 2023, Shinhan Bank held the "Shinhan Bank ESG Future Generation Financial Education Grand Festival" at Shinhan Epace, Shinhan's cultural complex, and along the Namsan trail. This festival was based on the education at Shinhan Children's Financial Experience Class, the bank's flagship financial education program, but with ESG as a keyword to help children establish ideal future values concerning environment and society. Two employees of Shinhan Financial Group and four children formed a team to participate in various activities such as carrying out missions themselves, breaking away from the traditional lecture-style education.



Major Activities

Education Value

Cultivating right financial values through financial education

Participated in financial experience class programs for children covering experience of passbooks, cards and mobile banking and currency exchange

Social Value

Cultivating social values through good activities

Donated goods in association with the Beautiful Store and experienced Cafe'S With that provides jobs to people with disabilities

Green Value

Cultivating environmental values through plogging

Plogging along the Namsan trail, environmental protection pledge, environmental protection quiz, recycling game, etc.

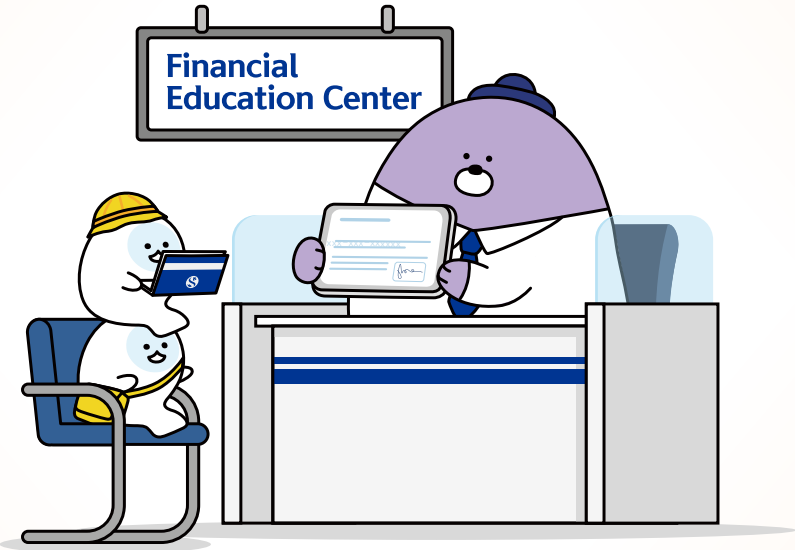
Children’s Financial Experience Class

Shinhan Bank has operated the “Shinhan Children's Financial Experience Class” for elementary school students since 2012. This educational program, which is customized for each age group, enables children to acquire financial knowledge by using digital devices to open bankbooks and savings accounts, exchange currency and make investments, and adds fun through participatory programs such as card use and spending activities. In addition, we have added various elements such as a digital zone to experience Shinhan SOL mobile banking, a foreign exchange zone to learn the concept of exchange rates through world maps and currencies, and a media wall to understand the flow of finance and the role of financial companies.



Financial Education Musical for Youth outside of School

Shinhan Bank visits middle and high schools across the country and performs financial education musicals through the Shinhan Shining Star project. In 2023, we performed a musical titled “Welcome to Korea,” which used time travels to warn about the dangers of unsafe investments called “yeongkkul” and “molbbang” to provide youth with a guide on a proper financial life. The financial education musical is particularly meaningful in that out-of-school youth who have voluntarily deferred their studies or have not entered school can participate as actors and staff and explore careers in the field of culture and arts and that students who participate as audience can learn about a proper financial life.



“Traveling Financial Experience Classes” – for Islands and Mountainous Areas

Shinhan Bank operates traveling financial experience classes for students in islands and mountainous areas who have little access to financial services. We visit elementary and middle schools with “Bankbird,” a mobile store that is identical to a bank branch, to help students experience not only bank services but also the bank teller job. Furthermore, in 2023, Shinhan Bank provided opportunities for students to experience banking services such as opening a deposit and withdrawal account, signing up for savings, and exchanging foreign currencies using EduSOL, an educational mobile banking webpage, and conducted a program to learn financial keywords through board games, to make the education fun for students.



Education for the Digitally Disadvantaged

Shinhan Bank provided the “Digital Financial Education for Seniors” using local bases such as customer-centric branches, senior welfare centers and community centers. This program consisted of practical contents such as digital financial environment, financial fraud prevention, ATM use practice and mobile banking experience using the bank’s webpage EduSol. Shinhan Card operates the Areumin Financial Friends that provides education for slow learners at elementary, middle and high schools and special schools, as well as middle-aged and elderly people. Shinhan Card has developed a modularized curriculum by level of difficulty so that participants can receive customized education according to their experience in using smart devices, age, financial/economic understanding, and background and experience in digital finance. Also, we are expanding education targets by providing training for teachers in special classes and schools as well as training courses for digital financial education instructors for middle-aged and elderly people.

Protecting Financial Consumers

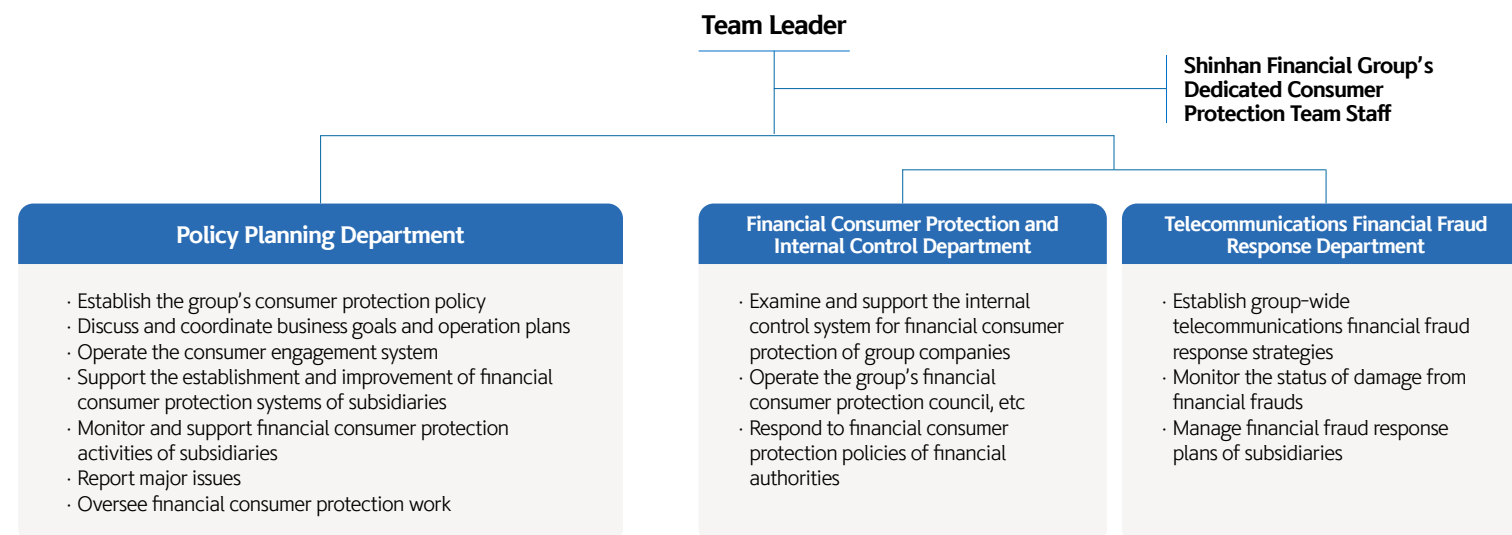


In July 2023, Shinhan Financial Group became the first financial holding company in Korea that established a consumer protection division within the holding company, differentiating its work on consumer protection and announcing its will to vigorously promote consumer protection. Shinhan Financial Group has set communication, sharing, and building as the direction of its efforts and strives to become the most trusted financial group by raising the group's consumer protection level through various activities.

Shinhan Financial Group's Consumer Protection System

Establishing Shinhan Financial Group's Consumer Protection Team

Shinhan Financial Group's Consumer Protection Team aims to systematically and integrally manage consumer protection at the group level and actively play a role in consumer protection. To this end, we have established a dual position system under the leadership of the existing Consumer Protection Group of Shinhan Bank, so that Shinhan Bank's expertise in consumer protection can be shared with all group companies. In addition, Shinhan Financial Group has appointed a separate consumer protection officer and separate dedicated employees responsible for communicating with group companies and supporting relevant divisions.



Announcing Consumer Protection Strategies

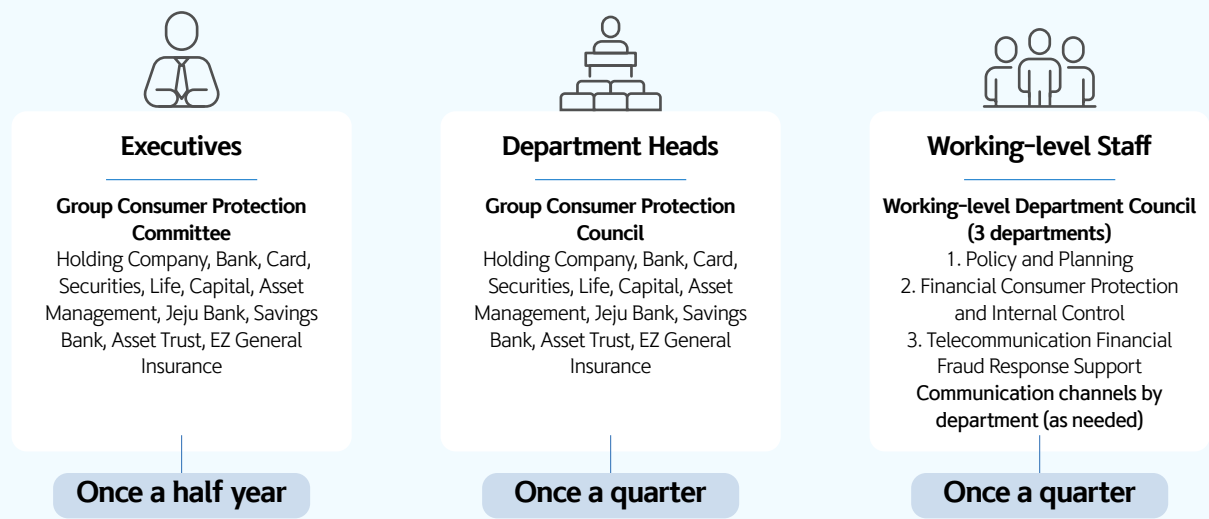
In August 2023, Shinhan Financial Group held a ceremony for declaring consumer protection strategies in the presence of the representative director and financial consumer protection officers of 10 group companies, and set the group's strategic goals for consumer protection.



Putting customers at the center of Shinhan

Shinhan Financial Group has established a committee and councils comprised of consumer protection officers, department heads and working-level staff of the holding company and 10 group companies to respond to consumer protection issues in a timely manner. In addition to consumer systems that are applied differently depending on the characteristics of each group company's business, we have established a group-wide communication system for consumer protection to jointly examine and respond to relevant issues.

Shinhan Financial Group’s Financial Consumer Protection Council



Supporting Group Companies for Consumer Protection

Shinhan Financial Group promotes the upward leveling of consumer protection by providing support based on their sizes. We provide on-site consulting to improve financial consumer protection systems of group companies, enhancing the consistency of consumer protection systems.

Financial Consumer Protection Consulting in 2023	Target Group Companies	Shinhan Securities, Shinhan Life, Jeju Bank
	Personnel Composition	· Deputy general managers and working-level staff in charge of financial consumer protection planning and internal control at the holding company and Shinhan Bank
	Details of Consulting	· Establishment of regulations and systems in compliance with the Act on the Protection of Financial Consumers, examination of the implementation status and dissemination of best practices · Review of the status of voice phishing response and advice on related matters · Response to regular audits by the Financial Supervisory Service and provision of benchmarking materials such as evaluation on actual conditions by supervisory authorities

Group Campaign “Act with Shinhan”

From September to October 2023, Shinhan Financial Group's 10 group companies conducted a joint campaign for consumer protection, “Act with Shinhan.” As the name of the campaign means three "acts" conducted with Shinhan," it was organized under three themes: "Protect" (preventing financial frauds), "Find" (finding hidden financial assets), and "Stop" (strengthening internal controls to protect financial consumers). We regularly conducted activities that were performed through the campaign and internalized key activities into the activities of individual group companies, to strengthen the consumer protection capabilities of the entire group.

Campaign Items		
Protect together	Voice phishing prevention training	Conducted and examined response training based on simulated scenarios
	Campaign to create family passwords	Posted and reflected on relevant posters, POPs, and promotion videos
	Promoting voice phishing to young people	Conducted promotions using homepages, Kakaotalk notice, mobile app, etc.
Find together	Campaign to find hidden financial assets	Each group company separately conducted a campaign to find hidden financial assets
Stop together	Seminars on the Act on the Protection of Financial Consumers	Gave offline lectures on consumer protection and simultaneous live streaming on YouTube
	Checking internal control themes in the second half of 2023	Provided a checklist of requirements of the Act on the Protection of Financial Consumers and conducted self-inspection
	Consulting on internal control under the Act on the Protection of Financial Consumers	Jeju Bank (September), Shinhan Life (October), Shinhan Securities (November)

Selecting Heroes of the Common People’s Economy

In 2021, Shinhan Financial Group signed an MOU with the National Police Agency to eradicate financial crimes closely related to everyday life and rewarded the “Heroes of the Common People's Economy” who prevented financial crimes or arrested criminals with certificates of appreciation, commendations and cash prizes. In 2023, five police officers who arrested hundreds of criminals including members of illegal pyramid schemes, illegal loan sharks, and voice phishing organizations, and five citizens who contributed to the arrest of criminals and the recovery of damages by promptly reporting voice phishing couriers and collectors, were selected as the Heroes of the Common People's Economy.



Shinhan Financial Group's Resource Circulation

As a 'financial group', it is difficult for Shinhan to utilize raw materials or finished products used in the production of goods for resource circulation. Instead, Shinhan Financial Group intends to establish a resource circulation system by recycling electronic devices and office furniture frequently used in the office. We will destroy and recycle waste electronic devices and donate office furniture to social enterprises/welfare facilities or recycle them. Shinhan Financial Group also donates the proceeds from such resource circulation programs to contribute to local communities.



Establishing a Resource Circulation System

In November 2023, Shinhan Financial Group signed an MOU to achieve carbon neutrality and revitalize resource circulation with the Ministry of Environment, E-Circular Governance, and the Climate & Environment Network. We established a management system to hand over waste electronic devices such as computers, laptops, phones, refrigerators, and fans to E-Circular Governance for recycling and receive certificates of carbon reduction activities accordingly. We also plan to promote a culture of reuse by donating used office furniture such as desks, chairs, tables, dressers and sofas to vulnerable groups and welfare facilities through the Climate & Environment Network's reuse arrangement platform "Connect All Resources."

Eco-friendly Process for Handling Waste Electronic Devices



Resource Circulation Day

Shinhan Financial Group designated April 26, 2024 as the "Resource Circulation Day" for employees to directly implement the established resource circulation system. More than 1,000 employees donated unused household appliances and office appliances, which will be collected by the E-Circular Governance and recycled in an eco-friendly manner. In particular, members of management donated vacuum cleaners and keyboards that they used at home, reinforcing Shinhan's commitment to internalizing the resource circulation system. Going forward, Shinhan Financial Group will continue to build a ESG consensus with its employees and actively conduct related activities.



Jin Ok-dong, CEO & Chairman of Shinhan Financial Group (Left), Jeong Sang-hyuk, President of Shinhan Bank (Right)

Publishing the First Biodiversity Report of a Financial Institution in Korea

Climate change and indiscriminate development are causing changes in ecosystems, such as the destruction of habitats and the decline of animal and plant populations, threatening the sustainable future of our planet. Businesses are playing an increasingly important role in preserving biodiversity to ensure future generations can enjoy the global environment we live in today. Since joining the TNFD Forum, an international initiative on biodiversity, in 2022, Shinhan Financial Group has upgraded its biodiversity management system and expanded related activities. In 2023, we published the first biodiversity report of a financial institution in Korea, and in 2024, we published an expanded biodiversity report.

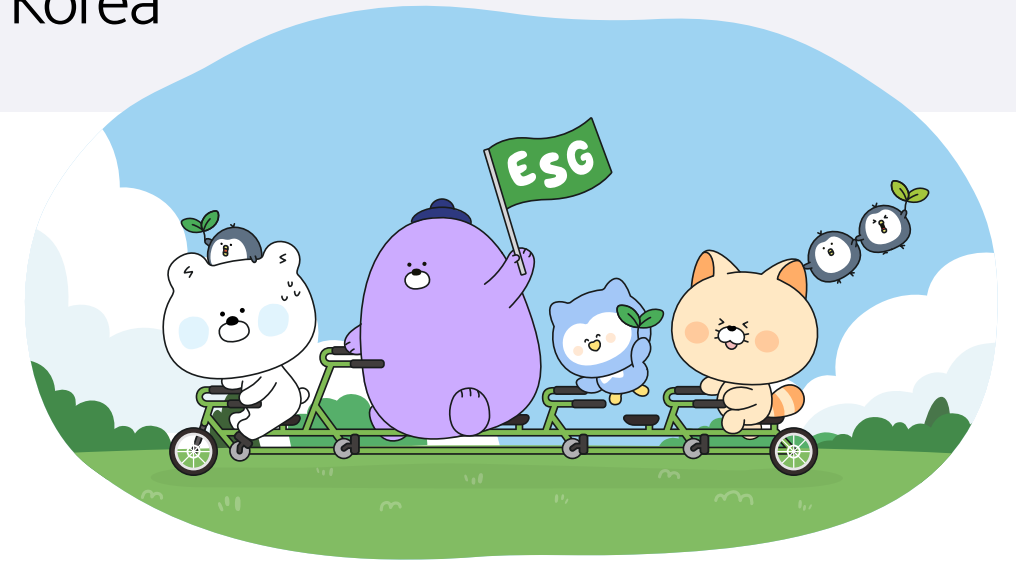
Analyzing Biodiversity Using the LEAP Approach

The LEAP approach is a practical framework to identify and manage biodiversity risks and opportunities in business. It locates the points of contact with nature, evaluates the degree of dependence and impact on natural capital such as living organisms, assesses risks and opportunities of natural capital based thereon and prepares to respond by establishing goals. Through the biodiversity report, Shinhan Financial Group reported a review, based on the LEAP approach, on an offshore wind power project that was part of the UNEP FI's TNFD Pilot project in 2023. In 2024, Shinhan Financial Group expanded the subject of review to portfolios and project financing programs.

 Shinhan Financial Group 2023 Biodiversity Report

Disclosure of Biodiversity Activities Linked to GBF Targets

Shinhan Financial Group not only tries to prevent group companies' various one-off activities, but also sets biodiversity targets based on the Global Biodiversity Framework (GBF) to monitor mid-to long term performances and discloses each activity's details in line with the GBF targets to preserve biodiversity.



Shinhan Card



Baekdudaegan Forest Garden

Selected and multiplied rare plants vulnerable to climate change and created a forest garden through the National Baekdu Daegan Arboretum

GBF Targets
3, 4, 5, 8, 9, 11, 16

Shinhan Card



Created Gwangju Fern otanical Garden Theme No. 3 Eco-Zone

Transformed an old space in an urban park into a forest shade and rest area utilizing ferns to serve as a heat wave refuge and environmental education venue

GBF Targets
3, 8, 9, 11, 12, 16

Shinhan Life



Created the 3rd Shining Forest in Yangcheon-gu, Seoul

Planted more than 1,400 trees in Omok Park in Yangcheon-gu, Seoul

GBF Targets
3, 8, 11, 12

Shinhan Securities



Clear Water and Healthy Ecosystem Project

Conducted ecological purification activities such as water purification, odor removal, and fermentation/decomposition of organic matters by throwing microbially fermented EM soil balls in the Saetgang Ecological Park in Yeouido, Seoul

GBF Targets
4, 7, 11