

DO THE RIGHT THING



About this Report

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Reporting Information

This report contains Shinhan Financial Group's 2023 ESG strategic directions and performance, and includes the 2023 ESG Highlight, Special Report, ESG Data Pack, and Appendix. This report is available in Korean and English every year.

Reporting Principles

This report was created in accordance with the GRI Standards (2021) – international sustainability management reporting standards. The financial information included in this report is based on the Korean International Financial Reporting Standards (K-IFRS) and uses the unit of the Korean won (KRW).

Reporting Standards

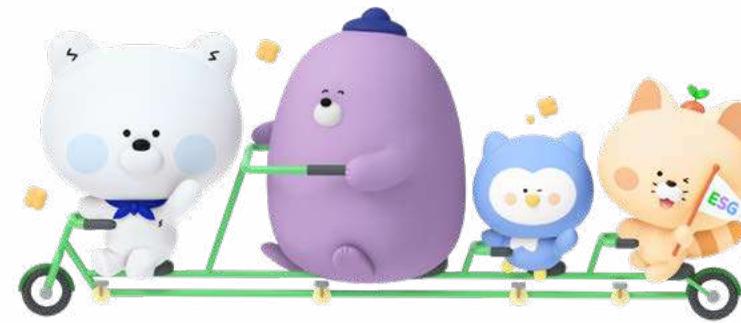
This report reflects the disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and Task Force on Nature-related Financial Disclosures (TNFD) for disclosure of climate change and biodiversity related information, as well as the reporting principles of the Principles for Responsible Banking (PRB), and the Exposure Draft on IFRS S2 Climate-Related Disclosures of the International Sustainability Standards Board. It also considers Sustainability Accounting Standards Board (SASB) industry standards to reflect important industry issues.

Reporting Period

This report mainly contains information on activities and performance from January 1 through December 31, 2023. Some information includes content up to June 2024. To enable the identification of trends, data for the previous three years were reported in case of quantitative performance

Reporting Scope

The scope of this report includes 15 Group subsidiaries – Shinhan Financial Holdings, Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life, Shinhan Asset Management, Jeju Bank, Shinhan Savings Bank, Shinhan Asset Trust, Shinhan DS, Shinhan Fund Partners, Shinhan REITs Management, Shinhan Venture Investment, Shinhan EZ General Insurance. Separate explanations are given to a portion of the data that includes foreign establishments.



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Shinhan Financial Group 2023 ESG Report is published as an interactive PDF format, allowing readers to move quickly and easily to pages in the report and links related to web pages.

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CEO Message



Shinhan Financial Group is doing its best for ESG management in accordance with the slogan “Do the Right Thing for a Wonderful World”.

Hello, this is Shinhan Financial Groups Jin Ok-dong.

We sincerely thank our consumers and stakeholders who always warmly support us.

Shinhan Financial Group is doing its best in ESG management under the slogan “Do the Right Thing for a Wonderful World”.

We have tried to protect the environment through green finance, fulfill a company’s social roles and responsibilities, and implement a transparent management.

“A company that tries its best to elevate the values of its surroundings and gets positive feedback and acknowledgment from its customers and society”

This is the Shinhan every employee dreams of – being one of the best. We will prioritize sustainability as our foremost assignment and strengthen ESG management.

We promise to make a better future based on each and every stakeholder’s trust.

I would like to thank everyone who believes in and supports Shinhan Financial Group once again, and ask for unchanging interest and support.

Thank you.

Sincerely, Shinhan Financial Group **Jin Ok-dong**

진옥동

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Introduction to Shinhan Financial Group's ESG Strategy Committee

The ESG Strategy Committee promises that Shinhan will abide by its principles, try its best in its original role of finance, and strive to realize ESG management that expands practical support not only to our customers but also to anyone in need.

Launched in March 2015 as the Corporate Social Responsibility Management Committee, the ESG Strategy Committee of Shinhan Financial Group ("SFG") is the first ESG committee established at the board of directors level by a Korean financial institution. With a view to actively and systematically executing SFG's mission of "Inclusive Finance for a Future Together," the committee deliberates on key matters relating to our sustainable management and sets the direction for comprehensive sustainability strategies encompassing environmental, social and governance factors.

In 2023, SFG undertook various ESG-related initiatives aimed at expanding the positive impact of finance on the environment, society and governance, for the benefit of our stakeholders. For example, we became the first Korean financial institution to establish a transition finance policy framework, as well as a credit system incorporating the K-Taxonomy, thereby advancing our efforts to achieve carbon neutrality within our credit portfolio. In addition, to put our own environmental management more into practice, we announced "Shinhan Digital RE100" – a commitment to procure 100% of the electricity used by our data centers from renewable sources. We also initiated the "Shinhan Conservation Day" campaign, designed to encourage our employees to practice energy conservation, and took measures to provide support to households facing energy vulnerability.

Under a new social contribution brand, "Gracious Companionship," SFG has been seeking to bring to light the challenges confronted by under-privileged families, youth and communities in Korea, while also striving to improve the quality and effectiveness of the projects we undertake to address such challenges. In the area of governance, SFG remains focused on embedding diversity as a core value within our organization, with a view to creating a corporate environment where all individuals can achieve professional growth through equal opportunity, free from discrimination.

SFG is dedicated to strengthening the ESG governance capabilities of all companies within our group. Notably, in July 2023, we established a new financial consumer protection division at the holding company level, becoming the first Korean financial holding company to do so. We believe this measure will enhance our ability to protect consumers against various financial risks, including fraud.

Going forward, the ESG Strategy Committee will continue to focus on implementing sound ESG practices and management at SFG – those that are in keeping with our core principles and financial role, while also enabling greater and more meaningful support, not only to our customers but also to all those in need around us.

Thank you.



ESG Strategy Committee Chairperson **Lee Yong-gook**

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Corporate Overview

General Information

Corporate Name

Shinhan
Financial Group

CEO

Jin Ok-dong

Establishment Date

September 1,
2001

Total Assets (Consolidated)

KRW **692** trillion

Net Income¹⁾

KRW **4.37** trillion

Market Capitalization

KRW **20.7** trillion

Number of Employees²⁾

28,739 people

Credit Rating

NICE Investors Service

AAA

Korea Investors Service

AAA

Korea Ratings

AAA

Moody's

A1

S&P

A

1) Net income in controlling interests

2) Based on all group subsidiaries

Group Companies Status

Classification	Group Companies	2023 Operating Revenue ¹⁾ (KRW 1 billion)
Banking	Shinhan Bank, Jeju Bank	2,969.5
Credit Card	Shinhan Card, Shinhan Bank	723.8
Securities	Shinhan Securities	100.9
Insurance	Shinhan Life, Shinhan EZ General Insurance	464.6
Loans	Shinhan Capital	304.0
Others	Shinhan Asset Management, Shinhan Savings Bank, Shinhan Asset Trust, Shinhan DS, Shinhan Fund Partners ²⁾ , Shinhan REITs Management, Shinhan AI, Shinhan Venture Investment	243.9

1) Based on Shinhan Financial Group's 2023 Business Report

2) Changed the name of the business from Shinhan AITAS to Shinhan Fund Partners in April 3, 2023

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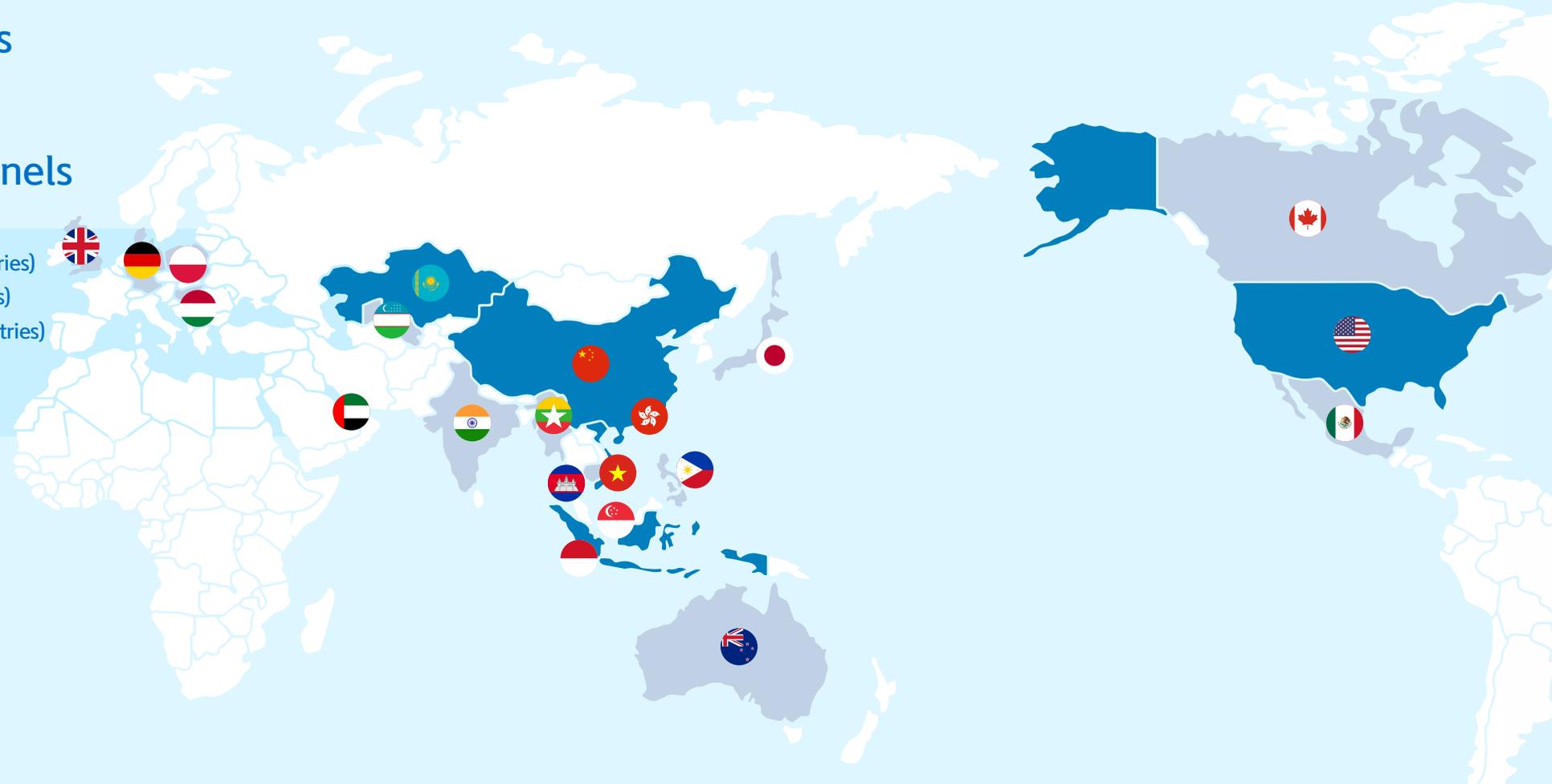
Corporate Overview

Global Network

20 Countries
249 Channels

Shinhan Bank (170 in 20 countries)
Shinhan Card (71 in 4 countries)
Shinhan Securities (6 in 4 countries)
Shinhan Life (1 in 1 country)
Shinhan DS (1 in 1 country)

*As of December 2023



Countries that Enter the Market Alone	UK	Poland	Japan	Canada	India	Singapore	Australia
	Bank Branch	Bank Office	Banking Corporation	Banking Corporation	Bank Branch	Bank Branch	Bank Branch
Countries with Joint Expansion	Germany	Uzbekistan	Mexico	UAE	Cambodia	Philippines	Hungary
	Banking Corporation	Bank Office	Banking Corporation	Bank Branch	Banking Corporation	Bank Branch	Bank Office

Countries with Joint Expansion	Kazakhstan	Myanmar	US	Hong Kong
	Banking Corporation, Card Corporation	Bank Branch, Card Corporation	Banking Corporation, Bank Branch, Securities Corporation	Bank Branch, Securities Corporation
Countries with Joint Expansion	China	Indonesia	Vietnam	
	Banking Corporation, Securities Office	Banking Corporation, Card Corporation, Securities Corporation	Banking Corporation, Card Corporation, Securities Corporation, Life Corporation, DS Corporation	

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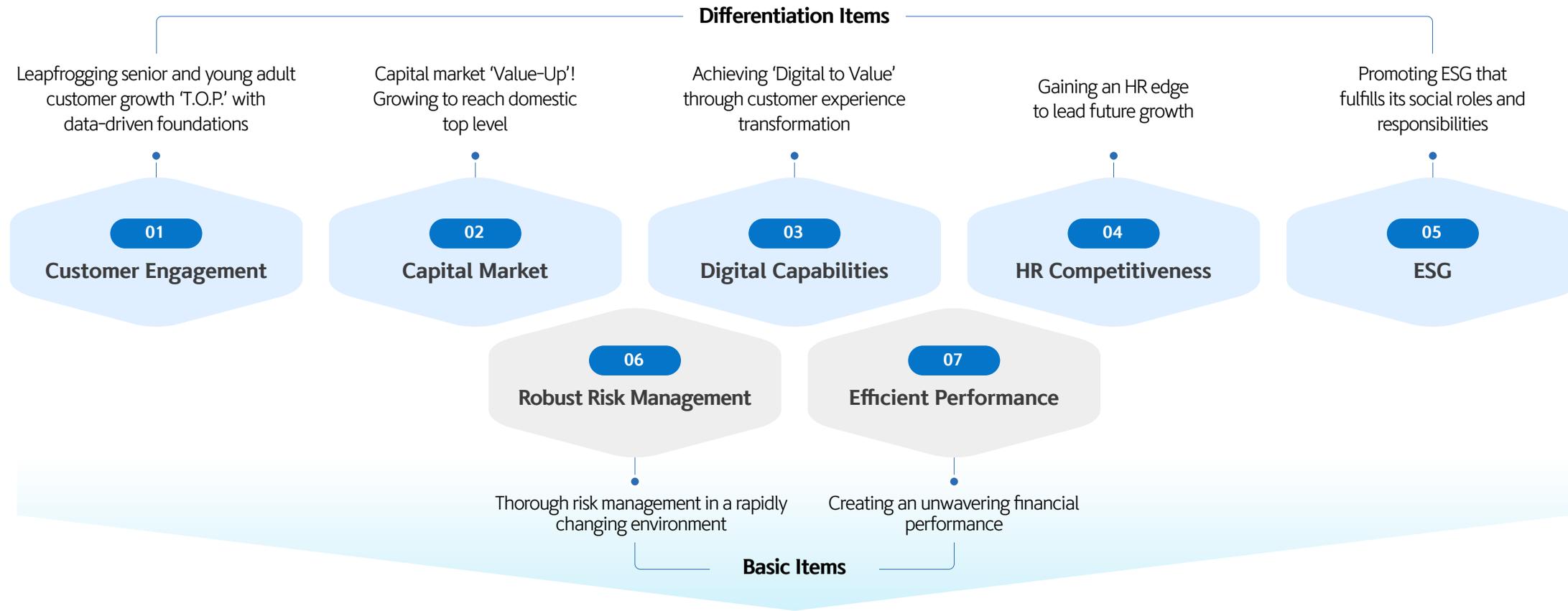
Corporate Overview

Shinhan Financial Group Strategy

Shinhan Financial Group aims to achieve differentiated performance, including a 30% share of global profits and a 50% share of non-bank profits in 2030, and to become a financial group that has a positive impact on society. To this end, we have established a future vision of "2030 Shinhan 1!3!5!" and a mid-term strategy, "Value-up 2025! RE:Boot Shinhan!". Based on our culture 'RE:Boot', we aim to enhance the value of each stakeholder based on solid financial performance and differentiated strategies.

Value up 2025! RE:Boot Shinhan

7 Key Strategic Agendas



RE:Boot Shinhan

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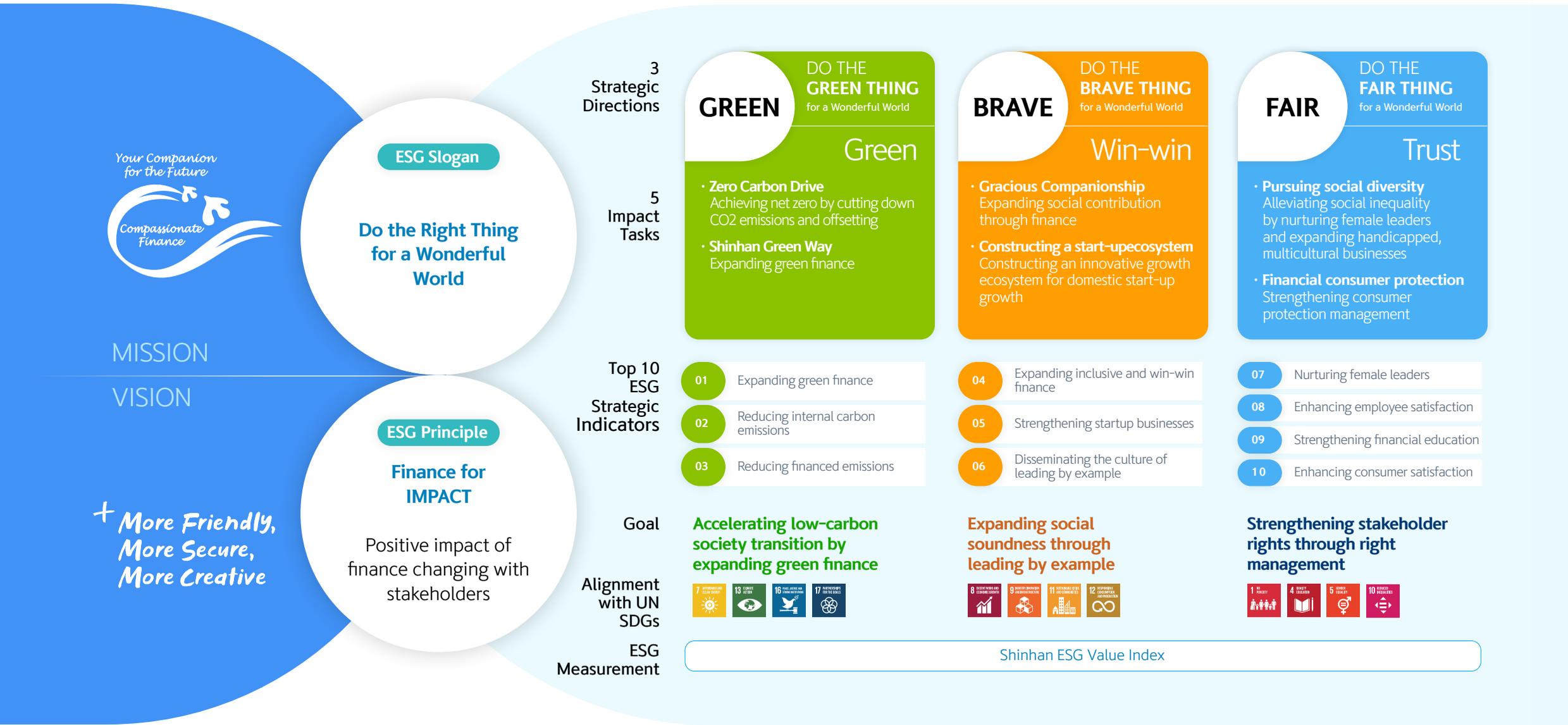
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ESG Strategy

Shinhan Financial Group aims to change for the better with more people by having positive financial impacts under the Group's ESG principle "FINANCE for IMPACT".

We have established an ESG Strategy Framework to rigorously fulfill commitments, as well as 5 Impact Tasks and Top 10 ESG Strategic Indicators under the 3 Strategic Directions of "Green", "Win-win", and "Trust".



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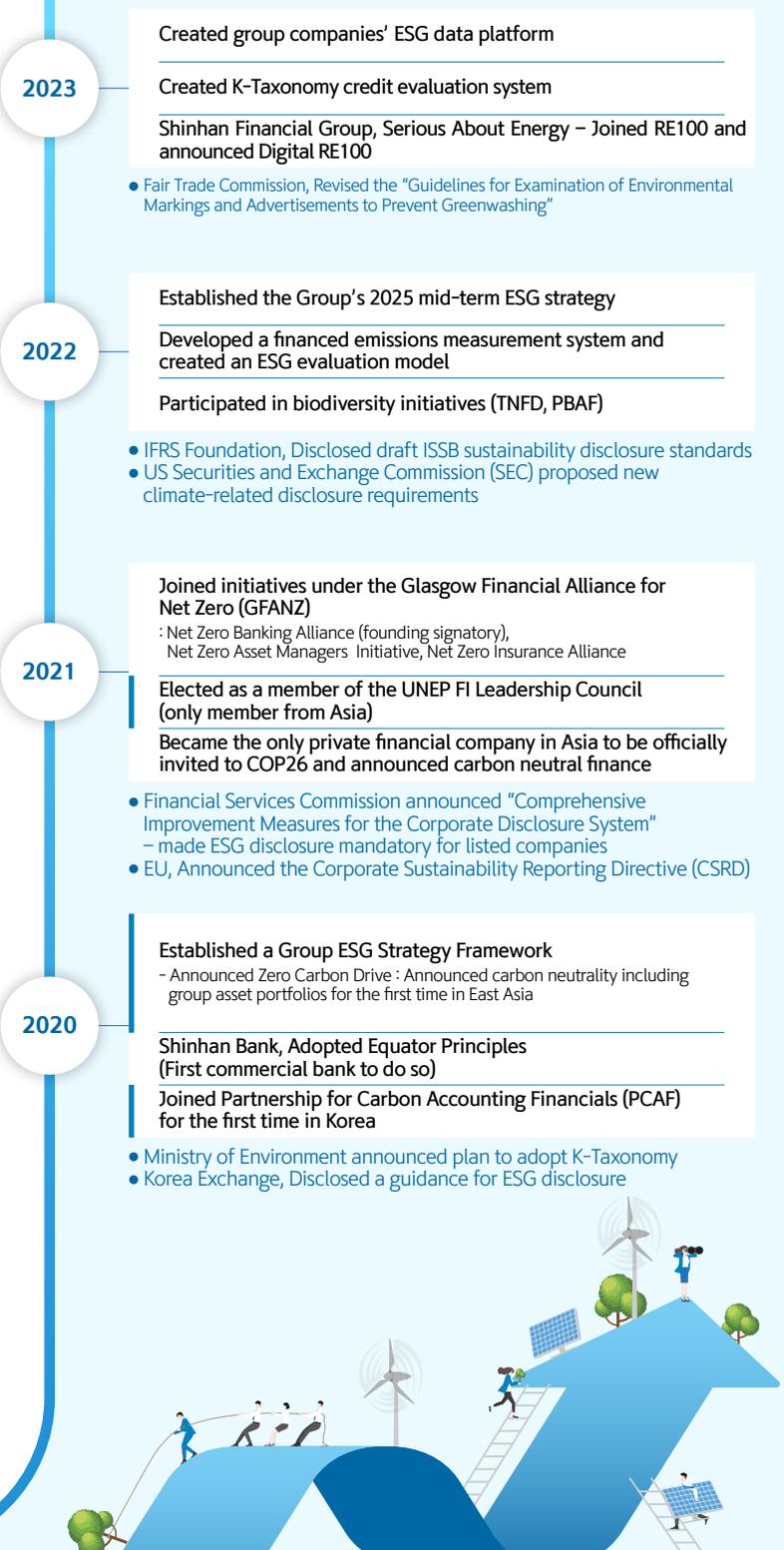
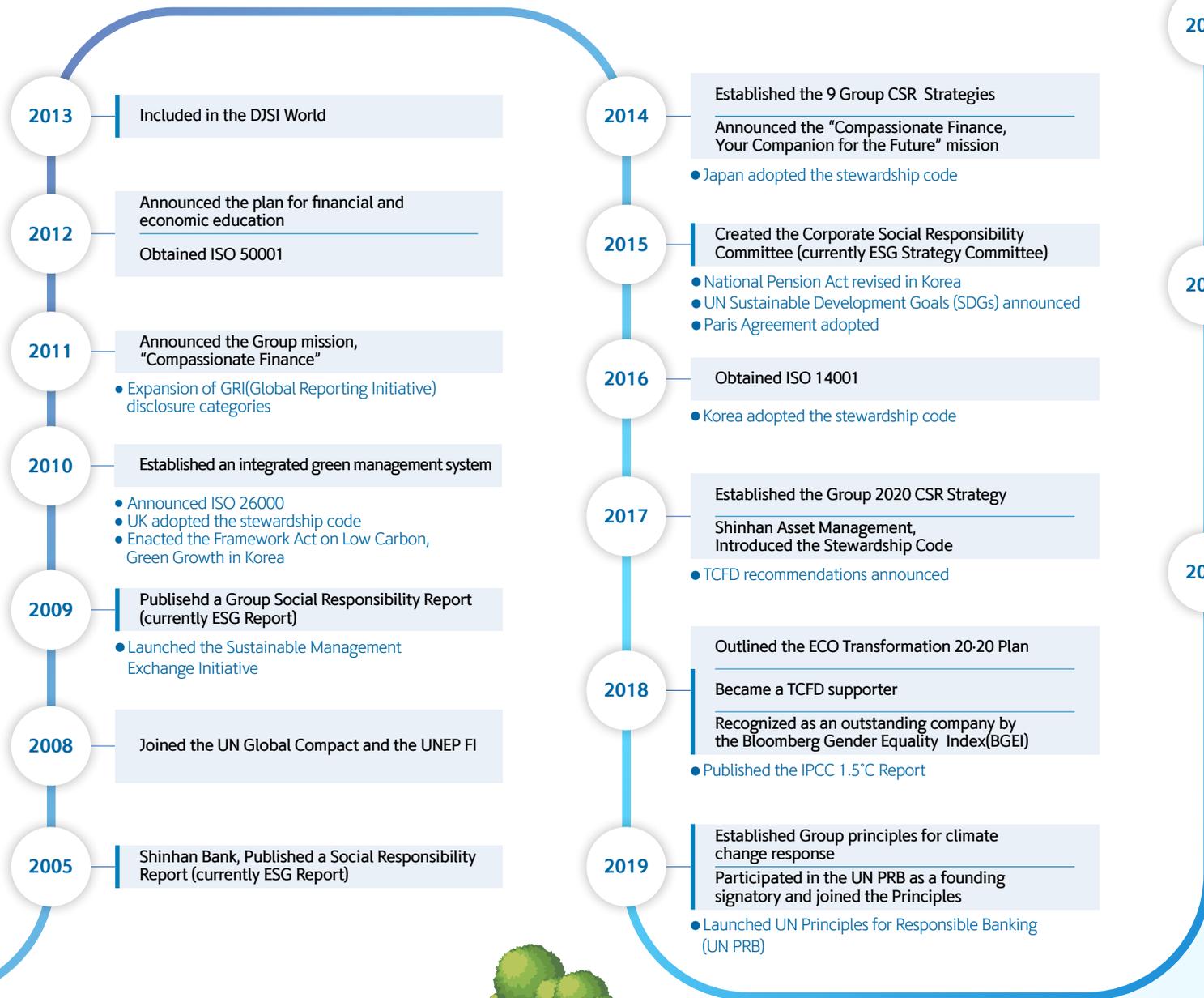


ESG Milestones and Initiatives

- ESG Trend
- First in Korea's financial industry

ESG Milestones

Shinhan Financial Group is promoting ESG along the domestic and international trends of companies' environmental, social, and governance.



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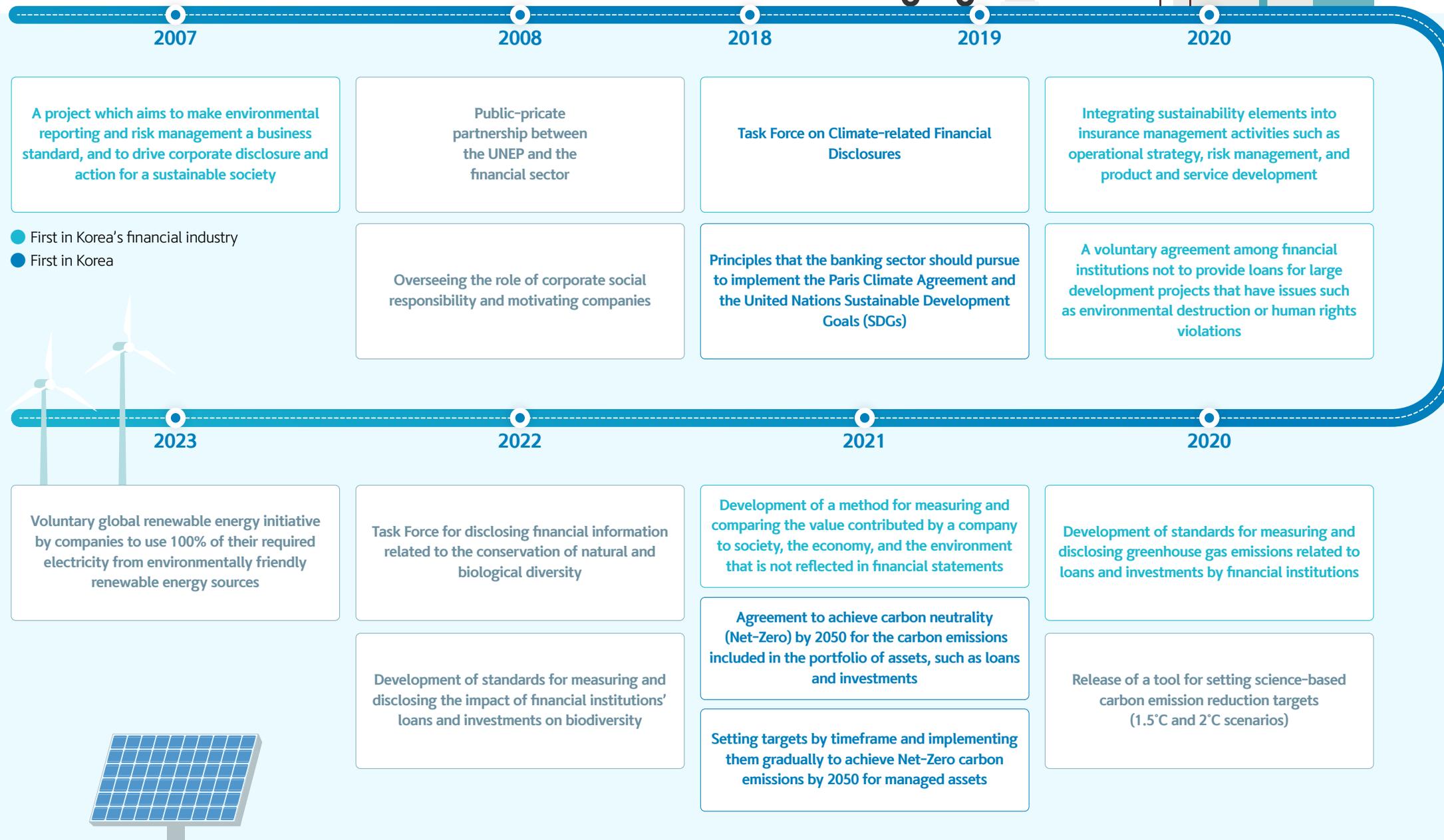


ESG Milestones and Initiatives

☞ Mouse hover Put the mouse over the box for details

ESG Initiatives

As of the end of 2023, Shinhan Financial Group is participating in 15 global initiatives that establish ESG standards, and is actively implementing major agendas such as the Paris Agreement.



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2023 ESG Strategy Indicators

E

Green



Expanding green finance

Green finance

KRW **5.1** trillion
(Based on new handling amount in 2023)



Reducing internal carbon emissions

Internal Carbon Emissions

69,749 tCO₂eq
(As of the end of December 2023, Based on the market)



Reducing financed emissions

Financed emissions (Carbon Intensity)

20.0 tCO₂eq/KRW billion
(As of the end of December 2023)

S

Win-win



Maintaining win-win and inclusive finance

Microfinance

KRW **4.76** trillion



Financial Education

No. of participants in financial education

423,879



Volunteer work

Volunteer hours

53,553 hours

G

Trust



Enhancing consumer satisfaction

Consumer satisfaction

94.9 points
(As of 2023 Shinhan Bank, Out of a total of 100 points)



Enhancing employee satisfaction

Employee satisfaction

78.8 points
(Out of a total of 100 points)



Nurturing female leaders

Female executives

9.8%

Female department manager

14.9%

(As of the end of 2023 HR, 8 group companies (Holdings, Bank, Card, Securities, Life, Capital, Asset Management, Jeju Bank))

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DO THE SUSTAINABLE THING

Shinhan presents the direction as a leader in green finance and sustainable finance.

Sustainable



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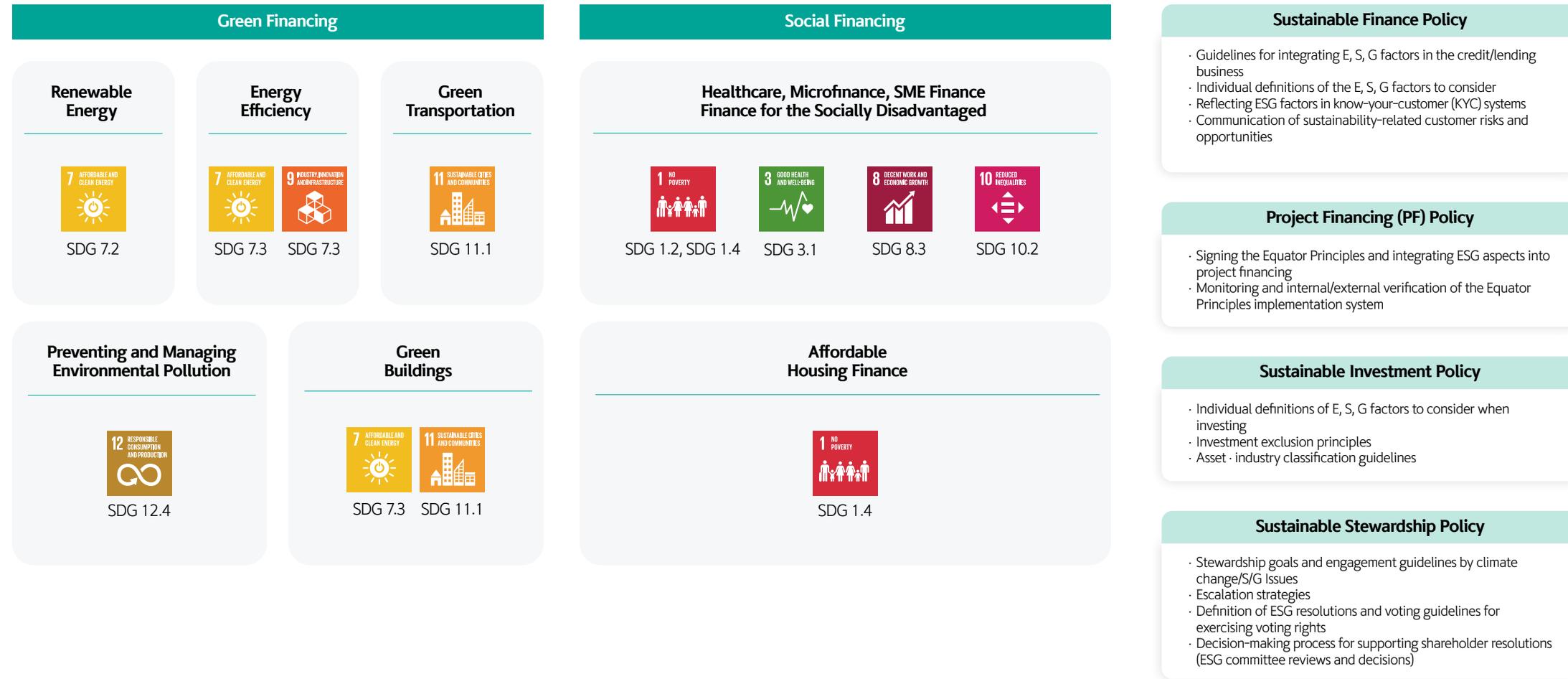
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Sustainable Finance Framework

Shinhan Financial Group has established the Sustainable Development Goals Finance Framework to achieve the UN Sustainable Development Goals (UN SDGs) and implement green, social, and sustainable finance. Based on this, we have established sustainable finance policies applicable to each business area and operate financial products and services in line with the framework.



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Green Finance

Expanding green finance based on the Zero Carbon Drive strategy

Shinhan Financial Group declared a “Zero Carbon Drive” strategy to achieve carbon neutrality through finance and has obtained approval for its carbon reduction targets through SBTi. Shinhan Financial Group actively supports green business and technologies that can offset carbon emissions of the financial assets and therefore, is leading the transition to a low-carbon economy to achieve carbon neutrality by 2050. We set a goal of cumulatively investing KRW 30 trillion in green finance by 2030 and successfully provided green finance worth KRW13.3 trillion in 2023.

 ESG Highlight - Establishment of a Virtuous Cycle of Green Finance  TCFD Report

Establishing the Transition Finance Policy

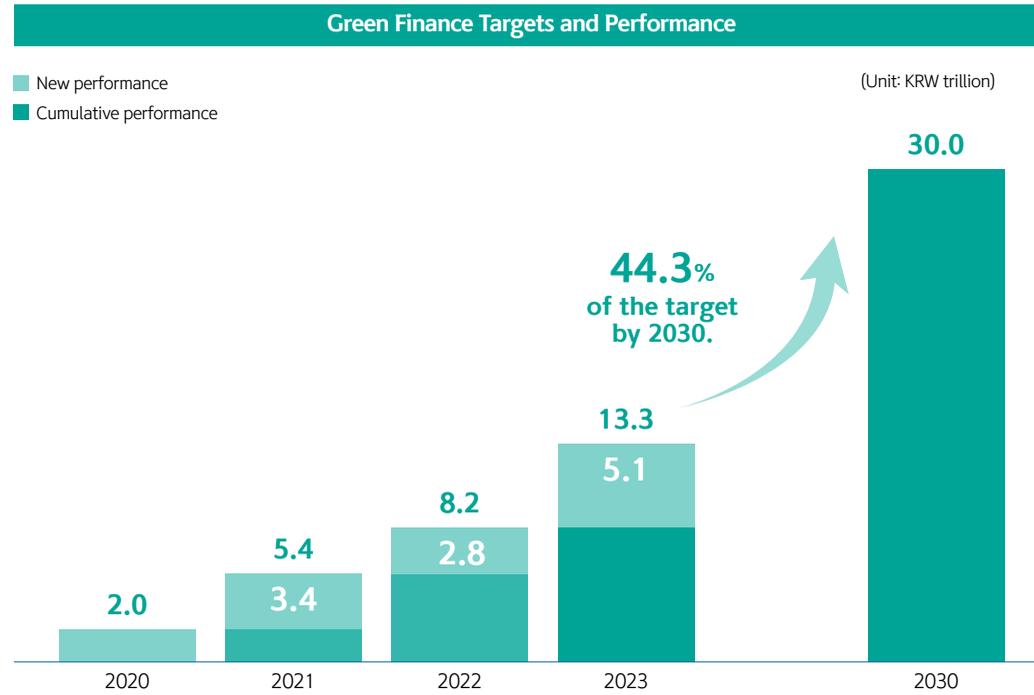
In 2023, Shinhan Financial Group established a transition finance policy to achieve the Zero Carbon Drive targets and began implementing the policy in earnest. Transition finance, a type of green finance, contributes to reduction of financed emissions through providing financial support to carbon-intensive industries. Shinhan Financial Group provided corporate loans worth KRW 1.38 trillion for transition finance and invested KRW 785.5 billion in green bonds by the end of 2023. Shinhan Financial Group plans to further strengthen its support for the low-carbon transition by expanding transition finance to various portfolios in the future. In doing so, we will actively contribute to the fight against climate change Policy.

 ESG Highlight - Establishment of Transition Finance Policy

Establishing a Virtuous Cycle of Green Finance

Shinhan Bank operates a virtuous cycle for green finance, utilizing funds saved from issuing green bonds to expand green loan products. In addition, Shinhan Bank established the ‘Green Taxonomy Corporate Loan Application System’ based on the K-Taxonomy in 2023 and has been operating it in earnest since 2024. New loans of KRW 1 billion or more are reviewed for green loan recognition based on supporting data, and those that qualify are provided with various incentives such as preferential evaluation and preferential interest rates to encourage companies to implement green economic activities Finance.

 ESG Highlight - Establishment of a Virtuous Cycle of Green Finance



2023 Major Achievements of Green Finance



1) Excluding fund investment performance of the Group subsidiaries (included in green investment)

2) Investment performance of asset management companies and sales performance of the Bank, securities company, and others selling fund products

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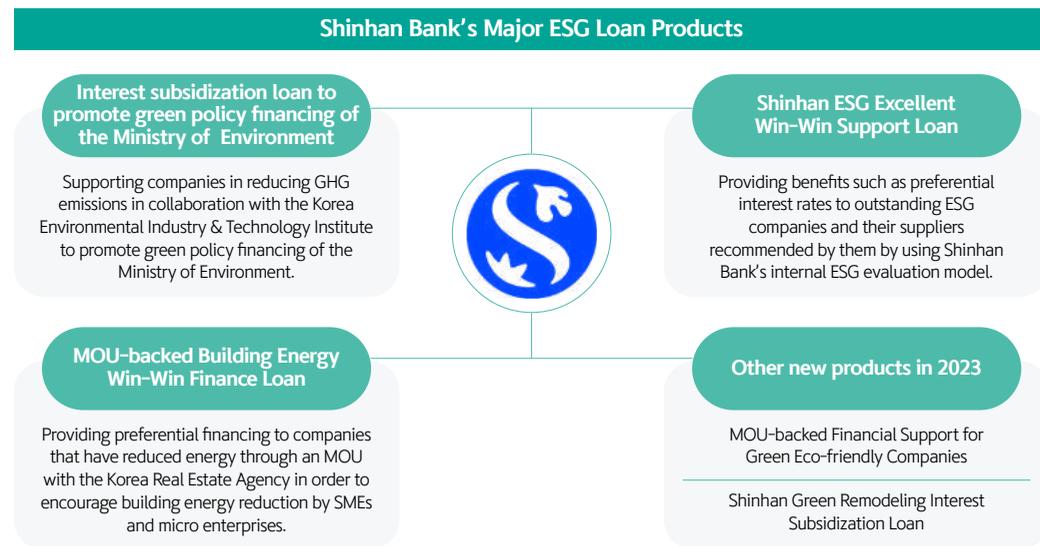
ESG Loans

ESG Review Process for IB Loans

Shinhan Bank examines the Equator Principles and environmental/social risks when handling IB loans. In addition, we check the increase/decrease of financed emissions before and after loan extension and the emissions offset or avoided by new and renewable energy in advance and comprehensively review the contents of the checklist. We reflect the ESG risk analysis opinions in the analysis report to use them in the lending screening.

Diversifying ESG Loan Products

Shinhan Bank launched an interest subsidization loan product to promote green policy financing of the Ministry of Environment. In 2023, Shinhan Bank extended KRW 1.38 trillion as the interest subsidization loan, which accounted for approx. 55% of Shinhan's green financing performance of KRW 2.5 trillion. In September 2023, Shinhan Bank diversified eco-friendly products by launching an MOU-backed Building Energy Win-Win Finance Loan that provides preferential financing to companies that have reduced energy in order to encourage building energy reduction by SMEs and micro enterprises.



CASE

Shinhan Bank – SK, Loan Interest Reduction Service to ESG Outstanding Suppliers

Shinhan Bank, in association with SK, provides services such as loan interest reduction and ESG consulting to SK's outstanding suppliers and help those companies expand ESG management. Suppliers can receive 1.2 to 2.0% loan interest reduction benefits depending on their ESG diagnostic assessment, and Shinhan Bank also provides interest-free loans to suppliers that have achieved the best rating or have a high rate of improvement. From February 2023 to February 2024, the Win-Win Loan program achieved a return rate of 0.61%*. Shinhan Bank will continue to develop products to support ESG-excellent suppliers and expand MOUs in order to link sustainability to financial performance.

*Rate of return for 16 cases cumulatively from March 17, 2023 to February 16, 2024.

CASE

Efforts to Promote Eco-friendly Vehicles

Shinhan Financial Group provides financial products and services to promote the spread of eco-friendly vehicles and contribute to carbon reduction. Shinhan Bank launched 'MYCAR' that offers loans extended exclusively for purchase of new eco-friendly vehicles (electric, hydrogen and hybrid cars). To promote the MYCAR loan, Shinhan Bank participated and promoted products in the "EV Trend," the largest EV expo in Korea, held customer events, and formed alliances with EV manufacturers and dealers in the first quarter of 2024. Shinhan Card offers discounted interest rates on inventory financing to promote EV sales. In 2023, it provided preferential interest rates on eco-friendly inventory financing of KRW 19.5 billion.



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ESG Bonds

Green Bond Management System

Shinhan Bank established a green bond management system in accordance with the Korean Green Bond Guidelines prepared jointly by the Ministry of Environment and the Financial Services Commission and the K-Taxonomy Guidelines of the Ministry of Environment in 2023. For large-scale projects, Shinhan Bank evaluates only those suitable for the Korean green bond classification system and selects them based on internal screening criteria. Subsequently, Shinhan Bank uses the funds raised through green bonds to provide loans only for specified green economic activities. We continue to track down information on funds provided and transparently disclose information on the performance of green bonds in annual reports for investors.

Green Bond Project Evaluation and Management System



Issuance of Green Bonds

Shinhan Bank is the first bank in Korea to issue climate bonds, a form of green bond that requires issuers to use the proceeds only for projects related to climate change mitigation. Shinhan Bank also participated in the Ministry of Environment's "Pilot Project for Interest Subsidization for Issuance of Korean Green Bonds" for the first time among Korean financial institutions and issued "Korean green bonds" worth KRW100 billion in 2022 and worth KRW150 billion in 2023. The funds raised from the bonds were used to support renewable energy projects such as Shinan-gun Solar Power Generation PF (KRW13.6 billion) and Gwangyang-si Biomass Power Generation PF (KRW86.4 billion), and the conversion of zero-emission vehicles (KRW50 billion). Shinhan Bank will continue to issue K-Taxonomy green bonds in 2024 to strengthen its position as a leader of green finance in the financial market.

Cumulative Green Bond Issuance

(Unit: KRW 100 million)

	2021	2022	2023
(General) Green Bond	6,600	6,135	-
K-Taxonomy Green Bond	-	1,000	1,500

Issuance of Foreign Currency ESG Bonds

In addition to green bonds based on the K-Taxonomy, Shinhan is actively engaged in ESG financing activities overseas. In particular, in 2023, Shinhan Bank published two semi-annual reports containing environmental impact analysis and social impact analysis of the green and social foreign currency bonds issued in the previous year and obtained the Sustainalytics certification. Shinhan Bank also obtained Moody's certification on its sustainable framework (second party opinion) in 2023 to boost investor confidence.

Shinhan Bank's ESG Bonds Issued Abroad

Classification	Amount	Issue Date	Description
Gender equality social bonds	USD 500 million	April 2023	<ul style="list-style-type: none"> The first Korean company that issued gender-themed ESG bonds. Used the entire funds as assets for loans that meet the relevant standards to support female borrowers from socially vulnerable groups.
Social Formosa bonds ¹⁾	USD 500 million	October 2023	<ul style="list-style-type: none"> Tie with the previous record of former record holder is the one Issued the largest among Korean bonds by Shinhan Bank in 2020. ESG bonds with a social theme. We have issued ESG-linked foreign currency public bonds seven times consecutively since 2020.
Green foreign currency covered bonds ²⁾	EUR 500 million	January 2024	<ul style="list-style-type: none"> Successfully issued covered bonds for the first time in European market. Issued ESG linked bonds as green mortgage for the first time as a Korean company.

ESG Highlight - Establishment of a Virtuous Cycle of Green Finance

1) A bond issued by a foreign organization in the Taiwan capital market in a national currency other than Taiwan dollars.

2) A bond issued by a financial institution using blue-chip assets such as residential mortgage bonds, public sector loan bonds, etc.
ESG Highlight - Establishment of a Virtuous Cycle of Green Finance

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ESG Investment

ESG Investment System

Shinhan Asset Management has established the “ESG Investment Philosophy” and makes investments in line with Shinhan Financial Group’s strategy of eco-friendly, win-win, and trust. Shinhan Asset Management applies the ESG management process to general equity funds, such as the KOSPI benchmark funds, if they contain at least 70% companies* with above-average ESG ratings, and plan to apply the ESG management process to other product types.

* BB or higher

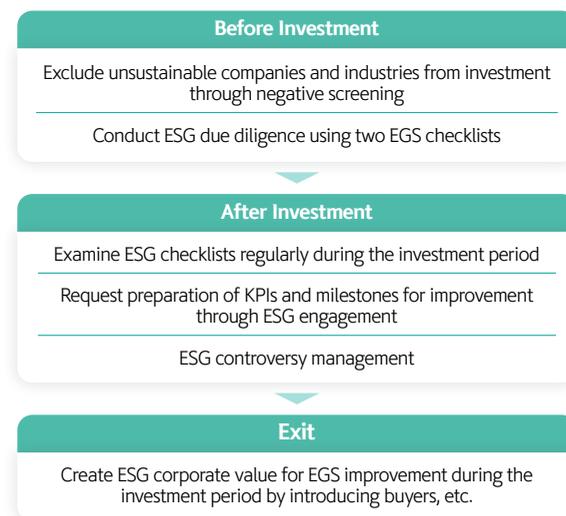


CASE

Strengthening ESG investment capabilities

In order to secure leading ESG investment capabilities in response to the ever-changing global investment environment and to create ESG corporate value for startups, Shinhan Venture Investment completed a project with ESG rating agency Sustainvest. Through this project, Shinhan Venture Investment established internationally compliant ESG investment guidelines and upgraded its ESG investment process by linking each stage to the negative screening policies and ESG checklists.

Startup ESG Investment Process



Expanding Eco-friendly Investments

We continue to make eco-friendly investments that support the expansion of green finance and respond to climate change, such as carbon emissions-related agreements and renewable energy generation, and are expanding our investments to various areas, such as investing in companies that reduce waste. For project financing (PF), Shinhan Financial Group conducts screening based on compliance with the Equator Principles to identify and manage environmental and social risks.

- Shinhan Securities**
 - Formed and co-invested in a consortium for Ecoscurities, a global carbon credit developer (three companies jointly invested USD 25 million).
- Shinhan Life**
 - PF investment in solar PV power plants in Japan (KRW30 billion).
 - Invested in recycling-related companies through VL Ziegler’s 2nd Private Equity Fund (KRW 9 billion).
 - Invested in Shinhan Green Energy Growth Engine Fund No. 1 (KRW1 billion).
- Shinhan Card**
 - Invested in businesses for the expanded sale of eco-friendly agricultural products and the reduction of discarded agricultural products (KRW500 million).

Launching ESG Funds

Shinhan Financial Group is expanding its product offerings, including funds for ESG investment in Korea and abroad. Shinhan Asset Management has launched funds for low-carbon transition, renewable energy generation facilities, and eco-friendly infrastructure development.

New ESG funds in 2023

- Shinhan Asset Management**
 - PIS Global Green Way Private Equity , LS Global Green Way Private Equity, KIND Global Green Way Private Equity**
 - Aiming to invest globally in ESG, with a focus on companies that are driving the transition to a low-carbon economy.
 - Green Energy Growth Engine Private Equity**
 - Aiming to invest in renewable energy and green technologies, with a focus on the companies involved in renewable energy projects such as solar and wind power.
 - Green Infrastructure Innovation Growth Private Equity Special Assets**
 - Seeking long-term growth and returns by investing in the development of green infrastructure, with a focus on such projects as smart grids and green transportation infrastructure.

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ESG Risk Management

ESG Risk Management Policy

ESG Risk Management Best Practices

In 2018, Shinhan Financial Group became the first Korean financial group that enacted the Best Practices for Environmental and Social Risk Management. Based on this policy, we have categorized the work areas for environmental and social risk management into the “management of areas of interest” and “environmental and social risk review”, and specified a policy for areas of interest. In addition, we manage the environmental and social impacts of the economic activities and regularly report the results of monitoring the exposure in the environmentally and socially significant areas to the Risk Policy Committee.

Group ESG Risk Management Best Practices

Management of Areas of Interest

Selected and monitored 12 areas of interest that may have harmful or sensitive environmental and social impacts.

Established criteria for exclusion and conditional financing in regard to illegal activities and coal power plant construction.

Environmental and Social Risk Review

Evaluating environmental and social risks of large-scale and long-term development PFs with significant environmental and social impacts, and reflecting mitigation measures in financial contracts if necessary

* 12 areas of interest: Large-scale agriculture and food crop production, forestry, chemicals manufacturing, mining, oil & gas development, large-scale infrastructure construction, power generation, wastewater and waste treatment, weapons and military supplies, drift-net fishing, tobacco and coal processing.

 Group ESG Risk Management Best Practices

Group ESG Management Rules

In 2022, we became the first Korean financial company that established the Group ESG Risk Management Rules for recognizing, measuring, and managing ESG risks. Subsequently, following the revision of the Financial Supervisory Service’s Climate Risk Management Guidelines, we revised the role of the CSO, the role of each department in the triple defense model, and the climate risk scenario analysis. Details on the climate risk analysis and materiality test can be found in the TCFD Report.

Highlights of the Group ESG Risk Management Rules

Overall Climate Risk

Financed Emissions Measuring System

Climate Risk Scenario Analysis

ESG Evaluation System

 TCFD REPORT

ESG Risk Management Activities

Management of Financed Emissions

Shinhan Financial Group have systematically managed all factors including measurement & analysis of financed emissions and establishment & implementation of strategies through the Financed Emissions Measurement System developed by Shinhan Financial Group for the first time among domestic financial institutions. To manage financed emissions, we classify the Group’s financial assets into 7 asset groups in accordance with the GHG accounting standards of the Partnership for Carbon Accounting Financials (PCAF) and calculates changes in carbon emissions according to the changes in the asset portfolio. The financed emissions measured by Shinhan Financial Group through the Financed Emissions Measurement System are used for the management of Zero Carbon Drive targets, identification of climate action risks and lending & investment screening process and also used in the screening of loans with eco-friendly purposes through the offset of financed emissions. As of the end of December 2023, we measured emissions from financial assets of KRW 250.7 trillion, and we disclose the carbon emissions from the asset portfolio and the ratio of the coal power generation in the portfolio.

Use of Measured Financed Emissions

Use of measured financed emissions



Setting reduction targets for financed emissions, managing performance, monitoring, and establishing management reporting systems



Establishing the lending & investment screening process and determining model standards for climate risks



Utilizing resulting data as a reference for establishing sales and business plans including development of financial products, etc.

Examples of Financed Emissions Measurement System and Emissions Simulation System

Process to Operate the Financed Emissions Measurement System



Emissions Simulation System (Example)



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ESG Risk Management

ESG Evaluation Model

Shinhan Financial Group is the first Korean financial group that developed an ESG evaluation model. With this model, we evaluate the overall ESG level of companies at seven ratings. This model is utilized in lending & investment screening process together with the existing systems concerning environmental and social risk assessment and management of areas of interest. Shinhan Bank operates the "ESG Excellent Win-Win Support Loan," which provides benefits such as preferential interest rates to companies with excellent ESG ratings based on the ESG evaluation model, whereas Shinhan Card provides financial benefits such as credit benefits to eco-friendly companies.

Evaluation Items of Shinhan Financial Group's ESG Model



Process to Operate the ESG Evaluation Model



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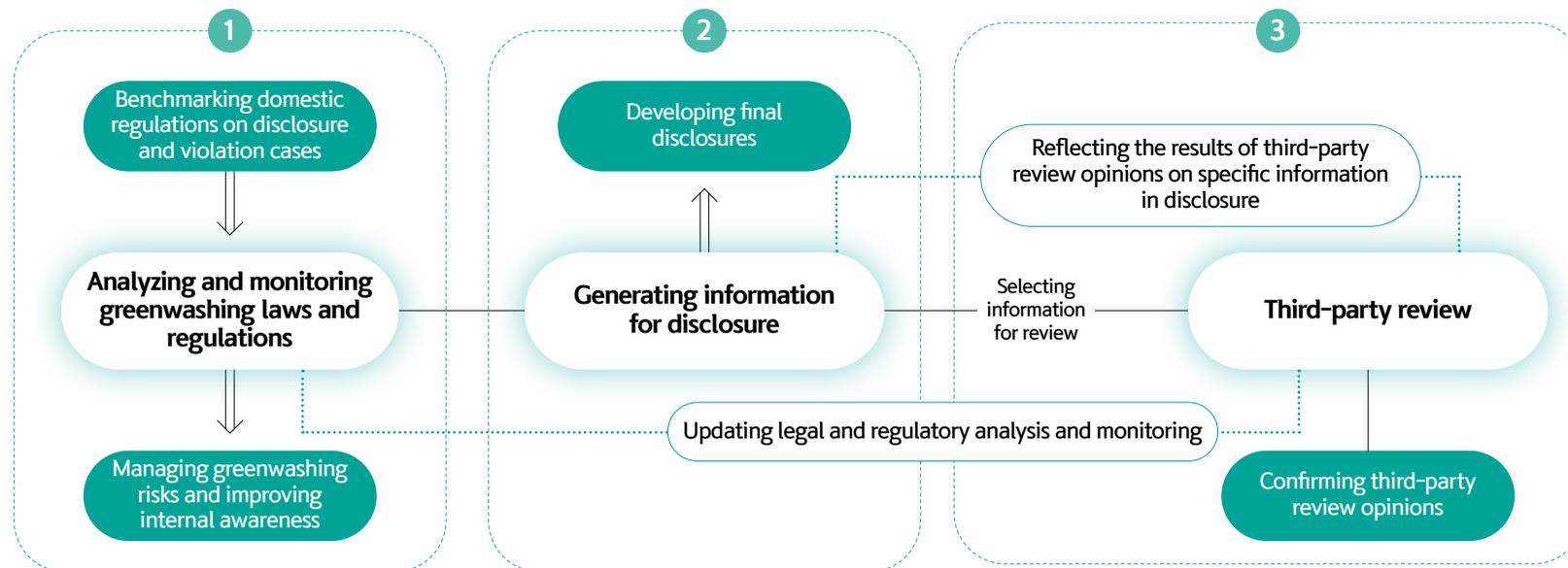
ESG Risk Management

Shinhan Financial Group's Greenwashing Risk Management

Shinhan Financial Group is engaged in various environmental and climate-related activities, and we believe that disclosing accurate information and managing greenwashing risks are as important as the outcome from such activities. We fully understand that greenwashing can potentially damage the interests of our customers and stakeholders and can have a material impact on Shinhan Financial Group. Therefore, we are striving to identify and avoid greenwashing risk factors that may arise in corporate management as well as in environmental statements related to financial products and customers. To this end, Shinhan Financial Group has established its own Greenwashing Risk Management Framework and selected three factors that may cause greenwashing risks and is focusing on checking them.

	Greenwashing Risk Factors	Shinhan Financial Group Risk Management Status	Advancement Plan for Management
Management Activities	Inaccurate reporting on the achievement status of carbon neutrality targets	Publication of TCFD report to identify carbon neutrality goals and status in detail	Management of carbon neutrality goal achievement status and related evidence of disclosure
Financial Products	Improper development and proper promotion of 'green' or 'sustainable' financial products	Disclosure of transition finance judgment standards, K-taxonomy-based corporate loan system operation	Continuous expansion of finance related to K-taxonomy credit system
Customers	Insufficient monitoring of management activities for 'green' and 'sustainable' management and implementation of climate strategies and declarations	Operation of financed emission measurement system, ESG evaluation model	Measurement and disclosure of financed emissions, ESG audit, and strengthening ESG audit

Shinhan Financial Group's Greenwashing Risk Management Framework



Shinhan Financial Group divides roles to systematically manage greenwashing risks.

- 1 Internal control/risk management organizations identify greenwashing risk factors in advance and improve internal awareness
- 2 Organizations that generate and disclose environmental management information create information regarding the organization's greenwashing risk
- 3 ESG/risk management organization or a third-party review organization conduct a review of information to disclose and advance the continuous greenwashing risk management system

Reference-Greenwashing-related laws: 'Fair Labeling and Advertising Act' of the Fair Trade Commission, 'Environmental Technology and Industry Support Act' of the Ministry of Environment

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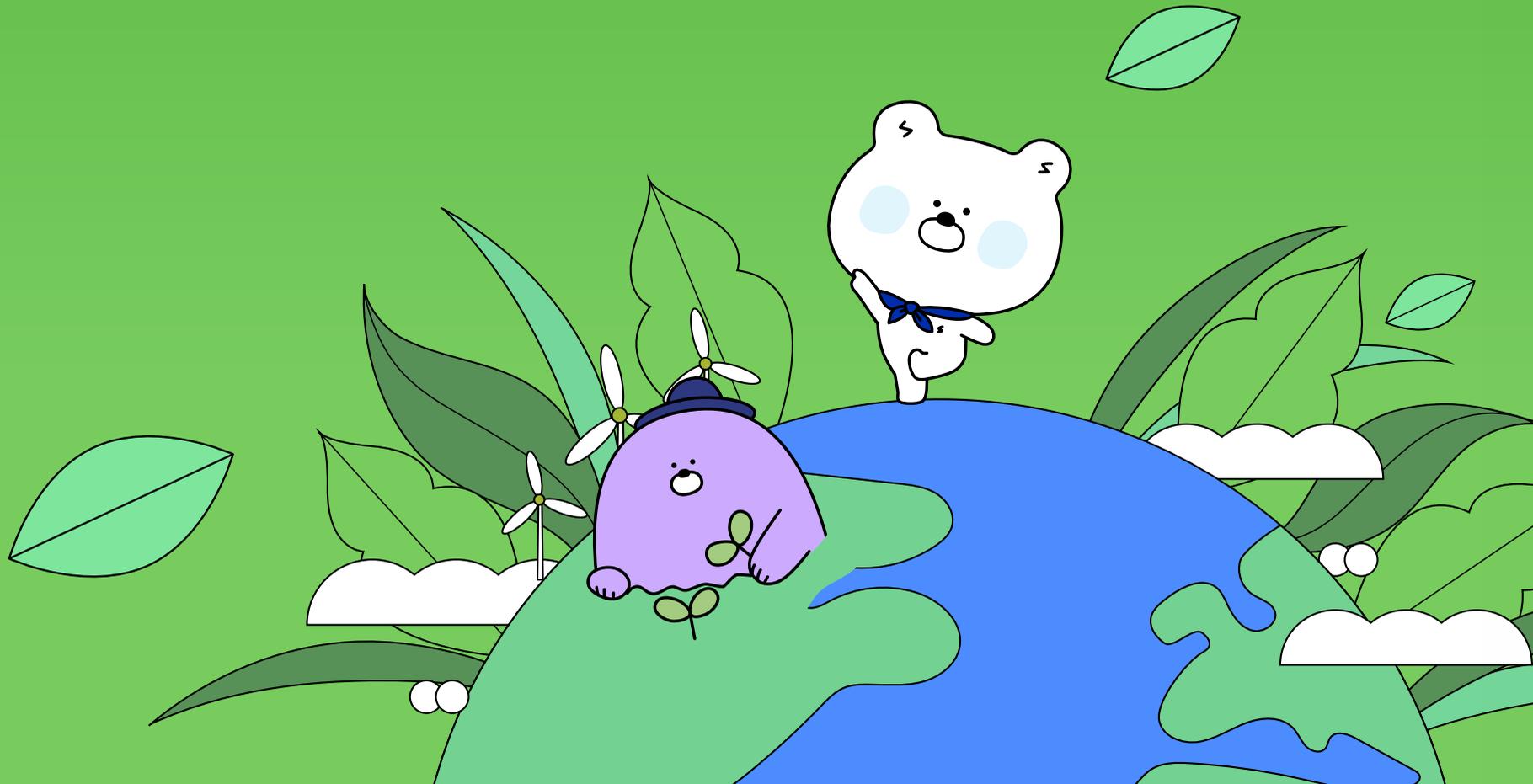
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DO THE GREEN THING

We complete a blueprint for green growth to guide the ESG Way journey.

Environmental



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Environmental Management

Environmental Management Policy and System

Based on the Environmental Management Standards, all Shinhan group companies actively promote efficient use of resources, minimization of GHG emissions, developing and financing of green financial products and communicate with stakeholders through initiative activities. Shinhan Financial Group, and its major subsidiaries have established an environmental management system in line with ISO 14001, the international certification for environmental management systems.



Environmental Management Groups

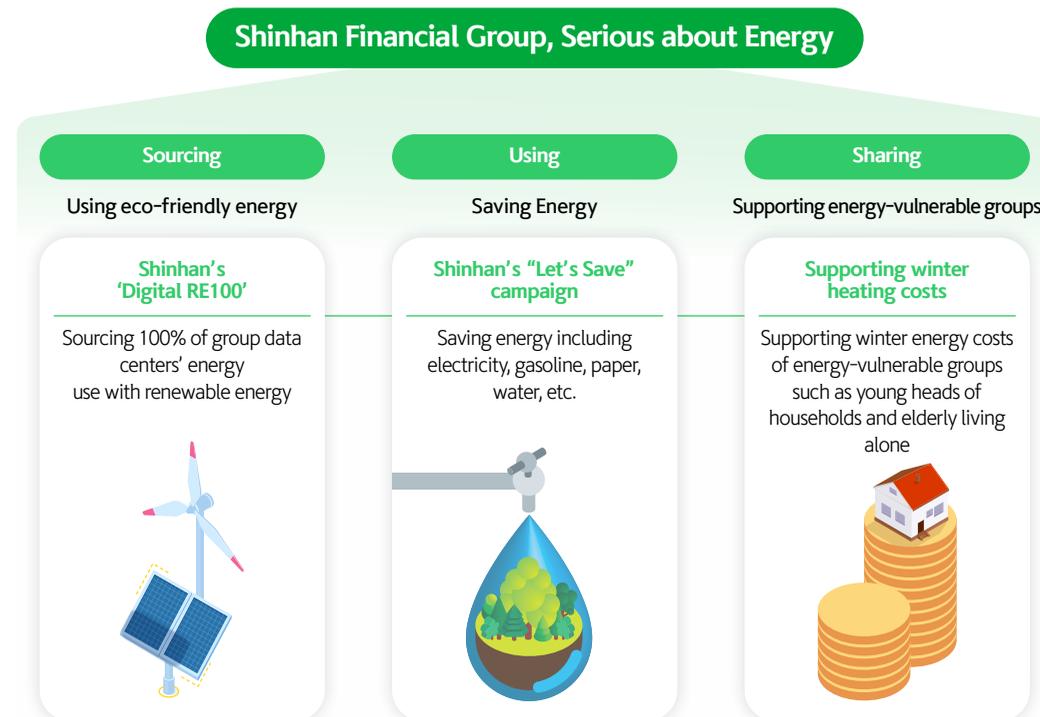
The Board of Directors of Shinhan Financial Group regularly reviews the Group's environmental management performance. The CEOs of each group company are responsible for environmental management, and environmental management indicators are included in the managers' KPIs. In addition, the environmental management organization has been formed from the holding company, and the head of the ESG department has been designated as the chief environmental management officer, and the head of the ESG planning team is playing the role of environmental management agent. The ESG planning team of the holding company establishes and oversees the implementation of mid- to long-term environmental management plans and operates an environmental management council with related departments.



Internal Carbon Emissions Reduction

Shinhan Financial Group, Serious about Energy

Shinhan Financial Group has declared 'Zero Carbon Drive' as a carbon neutrality strategy to respond to climate change and has established a target to reduce internal carbon emissions. Shinhan Financial Group aims to convert 100% of the electricity used by all group companies to renewable energy by 2040 by implementing RE100 and intends to achieve zero internal emissions by 2044. In 2023, Shinhan Financial Group declared "Shinhan Financial Group, Serious about Energy" as the Group's energy strategy, and set the "using eco-friendly energy", "saving energy", and "supporting energy-vulnerable groups" as our key directions of strategy implementation. In addition, each group company conducts eco-friendly vehicle conversion, energy efficiency improvement, and training on energy practices for ESG department personnel and related departments. Shinhan Financial Group discloses its energy saving achievements every year and transparently reports related information by acquiring third-party certification.



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Environmental Management

Internal Carbon Emissions Reduction

Data Center Energy Saving Efforts

As digital capability enhancement activities of financial companies lead to increased power consumption by data centers, Shinhan Financial Group has declared "Digital RE100", a plan to use renewable energy for 100% energy requirements of data centers. With an aim to operate eco-friendly data centers, Shinhan Financial Group optimized energy consumption by selecting LED lighting equipment, solar PV and solar thermal facilities, inverter facilities and equipment with high energy efficiency grades and operating energy management systems in buildings.

Data Center Energy Saving Highlights

Rooftop solar thermal facilities

Reduced energy consumption of **15,435 Mcal** per year through supply of 27,000Kcal hot water

Solar PV power generation facilities

Saved energy of **83,050kWh** per year through the Building Integrated Photovoltaic (BIPV) system

Enhancing cooling efficiency

Maintained the PUE at **1.37 in 2023*** by enhancing cooling efficiency
* At 1.40 in 2021, maintained at 1.37 in 2022~2023

Shinhan's "Let's Save" Day

As part of its strategy "Shinhan Financial Group, Serious about Energy," Shinhan Financial Group carried on an employee-participating, eco-friendly campaign "Shinhan Let's Save Day" to reduce carbon emissions in the company. We saved energy through small habits in daily lives, such as turning off entire lights and computers in the building after work, saving energy for heating and cooling by maintaining an appropriate indoor temperature, using public transportation, and avoiding the use of disposable cups.

Supporting energy-vulnerable groups for winter heating costs

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. From October 2022 to October 2023, a total of 228 local children's centers were able to replace old heating and cooling equipment with high-efficiency appliances. In addition, to alleviate the burden of heating costs in child care facilities due to the increase in utility bills, a total of 363 group homes were supported from February to October 2023.

Conversion to Zero Emission Vehicles

Shinhan Bank has set a goal of converting 100% of company vehicles to EVs in 2030 and converted 76 vehicles to EVs in 2023. Shinhan Venture Investment replaced 63% of company vehicles with eco-friendly EVs in 2023.

Shinhan Bank's EV Conversion Goals and Achievements

2023 Achievements

76
(EVs)

2024 Plan

100 vehicles
(eco-friendly*)

2030 Goal (K-EV100)

100%
conversion to EVs

*EV or hybrid vehicle

Eco-friendly certification status

Shinhan Financial Group's major group companies have acquired ISO 14001 certification and operate an environmental management system that meets international environmental management standards. Since 2021, we have been acquiring LEED* certification and advancing the management of various small and medium-sized offices.

Group's ISO 14001 certification status

Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life, Shinhan Capital

LEED Certification Status

2021

Certified

• Gangnam WeWork Tower

2022

Certified

• Shinhan L Tower

2023

Certified

• Greats Pangyo
• Seoul Station Wise Tower

2024

To be Certified

• Greats Cheonggye
• Namsan Twin City
• Yeoksam Samsung Fire Building

*LEED (Leadership in Energy and Environmental Design): developed by the U.S. Green Building Council (USGBC), it is the world's most authoritative and recognized green building and interior certification system, and is evaluated on sustainable site planning, water efficiency, energy and air, materials and resources, indoor environmental quality, innovation and design process, etc

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Environmental Management

Resource Use Reduction

Establishing a Resource Circulation System

Reflecting the characteristics of a financial company, Shinhan Financial Group has established a resource circulation system that links the recycling of waste electronic devices and office furniture to carbon emission reduction and community donations. To internalize the system, we provided face-to-face training to relevant employees of ESG departments and related departments of group companies. We designated April 26, 2024 as the Resource Circulation Day and put the resource circulation system into practice with more than 1,000 employees to form a consensus on ESG.



Resource Use Reduction Activities

Shinhan Financial Group conducts activities to reduce the amount of paper used by customers at each group company. Shinhan Bank is expected to save more than 2 million pieces of paper annually by fully expanding its bancassurance digital counter service in 2023, and Shinhan Securities has saved 1.2 million pieces* of paper through electronic document processing over 5 years. In particular, Shinhan Card has established and implemented an eco-friendly roadmap to eliminate the use of plastic cards and convert to digital cards by 2040.

* Cumulative savings of 1,215,129 sheets from 2018 to 2023/03/24

CASE

Shinhan Card Reduced Use of Plastic Cards

Based on its eco-friendly roadmap, Shinhan Card has set targets for minimizing plastic waste by 2040, i.e., achieving 50% digital cards without physical cards (NP 50) and 100% eco-friendly cards made of recycled plastic (BP 100) by 2040. Plateless cards (NP 50) are offered when customers who only use the mobile simple payment function apply for card reissuance and reduce the plastic and paper used for card plates, carriers, and envelopes as well as GHG emissions made during transportation. In 2023, eco-friendly materials (R-PVC) were applied to eight types of cards, and the proportion of eco-friendly materials applied will be gradually increased by 2040. In 2023, 1,253,275 plastic cards made of R-PVC were issued, and the amount of carbon reduction contribution is about 8.77 tons.

Plans on the Use of Eco-friendly Card Materials (R-PVC)

2025 Plan To be applied at the launch of new products

2030 Plan To be applied to main card products

2040 Plan Bio-plates will be primarily used

2023 Achievements on the Use of Eco-friendly Card Materials (R-PVC)

Applied to 8 card products

Number of cards issued: **1,253,275**

Carbon Reduction Contribution: **8.77t**

Paper Reduction Activities

Launching digital products

Shinhan Life · Launched contactless digital insurance products that customers can take out via the Internet

Document management through the system

Shinhan Bank · Checked and approved filed documents in the BPR system without printing necessary documents when handling shared growth loans
· Converted hardcopy documents into electronic format by utilizing the certified electronic document center for storage and management.

Expanded mobile e-notices

Shinhan Bank · Provided financial transaction information of the National Tax Service by electronic means in association with the Korea Financial Telecommunications and Clearings Institute (approx. 68,333 cases in 2023).
· Issued and examined certificates of balance to apartment management offices without contact (348 subscribers in 2023).

Shinhan Card · Converted product guides and terms and conditions into electronic documents by providing customers an option to choose a document format among hardcopy, fax message and electronic documents when credit cards are issued.

Shinhan Life · Converted insurance premium payment notices sent by registered mail to mobile electronic registered mail (digital delivery rate of three major documents in 2023: from 53.3% (Jan. 2023) to 82.7% (Dec. 2023)).

Operating e-contracting system

Shinhan Life · Preferentially recommended the mobile "customized terms and conditions" that contain only the special terms and conditions subscribed by customers (monthly average ratio of selecting hardcopy T&C: 44% → 16%)

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Environmental Management

Biodiversity Enhancement

Biodiversity Risk Management System

Shinhan Financial Group has upgraded its biodiversity management system since it joined the TNFD Forum, an international biodiversity initiative, in 2022. In our biodiversity report, Shinhan Financial Group examines whether the assets and business activities in its portfolio are located in areas of high natural importance and analyzes their dependence on and impact on natural capital. In addition, we continuously monitor biodiversity issues that may arise in the course of business through the environmental and social risk review process.

 ESG Highlight - Publishing the First Biodiversity Report of a Financial Institution in Korea

Biodiversity Conservation

Each group company of Shinhan Financial Group conducts activities to conserve biodiversity in line with the Global Biodiversity Framework (GBF). Shinhan Card and Shinhan Life have increased the ecological diversity of parks and improved air quality by absorption of fine dust and carbon dioxide through afforestation projects. In addition, group companies conduct eco-friendly social contribution activities such as plogging to clean up the environment around their workplace.

Afforestation Projects

Shinhan Card Establishment of the eco-zone in the Hansaebong Agriculture and Eco Park In Gwangju

- Part of an afforestation project that restores biological habitats by eco-friendly regeneration of aging spaces in urban parks
- Used ferns and various trees that inhabit in the Hansaebong Agriculture and Eco Park in a space of about 1,300㎡

Shinhan Life Campaign to Create a Shining Forest

- Created the "Shining Forest" by planting trees on the sites that have been neglected for a long time and are in danger of becoming useless.
- In 2023, Shining Forest No. 2 and No. 3 were created in Yangcheon-gu, Seoul, with an area of approx. 2,600㎡ and 1,700㎡, respectively.

 Biodiversity Report

Environmental Initiatives

Shinhan Financial Group participates in international events, meetings, and collaborations on behalf of Asian financial companies, and promotes active ESG management to respond to climate change.

2023. 5.

Signed an agreement with the United Nations Environment Programme (UNEP) to promote sustainable finance in the Asia-Pacific region

Plans to sponsor \$100,000 annually for the next three years, provide carbon neutrality and sustainable finance research materials, and conduct global workshops

2023. 11.

Group CEO Participates in UNEP FI Asia-Pacific Regional Meeting

Discussions on regulations such as strengthening disclosure for the expansion of sustainable finance, as well as sustainability finance initiatives tailored to the Asia-Pacific region, such as climate change, biodiversity, and inclusive finance

Conducted quarterly

Group Head of ESG Participates in the Global Steering Council (GSC) Meeting of the United Nations Environment Programme Finance Initiative (UNEP FI)

Participated as a representative of the Asia-Pacific Banking Sector

CASE

Glasgow Financial Alliance for Net Zero (GFANZ)

Shinhan Financial Group is participating in the Glasgow Finance Alliance (GFANZ), in which major financial institutions around the world participate, with the goal of promoting a net-zero economy and overcoming the climate crisis through finance. GFANZ has launched a working group to support Vietnam's green energy transition and the achievement of carbon neutrality goals, and Shinhan Financial Group is the only financial company in Korea to be a member of the GFANZ working group. Shinhan Financial Group, together with the Working Group, will mobilize at least USD 7.75 billion in funding for JETP*, a global initiative for renewable energy transition in Vietnam, to support Vietnam's 2050 carbon neutrality goal.

* JETP(Just Energy Transition Partnership): A global initiative to transform energy systems in developing countries to be sustainable and green, with the main aim of promoting the transition to renewable energy, reducing the use of fossil fuels, and achieving both economic growth and environmental protection

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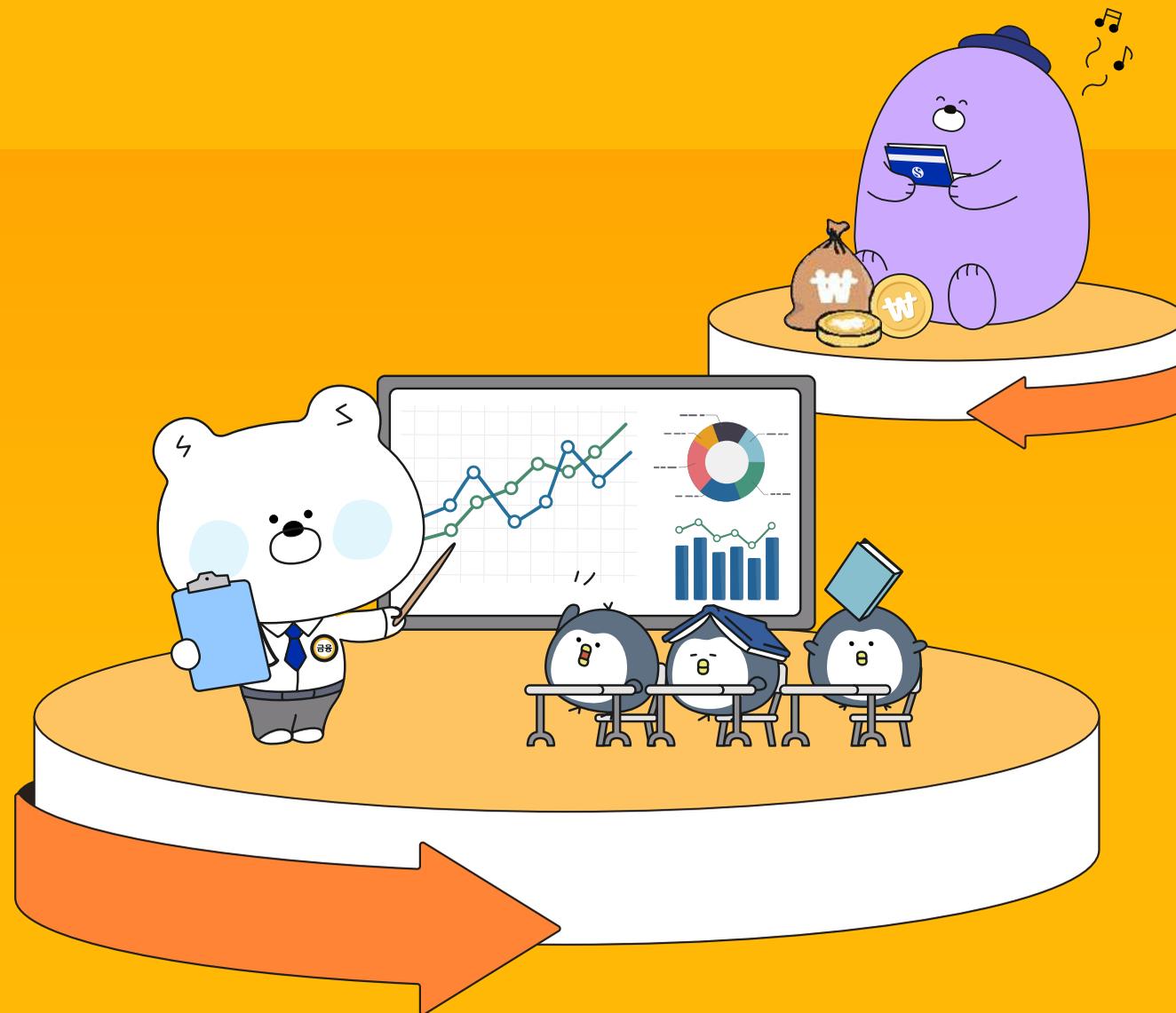
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DO THE BRAVE THING

Where ESG Way reaches, a new financial ecosystem of empathy and mutual growth unfolds.

Social



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Win-Win Finance and Inclusive Finance

Our Commitment to Win-win Finance

Win-win finance is a part of a financial company's social contribution activities and refers to financial activities that support financial consumers in various ways to alleviate their financial burden from the continued high interest rates, high inflation, and delayed economic recovery. Win-win finance includes reducing loan interest rates and fees, reducing overdue interest, and providing policy products and loan support. These efforts contribute to reducing the burden on the financially vulnerable, mitigating social inequality, and enhancing the sustainability of the financial system.

Shinhan Financial Group has actively identified various win-win financial tasks and expanded its support activities through the comprehensive support for the expansion of win-win finance and the financial support measures for people's lives to ensure that it does not end up as a one-time declaration. Shinhan Financial Group will continue to fulfill its social responsibilities and obligations as a financial company by continuing its multifaceted support activities while checking the status of win-win financial support from time to time.

Organization to Promote Win-Win Finance

In 2023, Shinhan Bank established the "Win-Win Finance Office" in the ESG Division as a control tower for the promotion of win-win finance. In a situation where interest burdens are increasing due to high interest rates, we aim to make efforts for coexistence with local communities and contribute to the creation of a sustainable financial ecosystem.

CASE

Shinhan Bank Promotes "Comprehensive Support Measures for Win-Win Finance" and Support for Win-Win Finance

In March 2023, Shinhan Bank announced the "Comprehensive Support Measures for Win-Win Finance" at the Win-Win Finance Conference held with the Financial Supervisory Service. Shinhan Bank provided loans to individual customers, micro businesses and SMEs in line with the announced support measures, providing a total of KRW 162.3 billion in financial cost reduction benefits to household and corporate customers. In 2023, Shinhan Bank provided KRW 62.3 billion in financial support to 54,000 corporate customers.

 ESG Highlight - Expanding Win-Win Finance

CASE

Shinhan Bank's Financial Support Measures for People's Lives

Shinhan Bank participated in the banking sector's joint financial support measures for people's lives and announced financial support worth KRW 306.7 billion to provide practical aid to self-employed people, micro businesses, and financially vulnerable groups who are experiencing difficulties in financing due to the economic downturn. The support measures are composed of a joint program and an autonomous program, and Shinhan Bank is spending KRW 197.3 billion on the joint program and KRW 109.4 billion on the autonomous program.

Classification	Details
Joint program	<ul style="list-style-type: none">For 27.6 million sole proprietors and micro businesses (excluding lease business)Providing maximum KRW3 million in cashback up to 90% of the interest payment exceeding 4% interest rate with the loan limit of KRW200 million
Autonomous program	<ul style="list-style-type: none">Participated in policy support, easing financial burdens on micro businesses, supporting future generations of youth, and participating in solving social problems

Corporate Win-Win Activities

Creating a Startup Ecosystem

Shinhan Financial Group has created a win-win ecosystem with startups to strengthen the foundation for innovative growth in the financial sector. In particular, we have established two platforms, "Shinhan Future's Lab" and "Shinhan Square Bridge," to provide a wide range of financial and non-financial support to startups. Shinhan Future's Lab is the first startup acceleration program made by the domestic financial sector that fosters startups in the digital and fintech sectors and provides collaboration opportunities and investment attraction linkages with major Shinhan Financial Group companies. Shinhan Square Bridge has supported innovative startups to become K-unicorns and go global, with the goal of solving local problems and enhancing social value. Shinhan Square Bridge being integrated into Shinhan Future's Lab will continue to support startups with expanded capabilities from 2024.

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Win-Win Finance and Inclusive Finance

Corporate Win-Win Activities

CASE

Shinhan Future's Lab

Since the first-term of Shinhan Future's Lab in May 2015, Shinhan Financial Group has fostered a total of 401 innovative startups and made direct and indirect investments of KRW86.6 billion until the 9th-term in 2023. We select investee companies by comprehensively evaluating their corporate sustainability, CEO's will, and impacts on the market. For joint development, service introduction, etc., major Shinhan Financial Group companies are collaborating with and investing as mentors in companies participating in the Future's Lab. We also support the members by providing Future's Lab space, investor support, and promotion/marketing training, and we try to provide various opportunities to previous Future's Lab companies under the name of "alumni companies."

2023 Shinhan Future's Lab's Achievements in Creating Socio-Economic Value As of December 2023



Companies Funded (Discovered)

Number of companies funded from the first-term in 2015 to the ninth-term in 2023

401 companies



Total Funding Amount

Direct and indirect investment by the Future's Lab exclusive fund and group companies

KRW 86.6 billion



Collaboration

Number of collaborations between Shinhan group companies and funded companies (Co-development of services, PoC, etc.)

270 collaborations



Baby Unicorn

Number of SFL alumni growing into baby unicorns through investment, training, mentoring, and business advisory

21 alumni

CASE

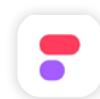
Key Activities of Shinhan Future's Lab in 2023

Shinhan Bank

- 2nd Finnovation Challenge (Seoul X Shinhan Bank)
- Discovered and fostered startups that can develop into actual financial services and created digital financial innovation services
- Selected 6 out of 159 companies that received support

Funderful

Opened "SolSolCon" contents in the Shinhan SOL app



Siezedata

Completed 2 PoCs for alternative credit assessment and customer analysis



Travel Wallet

Invested in overseas account and overseas remittance services



Shinhan Life

- Pursued collaboration through open innovation with 4 companies in 4 areas: insurance, ESG, senior and process innovation

Key collaboration models

- Paradigm Shift** • Improving digital insurance marketing insight
- Silvia Health** • Providing "Brain Health Training Services" for middle-aged customers
- Insudeal** • Providing automated corporate information report generation services for corporations and CEOs
- Punta Company** • Planning of healthy snack packages made from local specialties

Shinhan Venture Investment

- Created the Shinhan Hyper Futures Fund to invest in companies that have been and will be selected for Future's Lab

Shinhan Square Bridge's Achievements in Creating Socio-Economic Value in 2023

Regions Seoul, Incheon, Daegu, Daejeon, Jeju, Vietnam, Youth	New Members 131 companies <small>(Cumulative 610 Companies)</small>	Raising Investment KRW 356.5 billion
Support for Job Retention and Creation 6,596 persons	Received CES¹⁾ Awards 6 companies	Selected as "Baby Unicorn 200"²⁾ 10 companies

1) The world's largest IT, consumer electronics, and technology expo organized by the Consumer Technology Association in Las Vegas, USA, where CES Innovation Awards are presented annually to companies with outstanding technology, design, and innovation

2) A government program that identifies promising startups with innovative business models and proven growth potential and fosters them into potential unicorns (enterprise value over KRW100 billion) with global competitiveness

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Corporate Win-Win Activities

Financial Support for Startups

In addition to creating a startup ecosystem, Shinhan Financial Group has grown with startups through investment. In 2021, we created the Digital Strategic Investment (SI) Fund for the first time among Korean financial institutions and managed KRW 60 billion (as of the end of 2023), leading digital innovation and preempting new technologies. In 2023, Shinhan Venture Investment selected outstanding companies, taking into account the diversity by industry, business history and country and mid- to long-term growth potential, and invested a total of KRW193.2 billion to foster domestic and overseas startups.

Digital Strategic Investment (SI) Funds		
Fund Name	Amount	Details
Digital SI Fund No. 1	KRW300 billion	Invested in 25 companies concerning mobility, platform, robo-advisor, etc.
Digital SI Fund No. 2	KRW300 billion	Invested in 7 companies concerning AI, blockchain, etc. in line with market trends

Supporting Social Enterprises

Shinhan Financial Group operates the Social Enterprise Fund with the Shinhan Financial Hope Foundation and SK Group to support the growth of social enterprises. As of 2023, we operate four funds and has invested KRW 31.5 billion in 35 companies. Shinhan Card supported social enterprises' marketing by introducing an AI image generator in "Shinhan Card All That," a platform that provides shopping and life services, and Jeju Bank provided KRW1.388 billion as financial support to social enterprises in 2023.

CASE

Shinhan Asset Management and Coactus Signed an MOU to Contribute to Job Creation for People with Disabilities

In April 2023, Shinhan Asset Management signed an MOU with Coactus, which operates taxi services for the hearing impaired ("Tranquil Mobility"), to strengthen ESG management and create jobs for people with disabilities. Based on the MOU, we preferentially use the Tranquil Mobility service when using taxis for business purposes, providing support for the employment of persons with disabilities to spread social value.

Supporting Micro Enterprises and SMEs

Shinhan Financial Group provides various supports to reduce economic burden on micro enterprises and SMEs to revitalize the local economy and spread ESG management. Jeju Bank provided IPO classes to 21 SMEs and venture companies in Jeju selected through an application contest in 2023, including practical courses in accounting, administration, and other areas related to listing and financial services. In addition, group companies signed MOUs with various organizations to expand support.

Financial Support for Micro Enterprises and SMEs	
Shinhan Bank	<ul style="list-style-type: none"> Launched the Win-Win Daily Ddanggyoyo Dream Loan for Micro Enterprises <ul style="list-style-type: none"> Target: Enterprises using the delivery app "Ddanggyoyo" Lend a certain amount of operating funds every day to micro businesses that have difficulty securing stable funding due to fluctuations in daily sales
Jeju Bank	<ul style="list-style-type: none"> Supported the 'Jeju Value Win-Win Loan' in collaboration with three public corporations in Jeju <ul style="list-style-type: none"> Target: SMEs in Jeju that have difficulty obtaining financing Provided low-interest loans by reducing 3.00% from the calculated interest rate of each company Achievements: Created a fund of approx. KRW 10 billion and supported 146 companies within the limit of KRW 100 million per company

Support for Micro Enterprises and Sole Proprietors	
Shinhan Bank	<ul style="list-style-type: none"> Operated the Successful Do Dream Program <ul style="list-style-type: none"> Shinhan SOHO Training Academy, Successful Do Dream Customized Class, Successful Do Dream Seminar, Shinhan SOHO Success Support Center Launched in 2019, this program provides customized services such as training and consulting to support micro businesses and self-employed people (SOHOs) to strengthen their capabilities
Shinhan Card	<ul style="list-style-type: none"> Operated the 'MySHOP Partner' <ul style="list-style-type: none"> A micro business win-win platform that provides various services essential for micro businesses and sole proprietors to operate their stores such as sales management, employee management, business loans, store promotion/advertising, etc. Achievements: Achieved approx. 300,000 SME and micro business members and cumulative sales of KRW1.5 trillion (as of the end of 2023) Launched 'MySHOP Together, Growth with Micro Enterprises Solution' <ul style="list-style-type: none"> A total support program for micro businesses ranging from startup information, commercial area analysis, marketing platform and sole proprietor loans as part of the "Total Support for Win-Win Finance" plan

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Win-Win Finance and Inclusive Finance

Win-Win Activities for Financially Vulnerable Groups

Amidst high interest rates and uncertain economic conditions, Shinhan Financial Group launched financial products that reduce the burden on youth, common people and financially vulnerable groups, and supported vulnerable groups through various donation activities. In addition, Shinhan Card has signed an MOU to develop a credit rating model and financial services for joint data projects to develop an alternative credit rating model in order to provide a credit rating model and financial services suitable for the financially vulnerable.

Financial Products and Support for the Financially Vulnerable

Shinhan Bank

- **Launched "Family Win-Win Savings"**
 - 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
 - A product to help solve the low birth rates and aging society, providing additional interest rate benefits to married/pregnant/childbearing/multi-children/basic pensioner customers to build wealth



Shinhan Life

- **Launched "Shinhan Beautiful Pension Insurance" that supports the stable future of the young generation**
 - 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.
 - Joined the "Creating a Beautiful Society" pledge and gave additional win-win bonuses at the time of marriage and childbirth
- **Launched social contribution products for the financially marginalized**
 - Expanded opportunities and convenience for the sick and the aged to use financial products with the launch of products with simplified notice obligations

Products with Simplified Notice Obligations Launched in 2023

January	Shinhan Simple Cardiovascular Insurance Free From Lifelong Care Cost
April	Shinhan Simple Subscription Cube Comprehensive Health Accident Insurance, Shinhan Simple Subscription Cube Comprehensive Health Accident Insurance Light
October	Shinhan Simple Subscription Home Doctor Medical Expense Guarantee Insurance
November	Shinhan Simple Review Winners Executives Regular Insurance

- **Promoted reduction of interest on special bonds**
 - Eased financial burdens by reducing the principal, interest, etc. for the debtors of special bonds who have failed to repay unsecured loans

Shinhan Hope Foundation

- **Youth debt total care**
 - Provided up to KRW 322 million per year in support as well as credit recovery training to Korean nationals aged 34 or younger who are employed and in arrears on their student loans
 - By 2023, approx. KRW1.53 billion was granted to 500 people, student loans of approx. KRW820 million were repaid, and credit scores of beneficiaries rose by 22.6 points in average when the project finished

Improving Access to Finance

Advancing Digital Financial Services

Shinhan Financial Group is expanding digital financial services to improve customer convenience and access to finance for the financially underprivileged. In November 2023, we opened the Group's integrated AI Contact Center (AICC) to provide quick and convenient consultation services without time constraints to customers who have difficulty visiting branches. The AICC is an intelligent customer center that uses voice bots and chatbots to respond to customers' simple inquiries and connect them to CS representatives when necessary, enhancing customer convenience and work efficiency compared to existing customer centers. Shinhan Financial Group has enhanced the completeness and utilization of the AICC based on its integrated AI capabilities, and is expanding the functions of the AICC by developing new services tailored to the characteristics of each group company.

Services by Company

Shinhan Bank	Shinhan SOL Bank	• Providing responses quickly and conveniently without time constraints to the financially underserved who have difficulty visiting branches by using AI voice bots and multimodal(business channels utilizing web view)-based ARS
Shinhan Card	Shinhan SOL Pay	• Introducing AI voice bots to guide payment details, handle missing card reports, screen card applications, etc.
Shinhan Securities	Shinhan SOL Securities	• Providing services that directly handle customer requests based on chatbot FAQs such as extension of credit maturity and cancellation of mail returns
Jeju Bank	JBANK	• Increasing AI chatbot usage to provide non-financial services that make use of the characteristics of Jeju-do, such as the Jeju Dialect Dictionary and the list of resident-recommended restaurants, and secure data such as FAQs from customers using chatbots and providing customized solutions

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Improving Access to Finance

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Shinhan Bank AI Voice Banking Service

Shinhan Bank has introduced the AI voice banking service to the Shinhan SOL Bank application. The financially marginalized, including the elderly and visually impaired, who have difficulty using the application and operating menus, may enable the voice instruction function for 450 major tasks including transaction history searches, money transfer, loan product guide, etc.

Digital Lounge AI Banker



Improving On-site Accessibility

Shinhan Bank is diversifying operating methods of branch offices and ATMs so that customers can conveniently use financial services anytime, anywhere. Shinhan Bank operated 11 special branches for customers with limited time to visit branches, allowing them to conduct financial transactions even on weeknights and weekends. In addition, Shinhan Bank provides traveling banking services to expand financial access of the elderly and the digitally vulnerable groups who prefer face-to-face channels. Also, Shinhan Bank and Kookmin Bank operate joint branches in areas where face-to-face channels are necessary to prevent the closure of branches. Furthermore, Shinhan Bank has partnered with convenience stores, post offices, and other facilities that are close to people's lives to improve on-site accessibility.

CASE

Shinhan Bank Digital Lounge

Shinhan Bank operates digital lounges with contactless windows and smart kiosks in unmanned stores to minimize customer inconvenience caused by the closure of branches. In particular, customers can have video consultations with the head office staff through the contactless window, and a dedicated concierge is available to help the elderly who are not comfortable with digital devices. As of May 2024, Shinhan Bank operates 60 digital lounges centered on areas with a large number of financially marginalized people among the areas where there are fewer channels, and the Evening Plus branches are open until 8 p.m. for customers with a limited time to visit the bank.

Financial Education

Shinhan Financial Group operates various financial education programs to ensure that no customer has difficulty accessing financial services and products due to lack of financial knowledge. In particular, we provide financial education making use of the characteristics of each group company so that everyone can learn essential financial knowledge according to the life cycle and characteristics of each individual.

ESG Highlight – Enhancing Financial Education



Supporting Young People Preparing for Independence

- Shinhan Bank**
 - Traveling financial education: Delivered financial knowledge regarding welfare systems, housing arrangements, financial education, Stepping Seed Savings, etc. for self-supporting youth
- Shinhan Card**
 - Areumin financial class
 - Financial literacy education for financial independence of young people preparing for independence and young people providing family care
 - Provided education on the wise management of self-reliance subsidies, need for savings and investment, proper consumption patterns and credit management
- Shinhan Life**
 - Employee volunteer team "Life Crew" provided 1:1 financial mentoring [won the FSS Governor Prize in 2023]
 - For young people who are discharged from child welfare facilities and prepare for self-reliance, and employees of child welfare facilities

1 Company, 1 Financial Education

- Shinhan Card**
 - Areumin financial class/financial expedition [won the FSS Governor Prize in 2023 (third)]
 - Made alliance with 152 schools nationwide (as of the end of 2023) for correct financial awareness and sound financial habits
- Shinhan Life**
 - Shinhan Life's 1 Company, 1 Financial Education [won the FSS Governor Prize in 2023]
 - Professional lecturers visited schools to provide lectures and retired middle-aged people participated in the education as senior assistant lecturers
- Jeju Bank**
 - Operated financial and economic classes for adolescents and visited schools in Jeju to provide education

Other Financial Education

- Shinhan Bank**
 - Hands-on financial education for persons with developmental disabilities
 - Provided basic financial education on money, savings and consumption and how to prevent financial frauds
 - Provided programs that give opportunities to experience banking activities such as opening new accounts and making deposits and withdrawals
 - Children's Online Bank Exploration
- Jeju Bank**
 - Operated education on credit management for people starting their career
 - Provided financially vulnerable groups with education to prevent voice phishing

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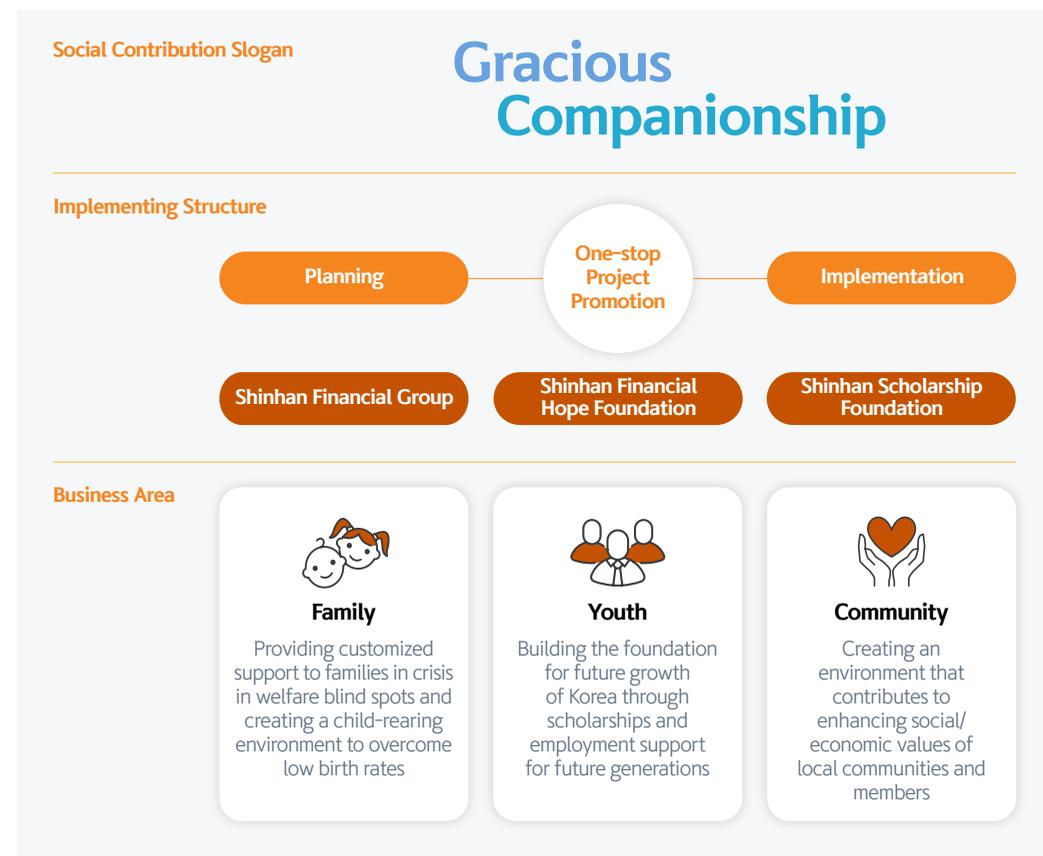


Social Contribution Activities

Strategic Directions for Social Contribution

The Hope Society Project, which involves all of Shinhan Financial Group's companies, has went the system-building and internalization phases from 2017 to 2023, and we intend to operate social contribution projects more systematically and effectively. To this end, we have established a new implementation strategy and will focus on supporting families, youth, and local communities under the slogan of "Gracious Companionship." In particular, by 2027, we plan to go beyond the existing approach by social issue and reclassify our social contribution projects to align with the life journeys of our business targets from children to seniors, diversifying related programs to promote sustainable community development.

Strategy to Promote Social Contribution



Mid- to Long-Term Social Contribution Roadmap

Goals	Building systems from the One Shinhan perspective (2018~2020)	Promoting SFG 'Hope Society Project' (2021~2023)	Promoting 'Gracious Companionship' (2024~2025)
Key Action Items	<ul style="list-style-type: none"> Creating group CSR synergy Supporting the financially vulnerable Creating jobs in the local community 	<ul style="list-style-type: none"> Incubating startups Improving access to finance Supporting local communities 	<ul style="list-style-type: none"> Supporting families in crisis Nurturing the future generation Contributing to local community growth

Employee Social Contribution Program Participation Roadmap

	2022	2023	2024
Total Volunteer Hours	17,000 hours	53,000 hours	63,000 hours
Volunteer Hours per Employee	0.6 hours	2.4 hours	2.9 hours

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Social Contribution Activities

Supporting Vulnerable Groups

Supporting Families in Crisis and Children

Shinhan Financial Group supports families struggling with internal and external crises such as domestic violence and economic hardship to help restore family functions, and protects children at risk of abuse to create a safe environment for growth. We also recognize brave citizens who have helped people in crisis or practiced sharing as Hope Heroes and provide rewards to encourage them and set a social example. Since 2018, Shinhan Financial Group has contributed approximately KRW2 billion per year and a cumulative total of KRW 12 billion in six years to the projects to support the recovery of families in crisis and abused children, and group companies are also engaged in various other activities for families in crisis and children.

 ESG Highlight – Gracious Companionship

Status of Support for Families in Crisis and Children in 2023						
Classification	Supporting social recovery (providing living expenses, child-rearing expenses, medical expenses, etc. to families in crisis)		Protecting abused children, preventing re-abuse and improving nutritional conditions		Selecting Hope Heroes and holding award ceremonies	
	Families in crisis that received support	Members of families in crisis that received support	Children that received support	Shelter cooking volunteers	Selected Heroes	Reward
2023	660households	1,935people	1,230people	40people	18people	KRW 66 million
Cumulative	4,793households	14,750people	2,660people	78people	86people	KRW 357 million

Activities to Support Families in Crisis and Children by Group Companies	
Shinhan Bank	<ul style="list-style-type: none"> Provided children's daily necessities by donating goods and making contributions (152 child welfare facilities nationwide, Child Fund Korea) Case management support project for social workers Conducted an employee donation campaign through Stepping Seed Savings, which saves money to support the independence of children from vulnerable groups
Shinhan Securities	<ul style="list-style-type: none"> Made donations to the production of baby care kits to support mothers rearing rescued infants
Shinhan Life	<ul style="list-style-type: none"> Provided healthy meals to 1,500 children in low-income families at risk of skipping meals in 2023 Provided underwear and mentoring to low-income people who used social welfare facilities across the country (single parents, multicultural families, people with disabilities, grandparent families, etc.)
Shinhan Venture Investment	<ul style="list-style-type: none"> Made Christmas donations (Child Fund Korea, Babper Sharing Movement Headquarters)

Supporting Employment of Female Single Parents and Persons with Disabilities

Shinhan Financial Group makes various efforts to support the employment of underprivileged groups, including female single parents and people with disabilities, from job training programs to actual job creation. In 2023, Shinhan Bank provided 42 female single parents with job-related training and supported 6 female single parents with financial counseling fees to strengthen their capabilities. Shinhan Bank also operates Cafe'S with that is staffed by baristas and pastry chefs with hearing impairment at six locations including the headquarters and group companies to expand opportunities for social participation of people with disabilities, creating a daily life where people with and without disabilities can live together.

 ESG Highlight – Gracious Companionship

Practicing Social Responsibility for Seniors

Shinhan Financial Group conducts social contribution activities for seniors, such as donating goods, holding a startup contest, conducting volunteer work, and providing living expenses.

Shinhan Securities	<ul style="list-style-type: none"> Provided senior citizens of national merit with necessary items including 5 wheelchairs and 100 canes
Shinhan Life	<ul style="list-style-type: none"> Provided senior citizens living alone with emotional support and goods for Chuseok holidays in collaboration with the "Love-Connecting Phone" of the Support Center for the Elderly Living Alone Supported startup consulting and held the Seoul Senior Startup Contest to support the senior job creation project
Shinhan Savings Bank	<ul style="list-style-type: none"> Visited the "Angel's Free Meal Service Center" of "On Shinhan-in", a change promotion organization, and volunteered for lunch services for the elderly living alone
Shinhan Venture Investment	<ul style="list-style-type: none"> Produced and delivered the "Korean food meal kits and love letters for Chuseok holidays" to the elderly living alone in Gangnam-gu
Jeju Bank	<ul style="list-style-type: none"> Provided 46 grandparent families in Jeju who are economically disadvantaged with living expenses of KRW 36 million per year in 2023

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Social Contribution Activities

Coexistence with Local Communities

Supporting Disaster Recovery

In the event of national disasters and catastrophes, Shinhan Financial Group voluntarily collects and donates money at the group level to stabilize people's lives and provides emergency financial support to customers affected by disasters, including new loans, loan maturity extension, and special preferential interest rates. In April 2023, we donated KRW 300 million and provided emergency financial support totaling KRW 200 billion for the recovery from the wildfires in Gangwon-do. In July 2023, we donated KRW 1 billion and provided comprehensive financial support totaling KRW 150 billion to help recovery from nationwide severe rains.

Donations to and Sharing with Local Communities

Shinhan Financial Group conducts various donation and volunteer activities for mutual growth with local communities.

Shinhan Financial Group	<ul style="list-style-type: none"> Donated KRW 16 billion to the "Hope 2023 Sharing Campaign" of the Community Chest of Korea "Leading by Example Relay" Campaign Employees of group companies participated in the entire process of proposing and selecting ideas, making donations, and volunteering for social contribution
Shinhan Bank	<ul style="list-style-type: none"> Donated KRW200 million by 2023 to support expenses for diagnostic tests of 308 infertile couples
Shinhan Securities	<ul style="list-style-type: none"> Provided self-reliance grants to the Don Bosco Independent Living Center in Yeongdeungpo Made donations to support barrier-free indoor playgrounds
Shinhan Life	<ul style="list-style-type: none"> Provided universal design necessities to vulnerable groups (visually impaired youth) Operated the "Albeit Busy Day", an employee volunteer day, to conduct volunteer work for vulnerable groups such as children, people with disabilities, and seniors
Shinhan Savings Bank	<ul style="list-style-type: none"> "New Hope Healing Fund" for the financially marginalized: Donated corporate credit card points to provide emergency funds to vulnerable groups City cleanup program in which employees volunteer for ESG mural painting and donations to children from low-income families
Shinhan Venture Investment	<ul style="list-style-type: none"> Bing-Bong Challenge: Employees voluntarily participated in seven volunteer programs and social contribution activities in six weeks
Shinhan Capital	<ul style="list-style-type: none"> SHC Autumn Festa: Held a charity bazaar and auction with voluntarily donated goods from all employees and donated all proceeds to the Child Fund Korea

Nurturing the Future Generation

Shinhan Financial Group is building the foundation for Korea's future growth by providing various educational and employment opportunities and supporting children and youth in the fields of culture, arts, and sports so that young people can freely pursue their dreams.

 ESG Highlight – Gracious Companionship

Activities to Support Children and Youth by Group Companies	
Shinhan Financial Group	<ul style="list-style-type: none"> Global Young Challenger (GYC) <ul style="list-style-type: none"> Supporting young people who want to work overseas Shinhan Cheers Youth Program <ul style="list-style-type: none"> Providing expenses for housing and study space to low-income job-seekers who have left their hometowns and settled in the Seoul metropolitan area
Shinhan Bank	<ul style="list-style-type: none"> Shinhan Career On <ul style="list-style-type: none"> Conducted the "Shinhan Career On" program for students at vocational high schools to provide personalized employment competency education
Shinhan Card	<ul style="list-style-type: none"> Areumin Libraries <ul style="list-style-type: none"> Establishing libraries at various institutions nationwide, including local children's centers, community welfare centers, and hospitals
Supporting Mesena Activities (Culture, Arts, Sports, etc.) by Group Company	
Shinhan Financial Group	<ul style="list-style-type: none"> Musician training programs for children/youth from vulnerable groups <ul style="list-style-type: none"> Operated an academy and an orchestra and provided scholarships, educational expenses, etc. to 100 students in 2023
Shinhan Bank	<ul style="list-style-type: none"> Shinhan Music Awards <ul style="list-style-type: none"> First classical music competition hosted by the domestic financial sector to discover and support promising classical musicians at middle and high schools, with a total of 23 performances in 2023
Shinhan Card	<ul style="list-style-type: none"> The Preview Seongsu / Art Week with Shinhan Card <ul style="list-style-type: none"> Held an art fair to support emerging artists who are not included in the existing art market
Jeju Bank	<ul style="list-style-type: none"> Provided KRW 50 million to aspiring track and field athletes and athletes in less popular sports

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Social Contribution Activities

Eco-friendly Social Contribution Activities

Social Contribution Activities for Climate Action and Environmental Conservation

Shinhan Financial Group recognizes the seriousness of the climate crisis and steadily makes daily efforts to conserve the environment. Shinhan Bank implemented the Building GHG Reduction Win-Win Cooperation (CEMP) Project to support adaptation of vulnerable groups to climate change with the Korea Energy Agency, and as part of this project, it supported the replacement of air source heat pumps at the Moonhye Nursing Home for the Disabled in Cheorwon-gun, Gangwon-do in 2023.

Environmental Education for Future Generations

Shinhan Bank and Shinhan Life provided education to raise awareness of the seriousness of environmental issues and explore solutions for future generations who will have to overcome and adapt to the climate change crisis. Shinhan Bank conducted educational activities incorporating ESG in its flagship financial education program, the "ESG Future Generation Financial Education Festival," to help children establish the right future values. In addition, Shinhan Life provided biodiversity-themed environmental education to approximately 4,600 students in 2023.

CASE

Project to Provide Recycled PCs

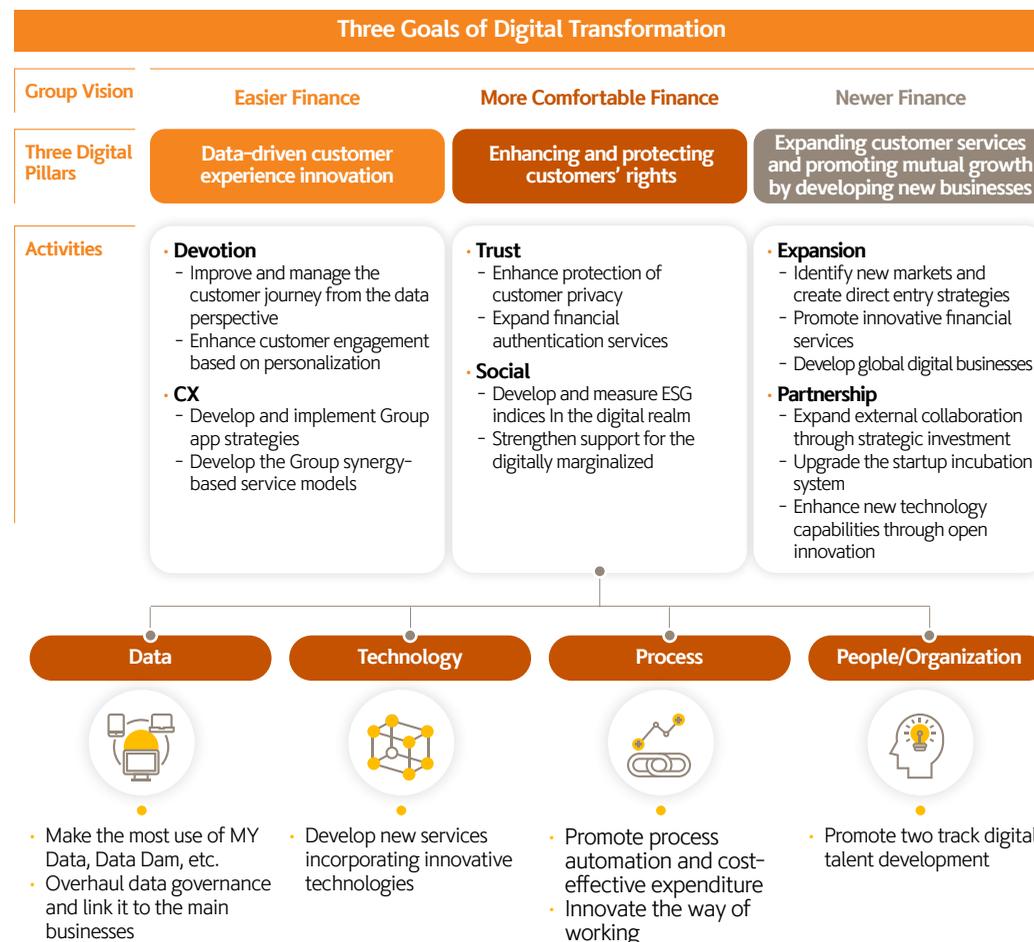
Shinhan Bank aims to take social responsibilities for financially underserved seniors who have difficulties due to digitization and decrease in branches and to increase the value of environmental protection by reusing second-hand PCs.

<p>Environment</p> <p>E</p> <ul style="list-style-type: none"> • Donating Recycled PCs (Yearly) <ul style="list-style-type: none"> - In collaboration with a social enterprise (People & Com) - For senior citizen centers across the country (300 to 600 PCs per year) 	<p>Financially Underserved Seniors</p>	<p>Society</p> <p>S</p> <ul style="list-style-type: none"> • Education on digital finance <ul style="list-style-type: none"> - To senior citizens residing in Seoul • Education on digital informatization <ul style="list-style-type: none"> - Persons in charge of administrative affairs in senior citizen centers
<p>Targets (First Year)</p> <p>400 senior citizen centers in Seoul/ 8,800 senior citizens</p>	<p>Details of Support</p> <p>Recycled PCs and education on digital finance and informatization</p>	<p>Partner Institutions</p> <p>Senior Financial Education Council (non-profit foundation under the Financial Services Commission), Korean Senior Citizens Association, People & Com (social enterprise)</p>

Digital Transformation

Directions of Digital Transformation

As financial trends are rapidly changing centered on digital culture, Shinhan Financial Group intends to three digital directions in line with the Group's vision and systematically promote digital transformation (DT) by conducting various activities in line with them. Accordingly, we improve services based on data to make it easier for customers to access financial services, provide safer and more comfortable financial services by strengthening and protecting customer rights and further expand customer services by discovering new businesses. In 2023, we saved digital transformation costs of KRW 438 billion through digital ICT innovations. We intend to establish a more advanced digital culture to improve customer satisfaction and enhance corporate competitiveness.



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Digital Transformation

Customer-centered Digital Transformation

Launching Shinhan Super SOL

Shinhan Financial Group's "Super SOL" is an application that combines the core functions of financial apps of five major group companies, Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life and Shinhan Savings Bank, in one place to increase customer convenience and satisfaction. Customers can conveniently access financial services such as bank transfers, card payments, stock investments, insurance, and various life convenience services in one app. Shinhan "Super SOL" won the main prize in communications at the iF Design Awards 2024 in Germany, one of the world's top three design awards. With these functional strengths and design, the Super SOL service has quickly established itself in the market, gathering more than 3.92 million customers within three months from its launch. Shinhan Financial Group will provide more convenient and satisfying services to customers through continuous innovation of digital platforms.

MyData Service for Integrated Data Management

The MyData service allows gathering and management of such data as financial transaction data and product use history of customers scattered across multiple financial companies in one place with the customer's consent. Shinhan Financial Group companies use MyData to provide a variety of customized products and services, enabling customers to effectively manage their financial data and assets.

Group Company Services Using MyData

- | | |
|---------------------|--|
| Shinhan Bank | <ul style="list-style-type: none"> • Moneyverse: Wealth management service that provides customized information based on such data as financial schedule and balance, My Calendar, etc. • Financial product comparison: Comparing financial products of even other institutions at once and allow customers to purchase customized affiliated products • Real estate services: Enabling easy management of real estate and provide customized real estate and asset management through sales and lease simulation |
| Shinhan Card | <ul style="list-style-type: none"> • Providing customized asset/expenditure management advices based on personal assets and expenditure patterns • Ranked first in the Financial My Data Brand Reputation of the Korea Corporate Reputation Research Institute in 2023 with approx. 6.43 million members cumulatively |
| Shinhan Life | <ul style="list-style-type: none"> • My Asset Report: Summary of the customer asset rating, the weight and ranking of each asset held, and the results of coverage analysis based on the collected asset information • Coverage Scanning: Presenting the amount of coverage required for each life stage according to the analysis of insurance coverage • Life Sketch: Providing event-type contents based on customer age and lifestyle |

Expanding Hyper-Personalized Services Using AI

Shinhan Financial Group is actively utilizing AI technologies to expand hyper-personalized services. In particular, Shinhan Bank is enhancing customer experience by providing "contactless premier asset management services" based on AI data analysis on its mobile banking app. The contactless asset management service uses AI data analysis to diagnose customers' assets, recommend efficient improvement measures, analyze customers' trading behavior to design optimized portfolios, and propose customized financial products. In 2024, Shinhan Bank plans to enhance generative AI-based business processes to help employees improve productivity across the board and to expand the scope of hyper-personalized financial services by launching a new AI assistant business.

CASE

Shinhan Bank Metaverse "Cinnamon"

Shinhan Bank is the first in the financial sector that built its own metaverse platform, Cinnamon. Through this platform, customers can directly experience various financial products such as savings, investments and subscriptions by utilizing the cryptocurrency Churus, as well as various other intuitive services to enhance their understanding of finance. In recognition of these innovative efforts, Shinhan Bank was invited to CES2023, the world's largest IT and home appliance expo, and operated a solo booth for the first time in the domestic financial sector. Shinhan Bank plans to provide integrated services that cover financial and non-financial services through Cinnamon and to listen to customers' voices to develop it into a metaverse platform closer to real life.



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Digital Transformation

Strengthening Corporate Competitiveness through Digital Transformation

First Data-Specialized Institution in the Banking Sector

As the data business is rapidly growing in the financial sector, Shinhan Bank obtained an authorization for “data specialized institution” for the first time in the domestic banking sector to expand its data business. Data-specialized institutions help combine data between financial and non-financial companies and evaluate the adequacy of anonymous data. After reporting the sale of the MyData software as an additional ancillary business, Shinhan Bank has incorporated the data specialized institution into its main activities. To this end, Shinhan Bank established the Data Convergence Center as a dedicated organization and systematically built a system for combining and processing data. It also deployed data security and legal experts to help companies manage and utilize data safely. Going forward, Shinhan Bank will further expand the scope of the data business, focusing on expanding the scope of data combination and developing innovative products and services.

Launching the “Shinhan ONE Data”

Shinhan Financial Group provides the group’s integrated data platform “Shinhan ONE Data” for the first time among domestic financial groups. This platform supports customized analysis and utilization based on the standardization and integration of data from four group companies, Shinhan Bank, Shinhan Card, Shinhan Securities and Shinhan Life, to enhance data competitiveness and efficiency of group companies. Shinhan Financial Group plans to accelerate the development of differentiated new products and services based on the in-depth customer analysis by “Shinhan ONE Data” and strongly apply security systems and internal control processes for stable service operation. Based on our capacity for data utilization, we will support sustainable growth in various areas such as customers, companies, and the society.

Shinhan Bank’s Digital Innovation Activities

- | | |
|---|--|
| <p>Built the first integrated “One DW” in the financial sector</p> | <ul style="list-style-type: none"> Integrated 2 separate data storages (DWs) into an integrated DW system Stable solutions and infrastructure optimized for high volume batch operation and analysis |
| <p>Developed and launched “OVOV Timeline”</p> | <ul style="list-style-type: none"> A data analysis system as well as a real-time sharing system among channels that integrates marketing-related systems to provide consistent marketing to customers |
| <p>Implemented a speech/text data search tool “HeyData”</p> | <ul style="list-style-type: none"> A voice search platform that enables branch employees to retrieve the information and data they need using only voice commands |
| <p>Introduced a digital and ICT specialist system</p> | <ul style="list-style-type: none"> Introduced an HR system that supports professional growth of digital and ICT experts |

Human Resources Development

HR Development Strategy and Direction

Shinhan Financial Group focuses on securing talented workers who will lead the future and strengthening their capabilities through various training programs. We operate a fair and transparent hiring process to recruit talented human resources and support their continuous grow and development of capabilities to proactively respond to changes in the financial industry after then join Shinhan. Shinhan Bank has set key directions for HR recruiting and management, strategically managing the entire process from recruitment to cultivation.

Strategic Talent Recruitment and Key Management Directions



Efficient workforce
Dispersing human resources concentration and diversifying workforce



Retention
Managing key workers in digital and ICT fields



Strengthening competitiveness in recruiting
Improving flexible compensation structure and job security to attract people of talent



Digitalization & channel transformation
Data-driven decision-making and expanded scope of work due to the changing roles of sales representatives



Nurturing experts
Enhancing employee competency to respond to changes in the market and business environment

Recruiting Human Resources

Shinhan Financial Group discovers talented human resources in various areas through a variety of recruitment modalities and hire workers on an as-needed basis taking into account the ratio of employees by position and age, workload and competencies. Shinhan Bank utilizes HR portfolio simulation to plan the appropriate hiring scale and personnel movements, and based on this, it establishes a staffing plan that is in line with the company’s mid- to long-term vision.

CASE

Shinhan Bank’s Recruitment of Top ICT Talent

In 2019, Shinhan Bank introduced the rolling recruitment program in the digital and ICT sector for the first time in the banking industry and continued to expand its recruitment of ICT talent. In 2023, Shinhan Bank held five recruiting programs including digital/ICT rolling recruitment and recruitment from ICT specialized high schools. In particular, the Bank expanded opportunities for digital finance talent by holding the “Shinhan Hackathon.” The Shinhan Hackathon is a recruitment-linked program for trainees of the Samsung SW Academy for Young People (SSAFY), and was held to recruit talented individuals with creative and project-oriented skills. Shinhan Bank will continue to strive to recruit talented individuals through various methods such as the hackathon.

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Human Resources Development

Employee Education

Employees of Shinhan Financial Group can cultivate the qualities of future leaders through systematic career development and leadership programs and develop professional competencies through digital and global training programs. Shinhan Bank strategically plans employee training in line with the direction of its HR development, and conducts training in various fields, ranging from the onboarding programs for new employees' adaptation to the courses for cultivating top professionals, in accordance with its training system.

Shinhan Bank's HR Development Directions

Fostering "Bankers" trusted by customers

- Equipping all employees with basic skills that every banker should know and strengthening online/offline training to reinforce basic banker skills and practical capabilities

Fostering human resources necessary for 2030 Shinhan

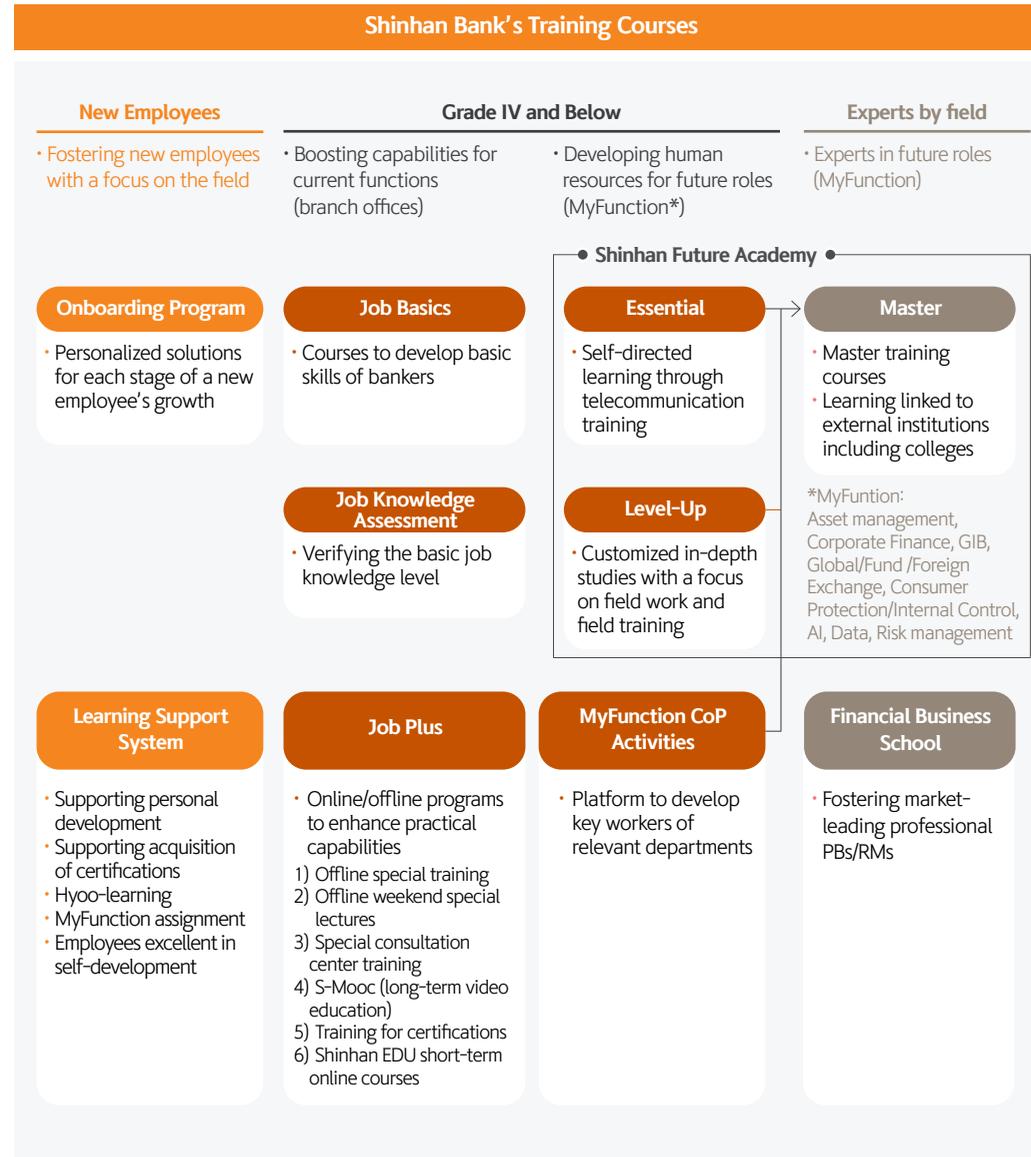
- Upgrading the system to prepare for future functions and supporting employees to grow into experts in their desired areas by placing prepared workers promptly to the field and providing training

Promoting field-oriented, self-directed learning

- Providing various training programs that allow employees to choose learning styles according to their needs, and expanding learning support systems to establish a culture of self-directed learning



Shinhan Bank's Training Courses



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Human Resources Development

Employee Education

Customized Training by Job and Position

Shinhan Financial Group operates training and development programs tailored to individual employees' job functions and positions to help them strengthen job competencies and grow into financial experts. Shinhan Bank provides the job basics courses to all employees including regular and fixed-term workers as well as mandatory training courses by position to help them learn essential job-related knowledge, and continuously track and manage the performance of training programs. In addition, in 2023, Shinhan launched the Shinhan Future Academy to nurture prospective employees for future roles, providing in-depth training customized for each job and offline specialized training to strengthen practical skills for sales positions.

Total number of workers attending Shinhan Bank Job Basics

(Unit: person)



CASE

Shinhan Bank Future Academy

Shinhan Bank launched the "Shinhan Future Academy," which provides in-depth learning tailored to each core business based on 8 MyFunctions, to nurture prospective employees for future roles.

- Essential**
 - Self-directed learning through telecommunication training and basic theoretical study and evaluation provided by the Korea Institute of Finance
 - Number of attendees in 2023: 510
 - Hours of training in 2023: 50 hours in each field of asset management, corporate finance, IB, risk, etc.
- Level-Up**
 - Field-oriented offline in-depth studies, middle and advanced theoretical studies provided by the Korea Institute of Finance and working-level lectures provided by the HQ departments
 - Number of attendees in 2023: 310
 - Hours of training in 2023: 100 hours on average in each field of asset management, corporate finance, IB, risk, etc.
- Master**
 - Economics/business management lectures provided in association with leading domestic universities (Seoul National University, Yonsei University, and KAIST) and advanced training provided in classes divided by field
 - Number of attendees in 2023: 95
 - Hours of training in 2023: 150 and more hours each in Seoul National University and Yonsei University courses

Self-directed Career Development

To encourage employees' self-directed career development, Shinhan Financial Group has established and operates global competency building programs, digital HR training programs and support for acquisition of certifications and school expenses, and measures the effectiveness of training in association with business benefits. In addition, we have established a digital matrix system for group-wide digital transition and enhancement of digital capabilities of each group company, and aim to promote employees' digital capabilities by operating training courses by position and level. In addition, we provided 181 employees with approximately KRW 530 million for school expenses for bachelor's and master's degrees in 2023.

Global Competency Building Programs and Their Effect

Programs

Global OJT: For staff- and assistant manager-level employees

Two-month local business experience to provide global business understanding and diverse experiences

Education for strengthening the capabilities of expatriates: For manager-level employees

Nurturing global talent through experiences in overseas projects in professional fields

Education for global insight and capacity building

Training program provided to manager-level employees to nurture global talent through experiences in overseas projects in professional fields

Global MBA

Training program to foster future strategic talent that selects key employees to grow into global talent by supporting MBA courses at global educational institutions

Evaluation and assessment of effect

- Continued to raise global business revenues by strengthening global work capabilities
- As of 2023, Shinhan Financial Group's global assets reached KRW 57.181 trillion, a 3.6% year-on-year growth, and accounted for 8.3% of the Group's total assets

Participants

1,639 people

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Human Resources Development

Employee Education

Digital Expert Training Programs and Their Effect

Programs

BD1000

Big data capacity building program to foster 1,000 big data experts with the data analysis curricula that can be applied in the field

Data Scientist courses

Courses to develop basic data capabilities, including DW, SAS and SQL, and analysis/modeling skills, to foster data experts

Master's degree in digital finance

Supporting regular master's degrees through digital-related theoretical and practical studies in association with Korea University, KAIST, Yonsei University, etc.

Education for strengthening technical capabilities including python, AI, etc.

Strengthening technical capabilities such as python and AI to upskill digital and ICT experts

Evaluation and assessment of effect

- As a result of strengthened digital expertise within the Group, the combined monthly active users (MAUs) of major financial and non-financial platforms (SOL, Shinhan pLay, Shinhan Alpha, etc.) reached 25.76 million in 2023, an increase of 16% year-on-year.
- We measure and manage cost savings through digital-based business process improvement and simplification. In 2023, we saved KRW 438 billion, an increase of 18% year-on-year

Number of Participants

13,821 people

Status of Acquired Certifications

Education Programs

- Education for certifications such as the certified loan officer (CLO), certified credit analyst (CCA), certified anti-money laundering specialist (CAMS), etc

Number of workers who acquired certifications after finishing education programs

- 3,861 workers in total (CLO: 37, CCA: 76, CAMS: 77)

Employee Management and Leadership Development

Shinhan Financial Group operates training programs and evaluation systems to strengthen employee management and leadership in order to maximize employees' work efficiency and effectively achieve organizational goals. Shinhan Bank considers various factors such as the training courses completed, essential certifications to perform duties, and the leadership evaluated by superiors and colleagues as conditions for the promotion to responsible positions. After being promoted to responsible positions, Shinhan Bank provides promotee training so that they can understand changed roles and responsibilities and develop leadership suitable for the position, and fosters them into managers through various evaluations. Shinhan Card operates a management leader fostering system to promote future core businesses and systematically manage human resources who will succeed to and develop Shinhan culture.

Shinhan Bank

Leadership training by position

- For division heads, suggesting specific coaching and feedback methods on a case-by-case basis through the coaching interview process
- For department heads, providing opportunities to learn and practice their roles as leaders through special conference-style lectures
- For new department head groups, providing separate training to strengthen leadership capabilities and improve feedback/coaching skills

Shinhan Card

Management leader fostering system

- Selected digital and ICT employees more in order to secure human resources who will lead the transition to a platform financial company
 - The management leaders selected undergo coaching and training such as the Career Development Program (CDP) and the Leaders' Week1) to strengthen their leadership capabilities
- 1) Leaders' Week: A program where employees communicate with leaders about the current status of affairs by business unit and the direction of the organizational culture.

CASE

Shinhan Bank's Shinhan Future AMP

In January 2024, Shinhan Bank introduced the "Shinhan Future AMP," an innovative leader development program. This program targets executives at the division head level in order to foster the next generation of executives, and the selected executives are immersed in training for one year to compensate for their deficiencies and strengthen their leadership capabilities through education in AI, big data, business administration, and language. After completing the program, they can be rehired as vice president-level executives, and are expected to play an important role in leading Shinhan's future.

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Human Resources Development

Fair Evaluation and Compensation

Shinhan Financial Group conducts fair and transparent evaluations for all employees, and provides constant coaching feedback for employee metacognition. We also conduct evaluations of individual performance and team-based performance to create synergy between individual performance and organizational performance. We conduct regular performance management/review and provide performance-based compensation and incentives for all employees including contract workers. In addition, unfair discrimination based on school ties, regional backgrounds, age, gender, race, religion, etc. is prohibited in the performance evaluation. Also, the same basic salary, which is more than the legal minimum wage, is paid to both male and female new employees.

Evaluation System

Shinhan Financial Holding

- Employees set objectives on a quarterly basis through the OKR1) and register their performance monthly through S-TIPs2
- Evaluators provide coaching and feedback on the communication & coaching day (C&C Day) utilizing OKRs and S-TIPs as the basis for performance evaluation (on the 14th of each month)
- Conduct a 360-degree, multi-faceted evaluation for all employees to comprehensively assess individual competencies

- 1) OKR (Objectives and Key Results): A performance management system that improves organizational and individual performance through the harmonization of objectives and performance indicators
2) S-TIPs (Shinhan Time to Improve Performance): A performance management tool to record the status of employees' work performance and competency development

Shinhan Bank

- The evaluation is divided into performance evaluation and competency evaluation, and feedback and coaching are provided through a digital system
- Peer feedback is provided as regular reports through the AI summary technology, and coaching and career design support is provided in connection with the individualized career development system (CDP)

Employee Stock Ownership Plan (ESOP)

Shinhan Financial Group operates the Employee Stock Ownership Plan (ESOP), as a way to improve ownership by sharing corporate growth and performance with employees, and provides some of employee compensation in the form of the company shares. As of June 2024, the Shinhan Financial Group's (Holding Company) employee's stock ownership association consisted of approximately 20,000 members from the holding company and 14 affiliates.

Labor-Management Relations

Labor Unions and Labor-Management Councils

Shinhan Financial Group respects worker rights that are guaranteed by labor laws and other relevant laws. We also enter a collective agreement through collective bargaining with the labor union, and maintain a win-win labor-management partnership by such efforts as applying the same labor and employment conditions specified in the collective agreement even to employees to which collective agreement results do not apply. In addition, regular labor-management meetings are held in accordance with relevant laws to listen to employees' voices on improving working conditions and handling grievances, and to activate the organization's communication culture through communication between management and employees on the status of management, contributing to the development of labor-management relations. In 2023, we held a total of three labor-management councils

Major Improvements through 2023 Labor-Management Councils

Shinhan Bank

- Expanding labor-management joint culture events
- Improvement of personnel and welfare systems such as the infertility leave policy

Jeju Bank

- Increase in contributions for employee culture events
- Increase in childcare support funds for children with disabilities (KRW 200,000 → 300,000 per month)

Support for Retirees

Shinhan Financial Group supports employees nearing retirement with their career planning and re-entry to help them prepare for their second life and life after retirement. We also provide severance pay to retired employees, including those who are scheduled to retire and those who wish to retire, and operate employment-related education and reemployment success projects. In addition, we support the 'Re-employment Support Service' by operating a job placement counseling program for retired employees.

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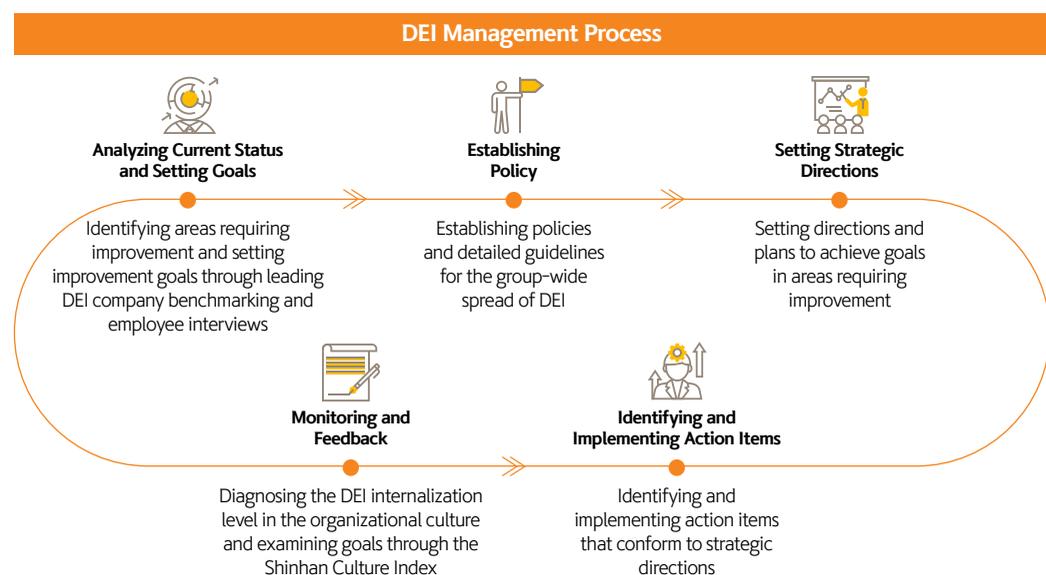
Diversity and Human Rights

DEI Implementation Framework

Shinhan Financial Group established its DEI policy, “Shinhan Financial Group’s Commitment to Diversity and Inclusion”, to express its willingness and continue its efforts to promote the spread of DEI values. Shinhan Financial Group uses ESG governance to manage and supervise DEI, and reviews and optimizes group companies’ DEI management system based on the DEI management process so that group companies can systematically pursue DEI.



DEI Governance		
	Name	Key Roles
Committee under the Board	ESG Strategy Committee	<ul style="list-style-type: none"> Deliberate on DEI strategies and related agenda Decide Key DEI-related policies and businesses Supervise the achievement of DEI objectives
CEO Council	Group ESG Promotion Committee	<ul style="list-style-type: none"> Pursue and monitor DEI strategies
Group Company Council	Group ESG CSO Council	<ul style="list-style-type: none"> Discuss the direction of DEI implementation and the Group’s response plan Manage DEI
Working Group	Group ESG Working Group Council	<ul style="list-style-type: none"> Identify action items to spread the DEI values Analyze and monitor DEI trends



Setting Diversity Targets

Shinhan Financial Group sets the ratio of male and female employees by management level and by role as an indicator to implement DEI and establishes and manages 2030 targets. The proportion of female employees by management level and by role has increased year-on-year in all areas and will continue to be managed to achieve the 2030 targets.

Status and Targets of the Female Employee Ratio by Management Level ¹⁾			
	2022	2023	2030 Targets
Staff²⁾	43%	44.6%	50%
Middle managers³⁾	32%	34.6%	45%
Department heads	13%	14.9%	25%
Executives⁴⁾	8.7%	9.8%	15%

1) Eight companies: Holding, Bank, Card, Securities, Life, Capital, Asset Management, and Jeju Bank
2) Staff to Assistant Managers 3) Managers to Deputy General Directors 4) Executives and Division Heads

DEI Implementation Direction

Shinhan Financial Group has set DEI strategic directions and three key tasks in the area of resolving internal discrimination issues, connecting diversity to business, and social responsibility.

DEI Strategic Directions

Area	Resolving internal discrimination issues	Connecting diversity to business	Social responsibility
Core Value	Equality	Harmony	Inclusion
Direction	Remove internal discriminatory elements and make continuous efforts for improvement	Recognize the value of organizational diversity and reflect such value on the business	Expand inclusive finance based on compassionate finance
Action Items	<ul style="list-style-type: none"> Increase the ratio of female managers and support systematic fostering of leaders Enhancing systems for work-family balance and the spread of a flexible working culture 	<ul style="list-style-type: none"> Break away from the hierarchical organizational culture that causes class conflicts and workplace harassment Use diverse backgrounds and experiences including age and origin to lead innovation of financial solutions 	<ul style="list-style-type: none"> Expand financial support for the socially underprivileged including people with disabilities and multicultural families

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Diversity and Human Rights

Establishing DEI Culture

Supporting Work-Family Balance

Shinhan Financial Group aims to help its employees build a happy family while at the same time feeling a sense of accomplishment at workplace through work-family balance. To create this working environment, we operate effective systems and programs that apply equally to all employees, including full-time and contract workers. In addition, Shinhan Financial Group transparently discloses the childcare indicators and the status of family-friendly systems and programs so that stakeholders can understand our work-family balance policy.

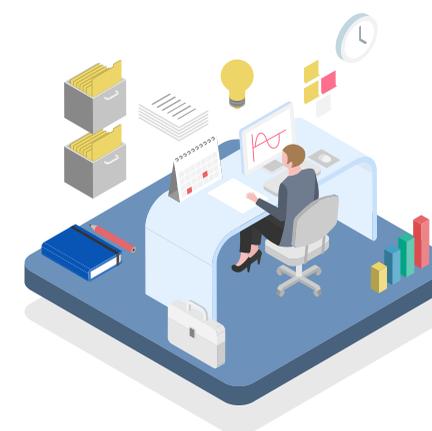
Smart Work System		
Flexible work hours	Flexible work hours	<ul style="list-style-type: none"> Determining work hours according to a shift schedule (unit period of three months or shorter)
	Optional work hours	<ul style="list-style-type: none"> 8 standard work hours per day multiplied by the specified number of work days during the unit period are considered as the total work hours
	Staggered hours	<ul style="list-style-type: none"> Employees observe daily work hours (8 hours) and determine their commuting time
Smart work systems	Remote work / work at home	<ul style="list-style-type: none"> Employees freely choose the place of work such as home, library, cafe, smart working center, etc.
	Flexible schedule	<ul style="list-style-type: none"> Adjusting commuting time in consideration of the employees' life patterns or time coordination with business partners
Compressed work hours	Compressed work hours	<ul style="list-style-type: none"> Centralized headquarters to increase work concentration and enhanced field support through concierge managers, compliance, internal control, etc.

Employee Welfare Programs		
Health Promotion	Open consultation center	<ul style="list-style-type: none"> Provide stress relief and online psychological care Provide online meditation and healing contents
	Wellness program	<ul style="list-style-type: none"> Program to control blood pressure and diabetes to prevent serious diseases Assist employees to establish health routines
	In-house clinics	<ul style="list-style-type: none"> Operate internal medicine and dental clinics in the company
Vacation Support	Vacation expenses	<ul style="list-style-type: none"> Provide vacation expenses and work-life balance allowances to encourage employees to have vacations
	Vacation facilities	<ul style="list-style-type: none"> Provide vacation facilities such as hotels, resorts, etc. during the vacation period
Loan Support	Mortgage loan	<ul style="list-style-type: none"> Provide mortgage loans for residential and living stability

Building a Horizontal Corporate Culture

Shinhan Financial Group strives to spread and settle a horizontal corporate culture so that all members can communicate freely and show creativity. We intend to look back on existing practices and make changes by innovating our corporate culture to break away from the traditional organizational framework, and introduce various systems to create a flexible working environment. We identify problems that may arise within the organization through the diagnosis of the organizational culture conducted semi-annually and take improvement measures. With these efforts, we aim to create an environment in which employees can focus more on their work and improve productivity and efficiency of the organization.

2023 Shinhan Culture Index Main Accomplishments and Areas for Improvement	
Improved Areas	<ul style="list-style-type: none"> Expanding additional questions for each group company to conduct timely assessments and establish improvement plans Listening to opinions and providing feedback from a field perspective through expansion of short-answered questions and FGI (Focus Group Interview)
Employee Participation	<ul style="list-style-type: none"> 20,166 people(cumulative) participated in the surveys as of 2023
Areas for Improvement	<ul style="list-style-type: none"> Building trust and enhancing fairness: Newly establishing HR Insight Report, expanding metacognitive web for assessing employees' competency levels and areas for improvement Establishing "Shinhan Code of Conduct"



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Diversity and Human Rights

Human Rights Management System

Human Rights Management Strategy and Goals

Shinhan Financial Group has established mid- to long-term goals to advance the level of its human rights management and continuously monitors the status of relevant progress. In order to strengthen the management of human rights risks, it plans to gradually expand the scope of human rights impact assessment and the items to be assessed, while continuing activities to establish a culture of respect for human rights and provide appropriate training.



Human Rights Management Declaration and Policy

Shinhan Financial Group has declared that it supports the basic principles for protection and respect of human rights as set forth in the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights of the UN Human Rights Council and will make every effort to comply with them. In addition, it has established the Code of Ethics of Shinhan Financial Group, which contains the philosophy of protecting and respecting human rights of internal and external stakeholders. It operates the Code of Conduct for Partner Companies to ensure that our partners are in line with Shinhan's principles and philosophy of socially responsible management. In addition, the Group has established the 'Promise to Respect Human Rights', 'Human Rights Principles to Protect the Rights and Interests of Stakeholders', and 'Human Rights Risk Management Process' to eliminate human rights violations that may occur within its business activities, e.g., the sale of financial products and services, and to protect the rights and interests of stakeholders. Based on these directions, Shinhan Bank has enacted the 'Human Rights Management Policy' and 'Detailed Principles of Human Rights Management' in consultation with internal and external experts and stakeholders, and annually reviews their appropriateness and revises them as necessary.

Human Rights Management Governance

Shinhan Financial Group promotes unified human rights management at the group level through ESG governance from the BOD to the working teams, and ensures that human rights management is practically implemented by reflecting human rights elements in the strategic tasks of the CEOs of the holding company and other group companies. Shinhan Bank's ESG Management Committee, as the highest decision-making body, plays a supervisory role in human rights management, while the ESG Planning Office listens to opinions from internal organizations and stakeholders and reflects them in the human rights management plan.

Human Rights Risks Management

Human Rights Impact Assessment

Shinhan Financial Group is establishing a process to continuously identify, mitigate, and plan remedial actions for the negative impacts of major human rights issues and monitor them. In 2022, Shinhan Bank became Korea's first commercial bank to conduct a third-party human rights impact assessment, followed by another in 2023. The bank developed metrics for human rights impact assessment based on domestic and international requirements and guidelines related to human rights, including the Human Rights Management Manual for Public Institutions issued by the National Human Rights Commission, domestic human rights laws and regulations, and the UN Guiding Principles on Business and Human Rights, and conducted a two-day on-site assessment.

In response to the improvement requirements from the 2022 human rights impact assessment, we have completed corrective actions, and we have also undertaken improvement activities for the areas identified as key improvement tasks in the 2023 assessment results. The rate of compliance has improved in the establishment a human rights management system, prohibition of forced labor, and prohibition of child labor. Additionally, in 2023, we confirmed an improvement in compliance rates in areas such as establishing a human rights management system and prohibiting forced labor.

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Diversity and Human Rights

Human Rights Risks Management

Identification of Human Rights Risks and Communications with Stakeholders

Shinhan Financial Group identifies potential human rights risks in major areas, considering the characteristics of the financial industry and the company. We recognize the key human rights risks that can occur in the financial sector and the major stakeholders involved, and we conduct management activities to mitigate these impacts. Additionally, through various communication channels, we regularly gather stakeholder opinions to prevent human rights risks from arising.



Key Stakeholder Human Rights Issues and Communication Channels		
Human Rights Issues of Interest	Key Stakeholder Communication Channels	2023 Performances
Employee <ul style="list-style-type: none"> Fair wages and benefits Safe and healthy workplaces Protection from discrimination and bullying Protection of labor rights, e.g., right to association and collective bargaining 	<ul style="list-style-type: none"> Shinhan Culture Index¹⁾ Labor-management council²⁾ 	1st Half 78.1 points 2nd Half 77.9 points 9 Agenda Items for 1st Half 11 Agenda Items for 2nd Half
Partner Companies <ul style="list-style-type: none"> Fair contracting and unfair trade Rights of supplier's employees Cooperation on social and environmental impacts Ethical procurement practices 	<ul style="list-style-type: none"> Ethical Management Hotline²⁾³⁾ Whistleblowing⁴⁾ 	6 cases received 6 cases processed 0 cases received 0 cases processed
Customers <ul style="list-style-type: none"> Safety and quality of financial products and services Fair advertising Privacy Corporate transparency 	<ul style="list-style-type: none"> Receiving customer complaints⁵⁾ Shinhan Ombudsman²⁾⁶⁾ 	9,589 cases received 9,539 cases processed 3 councils opened 11 cases processed in council

1) Shinhan Financial Group and All Group Companies 2) Shinhan Bank 3) Confidential reporting channels for unethical behavior and human rights violations involving Shinhan Bank employees, customers, and partner company employees 4) Shinhan Card 5) Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life, Shinhan Capital, Shinhan Asset Management, Jeju Bank, Shinhan Savings Bank, Shinhan EZ Insurance 6) Committee composed of 6 experts from academia, legal profession, and other fields, 1 specialized investment firm, and 1 civic organization representative for financial consumer protection matters

Human Rights Risk Management of Partner Companies

Shinhan Financial Group respects the autonomy and independence of partner companies while establishing Shinhan Financial Group's Code of Conduct for partner companies to align with the principles and ideals of Shinhan's corporate social responsibility management. We encourage adherence to these

guidelines. Additionally, we conduct corporate social responsibility management surveys in four areas—respect for human rights, workplace safety and health, environment, and corporate ethics and stakeholder communication—to manage human rights and overall sustainability risks of partner companies. Furthermore, our procurement contracts for ICT products include ESG performance evaluations as part of the assessment criteria.

Complaint Handling Channel

Shinhan Financial Group distinguishes employees, customers, shareholders and investors, partner companies, local communities, government-related associations as stakeholders related to human rights through its 'Human Rights Principles for Stakeholder Protection'. We identify stakeholder interests through various complaint channels and conduct periodic and regular communication activities to prevent human rights risks. Additionally, we operate a Human Rights Complaint Center where all internal and external stakeholders can report any human rights violations, including harassment and workplace bullying. When violations occur, we promptly and efficiently address them, ensuring strict confidentiality of the reporter and their information. Reported issues are investigated confidentially, corrections are made promptly for any wrongdoing, and findings are integrated into ethical and human rights management policies to prevent recurrence.



Internalization of Human Rights Management and Information Disclosure

Shinhan Financial Group conducts annual online and offline human rights education for all employees to cultivate human rights awareness and promote a culture of human rights protection. The annual online mandatory training includes courses on preventing harassment and improving awareness of disabilities. In 2023, a total of 44,008 hours of online education were provided to employees across all group companies. Moving forward, Shinhan Financial Group aims to communicate its commitment to respecting human rights and enhancing human rights management to internal and external stakeholders through various channels.

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Safety and Health

Safety and Health Management System

Safety and Health Policy and Governance

Shinhan Financial Group considers the safety of all members as the top priority for corporate management and has declared the safety and health policy to secure the trust of stakeholders. This applies not only to all employees of group companies but also to all members including customers and partner companies. Shinhan Bank has established a safety and health system centered on the Safety and Health Officer who directly reports to the Governor, and the Board approves and examines the safety and health management plan. In addition, Shinhan Bank has enhanced its safety/health and serious accident management system by operating the Occupational Safety and Health Committee between labor and management and deliberating and deciding on major opinions on occupational safety and health on a quarterly basis.



Classification	Composition	Roles
Safety and Health (General Management) Officer	Head of the Management Support Group	<ul style="list-style-type: none"> Managing, examining and supervising occupational safety and health affairs at workplace Managing internal inspection and investigation of risk assessment results and the implementation of derived improvement measures
Safety and Health Department	Occupational Safety Planning Team	<ul style="list-style-type: none"> Conducting integrated management of functions and roles related to safety and health in the Bank
Occupational Safety and Health Committee	Equal numbers from labor and management	<ul style="list-style-type: none"> Sharing internal review and examination reports related to safety and health management
(Contractor) Safety and Health Council	Bank and contractors	<ul style="list-style-type: none"> Organization for various consultation and opinion-listening related to safety and health of contractors (once a month)
Supervisor	Representative or head of each department (branch)	<ul style="list-style-type: none"> Exercising direct command and supervision over employees and managing occupational safety and health matters within departments/branche

Establishing a Safety and Health Management System

Shinhan Bank ensures that its safety and health system including internal control procedures is in place at all branches including Shinhan Bank's headquarters. Based on this operational status, Shinhan Bank acquired the ISO45001 (international standard for safety and health management systems) certification for the first time in November 2022.

Safety and Health Management Targets and Plans

Shinhan Bank establishes a systematic safety plan to achieve its management goal of "protecting the lives of employees and all workers and preventing accidents" and reports it to the board of directors every year. The safety and health management plan considers the improvement methods, details thereof, and the personnel and budget necessary for the improvement derived from the evaluation of the compliance and implementation of relevant laws such as the Occupational Safety and Health Act and the Serious Accidents Punishment Act. Shinhan Bank manages safety and health performance and continuously identifies and monitors the areas for improvement to achieve quantitative safety and health targets through its activities.

Safety and Health Targets and Achievement Level in 2023

	Classification	Safety and Health Targets	Achievement Level
No accidents	Serious accidents	0 Cases	100% (0 Disasters, 0% Accident Rate)
Safety and health education	Safety and health training for contractors	Training Rate 100%	100%
Healthcare for employees	General examination	Examination Rate 100%	95.8%
	Special checkups for night-time workers	Examination Rate 100%	100%
	Managing employees who was diagnosed to have a disease or a symptom	Management Rate 100%	100%
Emergency drills	Emergency training and education	Implementation Rate 100%	100%

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Safety and Health

Safety and Health Risk Management

Workplace Risk Assessment

Shinhan Bank has established the Guidelines and Manuals for Conducting Risk Assessment and conducted annual assessment and (extraordinary) assessment when necessary since the first company-wide assessment in 2021. We divide risks into routine, non-routine, and emergency situations according to the gravity of risks, taking into account the impacts and the possibility of accidents, and based on the assessment results, we continue to improve the determined harmful and dangerous factors. We provide education on risk assessment methodology to all employees and related parties.

Shinhan Bank's Risk Assessment Process



Shinhan Bank's Risk Assessment and Improvement Results in 2023

Determination of Risk Factors	Risk Level ¹⁾	After Taking Measures	Measures Taken
Fall hazards due to lack of safety railings in fall hazard locations on the rooftop	HH	ML	Safety railings and crash-risk signs were installed
Fire extinguishers must be replaced because they expired	H	L	Fire extinguishers were replaced (for fire extinguishing in early stages)
Ventilation ducts in the parking lot are installed low, creating a risk of parking lot users being hit by them	M	L	Duct edge guards and safety belts were installed and warning signs for ducts were posted

1) Risk levels: HH (levels 12 to 16), H (levels 8 to 9), M (level 6), ML (levels 3 to 4), and L (levels 1 to 2)

Response to Occupational Safety Accidents and Emergency Situations

Shinhan Bank established a rapid response system by enacting a serious accident manual to respond to emergencies such as safety and health accidents or disasters. When an accident occurs, managers and witnesses must notify the responsible department of the accident and employees must, in principle, stop working and evacuate if there is an imminent risk of an occupational accident. The Safety and Health Officer regularly conducts a comprehensive analysis of accidents that occurred in the previous year in the first quarter of each year and establishes and implements accident prevention measures accordingly. The results of the analysis are shared with all business sites to strengthen responsiveness.

Procedures to Respond to Serious Occupational Accidents



Employee Health Risk Management

Shinhan Bank operates the "Shinhan Care Program" to support the health care of employees through three stages of prevention, examination, and treatment.

Prevention	Medical Examination	Treatment
Vaccination	Medical examination	Providing medical expenses for employees and their families
Wellness programs	Providing reexamination Expenses	Operating a Hot-Line to make appointments with general hospitals
	Follow-up management of metabolic syndrome	Cancer care service

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Safety and Health

Safety and Health Programs

Gathering Opinions on Safety and Health

Shinhan Bank gathers opinions of employees and workers on the safety and health matters at workplace through surveys (once a half year) and regular communication channels and apply them to activities to improve occupational safety and health. In 2023, Shinhan Life established a new channel to collect opinions from employees and customers and supported renovation of the obsolete sales support center and the improvement of rest facilities for security contractors in branch buildings.

Shinhan Bank's Health and Safety Communication Channels	
Kakao Channel	SHB Safety Guard
Call Center for Safety and Health	02-2151-5127
E-mail	yscho@shinhan.com

Protecting Customer Service Staff

To protect customer service employees, Shinhan Bank takes specialized measures such as interviews with complainants, on-site training, wired coaching, legal consulting and aid for investigation. Shinhan Bank operates the all-employee collaborative response process regarding special complaints including abusive language, violent language and sexual harassment, which occur on the site, and runs the "Siren 5119" program to protect relevant employees. Furthermore, Shinhan Bank supports psychological counseling and healing center programs in regard to employees' psychological and mental shocks caused by special complainants and provides periodical training on customer response manuals and health care, and training on how to respond to special complainants.

Conducting Safety and Health Education

Shinhan Bank regularly conducts safety and health education to raise safety awareness and mitigate safety risks. CPR training, fire prevention training, and training for persons responsible for risk assessment are provided to employees and partner companies, and separate job training is provided to Shinhan Bank's Safety and Health Officer.

Employee Health Promotion Programs

Shinhan Bank endeavors to improve the overall health of its employees and established three new Wellness programs to promote employee health in 2023. In addition, Jeju Bank has reformed its medical welfare system, expanding the scope of eligible persons from the employee and his/her spouse to one of the spouse and the spouse's parents.

Shinhan Bank's New Wellness Programs		
Weight Control	Physical 100	[1st half of the year] 1,002 employees participated and 174 employees (14.4%) received rewards [2nd half of the year] 979 employees participated and 78 employees (8%) received rewards
Health Care	10,000 Step Challenge	[1st quarter] participated by 3,677 employees [2nd quarter] participated by 3,785 employees [3rd quarter] participated by 3,129 employees
	Walking Together with Department Members Challenge	Participated by 3,189 employees
	2023 Chosun Ilbo Chuncheon Marathon	Participated by 116 employees
Chronic Disease Management	Blood Pressure and Blood Sugar Control Program	[1st half of the year] 363 employees participated and 92 employees (25.3%) improved conditions [2nd half of the year] 200 employees participated and 56 employees (28%) improved conditions
	Metabolic Syndrome One-on-one Customized Health Counseling	Participated by 75 employees

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DO THE FAIR THING

With fair play as our core principle,
we uphold the values embraced by the ESG Way.

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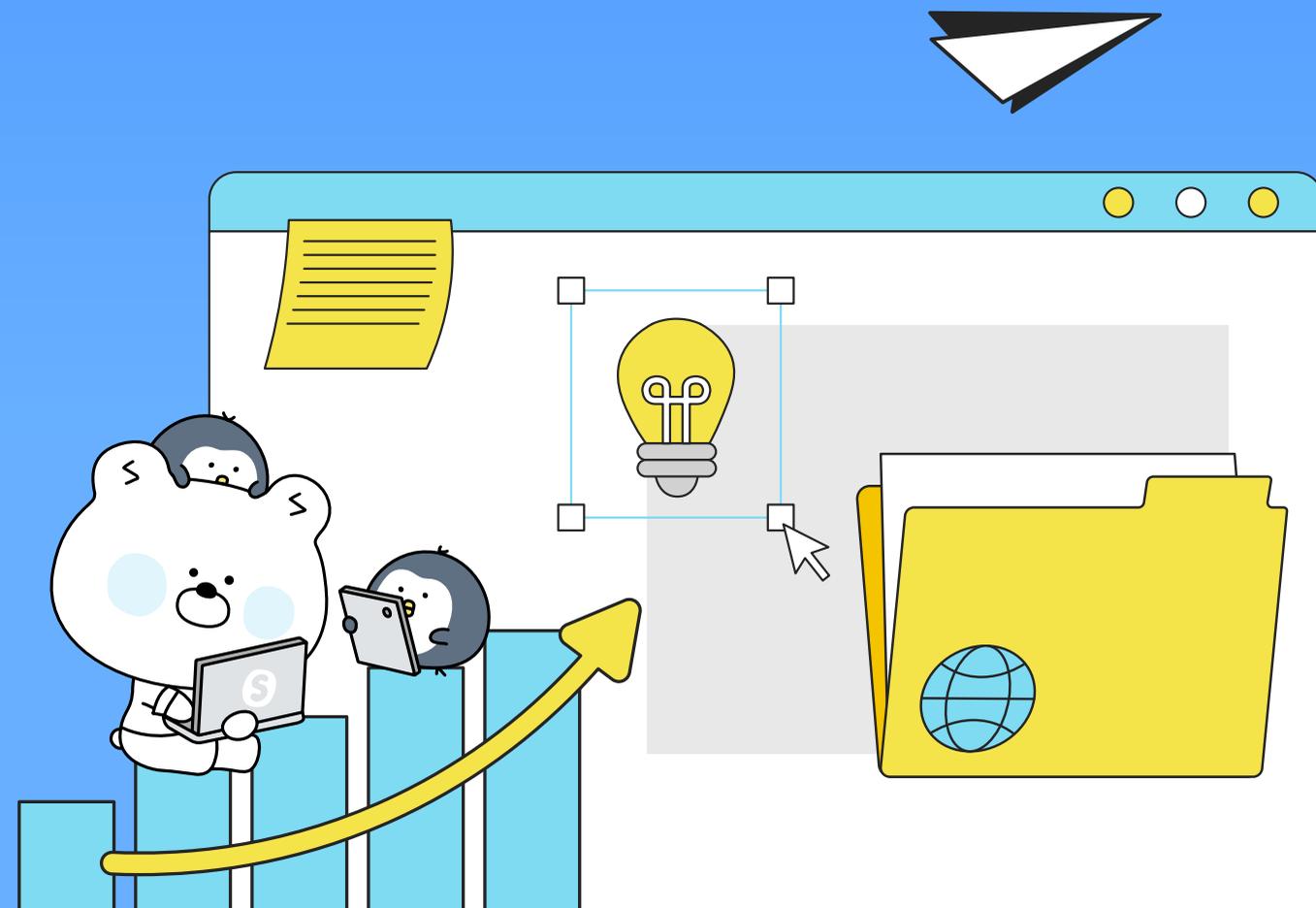
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Shinhan Financial Group Governance

Governance Principles and Criteria

Shinhan Financial Group strives to ensure transparency, soundness and stability of its governance to promote the Group's long-term development and protect the interests of stakeholders including shareholders and financial consumers. In addition, we ensure the transparent governance by disclosing the business standards, procedures, and results related to governance through the Annual Report on Governance and the website.

 [2023 Annual Report on Governance](#)

 [Disclosures on Corporate Governance](#)



Transparency

Shinhan Financial Group discloses the annual report on governance, internal regulations, outcome of the general shareholders' meeting, and appointment and dismissal of executives, implements electronic voting and provides real-time video streaming of the general shareholders' meetings to improve transparent governance and shareholder value.



Soundness

Shinhan Financial Group operates the board of directors with independent members with expertise and complies with the recommendations of the board of directors concerning the Commercial Act, the Act on Corporate Governance of Financial Companies, and the Best Practices for Corporate Governance by incorporating them in the Articles of Incorporation and the Internal Code of Corporate Governance.

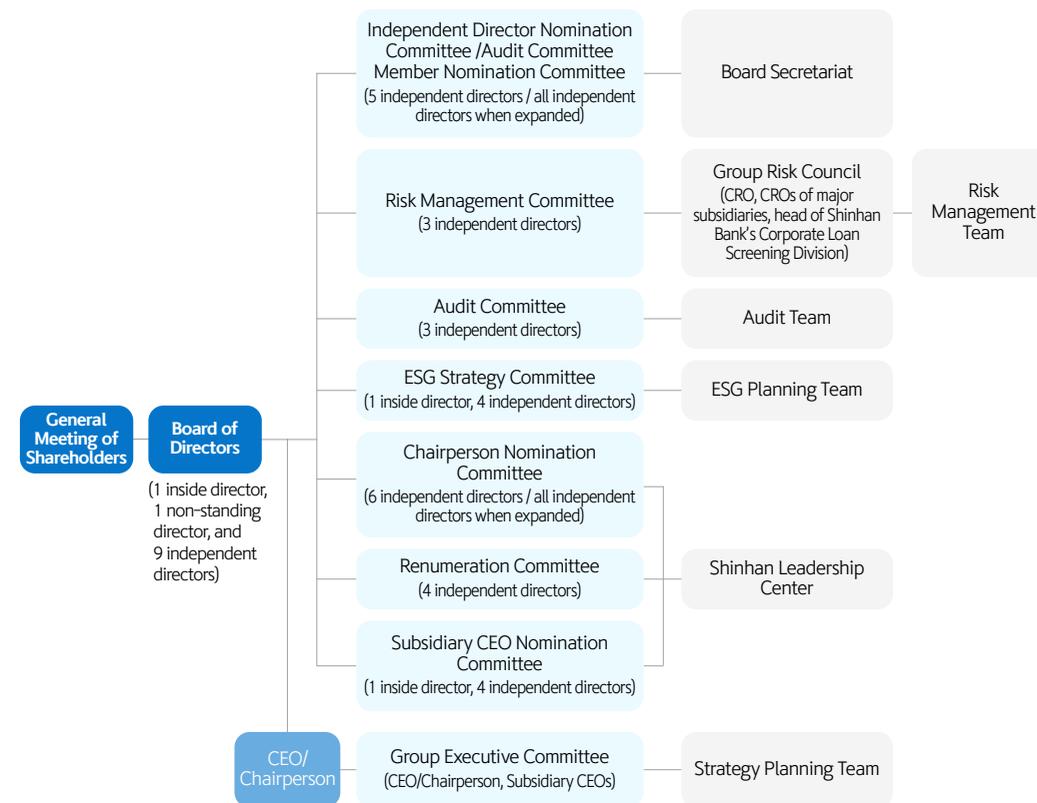


Stability

Shinhan Financial Group has established a governance structure in which the board of directors, management, and independent directors are balanced and mutually check one another by delegating decision-making and business operations to the board of directors and management and operating the board of directors centered on independent directors.

Shinhan Financial Group Governance Structure

*As of December 2023



Diversity and Expertise of the Board of Directors

Shinhan Financial Group has established the "Board Diversity Guidelines" and ensured the diversity of nationality, gender, age, experience and background of candidates for independent directors based on the Guidelines. We ensure that female candidates account for at least 20% of standing candidates for independent directors in order to continuously increase the number of female independent directors and appoint independent directors in the global field by linking management strategy directions. In addition, taking into account the characteristics of a financial holding company that exercises overall control over financial companies, we consider the board's complex expertise in 6 areas of expertise requirements (finance, economy, management, accounting, law and IT) stipulated in the Act on Corporate Governance of Financial Companies.

 [Shinhan Financial Group's Guidelines for Independence of Directors](#)

 [Board Diversity Guidelines](#)

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Governance Principles and Criteria

Procedures and Standards for Appointing Independent Directors

When appointing independent directors, Shinhan Financial Group applies “expertise, fairness in performing duties, ethical responsibility and faithfulness” stipulated in the Act on Corporate Governance of Financial Companies as positive qualification requirements, and additionally applies “diversity in the board composition, compatibility with Shinhan Financial Group, and effectiveness of management advice” as additional deliberation criteria. In principle, decisions on the appointment of independent directors are made by the Independent Director and Audit Committee Member Nomination Committee and the general shareholders’ meeting. In 2023, we introduced the “Advisory Group for the Independent Director and Audit Committee Member Nomination Committee” to ensure objectivity and transparency of independent director candidates. All members of the Independent Director and Audit Committee Member Nomination Committee are independent directors to ensure independence, and it is fundamentally prohibited for independent directors belonging to the candidate group for reelection to recommend themselves or participate in the resolution of their own recommendation.

Procedures for Appointing Independent Directors



Restriction on Concurrent Offices of Independent Directors and Term of Office of Directors

Shinhan Financial Group guarantees the independence and faithfulness of independent directors based on the Articles of Incorporation and the Internal Code of Corporate Governance. An independent director of Shinhan Financial Group cannot be an independent director of another company and concurrent offices are disclosed transparently in the director’s personal profile. In addition, there is a limitation on the term of office of directors to prevent the risk of long-term tenure. The first term of office of an independent director is two years and the second consecutive term of office cannot exceed one year. An independent director cannot hold the office of director for more than six years, and cannot hold the office for more than 9 years in total including the period during which he/she serves as an independent director of other group companies, etc.

Board Composition

Board Composition

As of June 2024, Shinhan Financial Group’s board of directors is composed of 11 members, i.e., 9 independent directors, 1 standing director, and 1 non-standing director. Shinhan Financial Group ensures that independent directors accounts for approximately 82% of the board of directors so that the Board can represent various stakeholders, including shareholders, and keep management in check. In addition, the chairperson of the Board is separated from the CEO in accordance with Article 45 of the Articles of Incorporation and the chairperson of the Board is appointed from among independent directors to realize the independent director-centered BOD operation value.



Committees Under the Board

Shinhan Financial Group has seven committees under the Board of Directors with separate tasks to enhance the efficiency and expertise of the Board activities. The Risk Management Committee and the Remuneration Committee always include at least one director who has experience in financing, accounting or finance, respectively, to ensure fairness in risk management and remuneration systems. In the case of the audit committee, although the Act on Corporate Governance of Financial Companies and the Internal Code prescribe that independent directors should account for two-thirds or more, all members of the audit committee are independent directors in order to ensure the objectivity and fairness of audits and strengthen its independence from management.



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Shinhan Financial Group Governance

Board Composition

Financial Group Board Composition

Shinhan Financial Group intends to further strengthen the transparency and fairness of decision-making through the operation of the board of directors centered on outside directors. By ensuring that independent directors play an active and independent role, We aim to establish sound governance and realize sustainable management. These efforts will enhance the trust of shareholders and stakeholders and contribute to the long-term development and competitiveness of the company.

*As of March 2024

Classification	Name	Gender	Main Work Experience	Nationality/ Country of Main Activities	Date of First Appointment (Date of First Appointment as Independent Director)	Term of Office	Responsible Committees	Board Skill Matrix							
								Management	Finance	Economy	Accounting	Law	Global	IT	
Independent Director (Chairperson of the Board of Directors)	Yoon Jae-won	Female	· Vice Chairperson, Korean Association of Tax (Current) · Professor, Department of Business Administration, Hongik University (Current)	US/Korea	2023.03.23. (2020.03.26.)	1 year	· Audit Committee · Committee for Recommendation of Presidential Candidates	○			○				
Independent Director	Kwak Soo-keun	Male	· Chairperson, Financial Supervisory Advisory Committee, Financial Supervisory Service · Honorary Professor, Seoul National University Business School (Current)	Korea	2023.03.23. (2021.03.25.)	1 year	· Audit Committee · Committee for Recommendation of Candidates for Chief Executive Officer of Subsidiaries · Remuneration Committee	○			○				
Independent Director	Kim Cho-seol	Female	· Professor, Department of Economics, Shinshu University · Professor, Department of Economics, Osaka University of Commerce (Current)	Korea/Japan	2022.03.24.	1 year	· ESG Strategy Committee · Committee for Recommendation of Candidates for Independent Directors and Audit Committee Members · Remuneration Committee			○			○		
Independent Director	Bae Hoon	Male	· Director, Lawyers Association of Zainichi Korea (LAZAK) · Attorney-at-law, Orbis (Law Firm) (Current)	Korea/Japan	2023.03.23. (2021.03.25.)	1 year	· Audit Committee · Committee for Recommending Presidential Candidates · Committee for Recommendation of Candidates for Chief Executive Officer of Subsidiaries				○	○	○		
Independent Director	Song Seong-joo	Female	· Professor, Department of Statistics, Korea University (Current) · Director, Korea Risk Management Society (Current)	Korea	2024.03.26.	2 years (Newly Appointed)	· Risk Management Committee · Committee for Recommendation of Candidates for Independent Directors and Audit Committee Members			○	○				
Independent Director	Lee Yong-gook	Male	· Cleary Gottlieb Steen & Hamilton LLP ¹⁾ (Partner of the New York/Hong Kong office, Representative of the Seoul office) · Clinical Professor, Seoul National University School of Law (Current)	Korea	2023.03.23. (2021.03.25.)	1 year	· Risk Management Committee · Committee for Recommendation of Candidates for Chief Executive Officer of Subsidiaries · ESG Strategy Committee			○			○	○	
Independent Director	Jin Hyun-duk	Male	· Visiting Professor, Engineering Research Department, Utsunomiya University · CEO, Phoedra Co., Ltd. (Current) ²⁾	Korea/Japan	2023.03.23. (2020.03.26.)	1 year	· Committee for Recommending Presidential Candidates · Committee for Recommendation of Candidates for Independent Directors and Audit Committee Members	○						○	
Independent Director	Choi Young-kwon	Male	· Head of the Fund Management Team, Government Employees Pension Service · Representative Director, Woori Asset Management	Korea	2024.03.26.	2 years (Newly Appointed)	· Risk Management Committee · remuneration committee	○	○						
Independent Director	Choi Jae-boong	Male	· Advisor, Financial DT Academy, Korea Banking Institute · Professor, Sungkyunkwan University School of Mechanical Engineering (Current)	Korea	2023.03.23. (2021.03.25.)	1 year	· ESG Strategy Committee · Committee for Recommending Presidential Candidates								○
Inside Director (Representative Director/ Chairperson)	Jin Ok-dong	Male	· Vice President, Shinhan Financial Holding · President, Shinhan Bank · Representative Director/Chairperson, Shinhan Financial Holding (Current)	Korea	2023.03.23.	3 years	· Committee for Recommendation of Candidates for Chief Executive Officer of Subsidiaries · ESG Strategy Committee	○	○					○	
Other Non-executive Director	Jeong Sang-hyeok	Male	· Vice President, Shinhan Bank · President, Shinhan Bank (Current)	Korea	2023.03.23.	2 years	· ESG Strategy Committee	○	○						

1) Provided legal consulting in the financial sector, including corporate M&A and IPO 2) Company engaged in the complex leisure business that provides entertaining products and services to consumers

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Shinhan Financial Group Governance

Board Operation

Board Activities

Shinhan Financial Group's Board of Directors have ordinary and extraordinary meetings convened by the chairperson. In 2023, the Board of Directors' meeting was held 14¹⁾ times in total with an average attendance rate of 99.4%. Shinhan Financial Group applied the Institutional Shareholder Services (ISS) standard and determined a minimum attendance rate of 75% for all directors. Detailed information on the agenda is provided seven days prior to the board meeting date to ensure sufficient time for independent directors to review. In 2023, we enacted and revised regulations on governance to strengthen internal control, reviewed major business strategies and plans to enhance group competitiveness, and approved specific action plans to implement ESG strategies.

Board Activities and Attendance				
Classification	Unit	2021	2022	2023
Total Number of Board Meetings Held	Meetings	13	15	14
Agenda Items Resolved	Agendum	26	31	46
Agenda Items Reported	Agendum	89	89	95
Average Attendance	%	100	99	99.4

Roles and Activities of the Committees under the Board

Committees Under the Board	Key Roles	Major Activities in 2023
Chairperson Nomination Committee	<ul style="list-style-type: none"> Recommend chairperson candidates and examine their qualifications Prepare a plan for management succession Nurture and manage candidates 	<ul style="list-style-type: none"> Evaluated and selected candidates for fostering for the Group's management succession Reported the results of performance evaluation of candidates for fostering for the Group's management succession
Independent Director and Audit Committee Member Nomination Committee	<ul style="list-style-type: none"> Establish, review and supplement the principles for the appointment of independent directors and audit committee members Recommend candidates for independent directors and audit committee members Manage standing candidates for independent directors and verify candidates 	<ul style="list-style-type: none"> Determined independent director candidates for recommendation Examined and recommended candidates for audit committee members
Audit Committee	<ul style="list-style-type: none"> Supervise works of directors and management Monitor internal audit activities and review financial statements Select and supervise the external auditor 	<ul style="list-style-type: none"> Determined performance targets of the audit team leader Reported the compliance officer's activities in the preceding year
Risk Management Committee	<ul style="list-style-type: none"> Establish risk management strategies Review risk levels and status Approve the risk management system and improvements 	<ul style="list-style-type: none"> Established and monitored integrated ESG risk management Approved the change of the Group's trust risk internal rating method Operated and approved the Basel III liquidity risk (LCR, NSFR) management system
ESG Strategy Committee	<ul style="list-style-type: none"> Establish ESG Strategies Establish sustainable management policies, including climate action and fulfillment of social responsibilities Monitor ESG achievements 	<ul style="list-style-type: none"> Established tasks to implement carbon emissions reduction and prepared implementation plans therefore Established plans to respond to additional ESG disclosure requirements related to social value creation and diffusion
Subsidiary CEO Nomination Committee	<ul style="list-style-type: none"> Recommend candidates for subsidiary CEOs Examine qualifications and eligibility of candidates Evaluate management performance 	<ul style="list-style-type: none"> Evaluated leadership of subsidiary CEOs and selected candidates for fostering for management succession Reported plans to develop candidates for fostering for management succession of subsidiaries
Remuneration Committee	<ul style="list-style-type: none"> Design and operate the remuneration system Evaluate fairness and appropriateness of remuneration Reevaluate executive remuneration policies 	<ul style="list-style-type: none"> Established the performance evaluation system for executives, etc. Examined the fairness and adequacy of the remuneration system

1) The ordinary Board meeting was held once a quarter and 4 times a year, and the extraordinary Board meeting was held 10 times.

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Board Operation

Evaluation of the Board of Directors

Shinhan Financial Group evaluates the operation and roles of the board of directors once a year in accordance with Article 8 of Shinhan Financial Group's Internal Code of Corporate Governance. The evaluation items are divided into the operational evaluation and the role evaluation. The evaluation is conducted for all directors and its results are used for the Board's operation. We outsource the evaluation to an external institution for fairness of the evaluation and anonymity of evaluators, and in 2023, the Board's operation and performance of roles were decided to be "excellent" in the Board evaluation.

Board Evaluation Items



Operational Evaluation

- Whether meeting times were appropriate
- Whether agenda items were appropriate
- Whether the frequency of meetings was appropriate
- Whether the Company provided sufficient information



Role Evaluation

- Adequacy of performance of duties related to the authority of the board of directors

Evaluation of Independent Directors

Shinhan Financial Group evaluates independent directors pursuant to the Internal Code of Corporate Governance every year. The evaluation consists of self-evaluation 30%, Board evaluation¹⁾ 60%, and employee evaluation 10%, and is made in four categories: expertise, fairness in carrying out duties, ethical responsibility and faithfulness. The evaluation results are provided as a reference to the selection advisory group and are also used for re-election of independent directors. We outsource all evaluation processes to an independent external institution to ensure fairness and transparency of the evaluation process. In the evaluation of independent directors at the end of 2023, all nine independent directors in office were rated "excellent", exceeding the expected level.

1) All independent directors excluding the person subject to evaluation participate in the evaluation.

Management Performance and Remuneration System

Remuneration System

Shinhan Financial Group's remuneration system and performance evaluation system for executives including the CEO are discussed and resolved by the Remuneration Committee every year. The remuneration includes fixed remuneration and performance bonuses, the amount of which is determined based on performance evaluation. The performance bonus consists of annual (short-term) and long-term payments according to the evaluation period. The proportion of long-term bonuses increase as an employee moves up to higher positions, accounting for more than 50% in case of executives and more than 60% in case of top management.

Executive KPIs

Shinhan Financial Group uses both the Group KPIs, financial performance indicators, and the implementation results of key strategic tasks, non-financial performance indicators, in the performance evaluation of the CEO and other executives of the holding company. Meanwhile, performance indicators that are not tied to financial performance are applied to executives in charge of risk management, compliance monitoring and auditing use to ensure their independence.

Major Executive KPIs

Classification	Financial KPIs	Non-financial KPIs
Annual Performance Bonus	Group KPI Items <ul style="list-style-type: none"> · Shareholder value-related indicator (total shareholder return) · Profitability indicators (ROE, ROA) · Soundness indicator (non-performing loan ratio) · Risk-related indicator (RAROC) · Efficiency indicator (gross profit margin) 	Results of implementing major strategic tasks in accordance with SFG's strategic directions* <p>*SFG's strategic directions</p> <ul style="list-style-type: none"> · No. 1 growth rate of senior and youth customers · Building the top level foundation in Korea for capital markets and global markets · Achieving digital to value through customer experience innovation · Pursuing Asia's leading ESG financial group · Securing balanced HR competitiveness · Thorough and preemptive risk management
Long-term performance bonus	<ul style="list-style-type: none"> · Shareholder value-related indicator (total shareholder return) · Profitability indicators (ROE, ROA) · Soundness indicator (non-performing loan ratio) 	-

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Management Performance and Remuneration System

Deferment, Adjustment and Recovery of Performance Bonuses

Shinhan Financial Group's management receives annual performance bonuses in cash based on the previous year's performance evaluation. Long-term performance bonuses are determined based on Shinhan Financial Holding's stocks and provided in deferred payment based on the results of four-year performance evaluation. Long-term performance bonuses may be adjusted according to pre-payment performance or reduced due to falling stock prices. In addition, performance bonuses may be recovered if an executive leaves or causes damage to SFG due to reasons attributable to him/her before the performance bonus is paid.

CEO Compensation

In 2023, the total compensation paid to the CEO was KRW659 million, and there are 20,982 shares of long-term, performance-linked stock compensation (PS) that are not included in the total compensation. The amount of PS will be determined later depending on the company's long-term performance and stock prices between 2023 and 2026.

CEO-to-Employee Compensation Ratio			
Total CEO Compensation	Classification ¹⁾	Amount	Ratio (Multiples)
KRW 659 million	Employee Remuneration Median	KRW 1.46 billion	4.51
	Employee Remuneration Mean	KRW 1.75 billion	3.77

1) As of 2023, covering only Shinhan Financial Holding among group companies

Realizing Shareholder Value

Shareholder Return

Shinhan Financial Group endeavors to increase shareholder value and continuously improve the total shareholder return based on the shareholder return policy reported to the board of directors in 2022. After purchasing treasury stocks in 2023, we gradually increased the amount of treasury stock cancellation to KRW487 billion, improved the dividend process by reflecting international standards to increase shareholder dividend predictability and support investors' decision-making based on dividend amounts. We have made equal dividends since March 2023 and will strive to equalize quarterly and year-end cash dividends and increase the total shareholder return in 2024.



Shareholder Return Ratio (including Preferred Shares)							
	Unit	2018	2019	2020	2021	2022	2023
Treasury Stock Cancellation	KRW 1 billion	0	0	150	0	300	487
Cash Dividends	KRW 1 billion	753	884	804	1,047	1,093	1,086
Total Shareholder Return Rate	%	23.6	26.0	27.9	26.0	30.0	36.0

Supporting the Exercise of Shareholder Rights

Shinhan Financial Group strives to improve shareholders' convenience in exercising rights and expand the exercise of voting rights. We post notice of a general shareholders' meeting at least two weeks prior to the meeting date to provide sufficient time to review the agenda items, business report and audit report. In addition, in order to support the exercise of voting rights at the general shareholders' meeting, we allow concentrated voting, electronic voting, and exercise of voting rights in writing and provide real-time video streaming of the general shareholders' meeting for shareholders who cannot attend.

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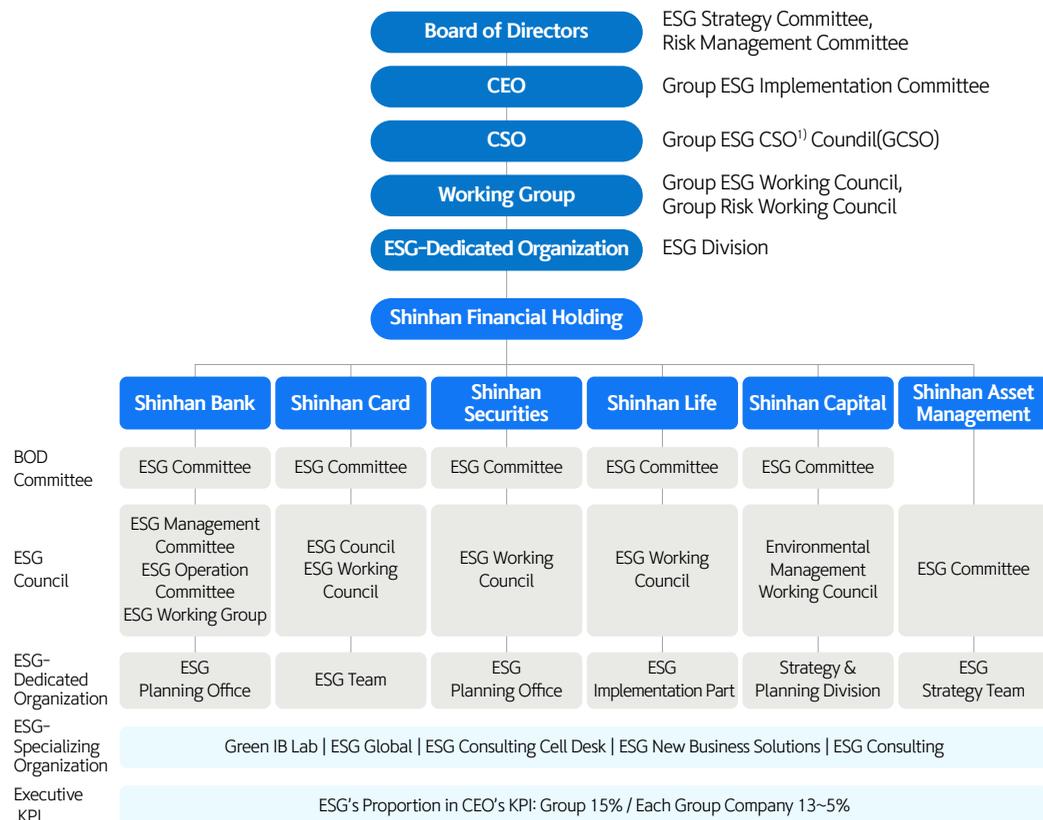


ESG Governance

Shinhan Financial Group's ESG Driving System

Shinhan Financial Group operates a group-level Shinhan ESG driving system to promote the Group's strategic direction, "Asia's Leading ESG Financial Group." The holding company and major group companies have committees and organizations dedicated to the execution of ESG management under the Board of Directors that establish ESG strategies and policies. In addition, to internalize the ESG strategy at the group level, we operate the Group ESG Implementation Committee and the Group ESG Council, which are attended by the Group CEO and CEOs of group companies.

Shinhan ESG Driving System



ESG Performance Management Scheme

Shinhan Financial Group recognizes the importance of ESG strategies and reflects ESG performance on the evaluation system for the Group CEO and CEOs of group companies so that all group companies can effectively implement ESG management. To this end, we quantitatively measure the performance of ESG projects by group companies including reflecting quantitative results of carbon emissions reduction by group companies on CEO evaluation. In addition, we established a group-level ESG performance management system, increasing the proportion of the ESG evaluation into 15% in the Group CEO's strategic tasks and applying differentiated evaluation proportions to CEOs of group companies in consideration of the size and business characteristics of each company.

Strategic Tasks for Executives and Evaluation Proportions in 2023

Major Strategic Tasks		Evaluation Proportion by Company Size
	Green finance Reduction of carbon emissions (financed carbon emissions intensity)	Large Group Companies 13%
	Reduction of carbon emissions (internal carbon emissions) ESG implementation(long-term, non-financial, qualitative implementation efforts)	Medium-sized/listed Group Companies 11.5%
	Implementation of the Companion project, ESG value index, and employee volunteer activities	Small Group Companies 5%

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1) CSO(Chief Strategy Officer): Executive responsible for strategy management *As of December 2023

Ethics and Compliance Management

Ethics and Compliance Management System

Foundation for Ethics and Compliance Management

Ethical values are the top priority of Shinhan Financial Group, not only in ethical standards and compliance with laws and regulations but also in every aspect of its decision making. To help all employees make ethical decisions and behaviors, the Group has established the Shinhan Financial Group Code of Ethics, which contains its ethical management philosophy and key principles, and each group company operate its own code of ethics that reflect the characteristics and circumstances of each of them. In addition, the Code of Conduct for Employees and the Code of Conduct for Partner Companies encourage employees and partners to adopt ethical business practices.

Classification	Shinhan Financial Group Code of Ethics	Code of Conduct for Employees	Code of Conduct for Partner Companies
Scope of Application	Holding company, subsidiaries, second-tier subsidiaries and their employees	All employees, either full-time or contract-based, including temporary workers	Partners that do business with subsidiaries and second-tier subsidiaries within the group
Main Contents	<ul style="list-style-type: none"> Employee ethics (compliance with laws and regulations, fair conduct of business, confidentiality and data security, prohibition on engagement in improper political activities) Ethics towards customers, shareholders, employees, and partner companies Social responsibility and contribution 	<ul style="list-style-type: none"> Basic principles, integrity and honesty, anti-bribery and anti-corruption, avoidance of conflict of interests, mutual respect and sound work environment 	<ul style="list-style-type: none"> Fundamental human rights of workers (voluntary work, protection of vulnerable workers, working hours, wage and employee benefits, privacy and humane treatment, procedures for prevention of human rights violation) Safety and health at workplaces (occupational safety, occupational accidents, disease control) Environment (compliance with environment laws and regulations, waste reduction, efficient use of resources) Business ethics

Anti-Bribery and Anti-Corruption Policy

Shinhan Financial Group acknowledges that bribery and corruption undermine the fairness of business, and provides for prohibition of bribery and corruption in the Shinhan Financial Group Code of Ethics and the Code of Conduct for Employees. In addition, the Code of Conduct for Partner Companies requires partner companies to provide policies and standards for prohibiting bribery and preventing corruption, and ensure their employees to comply with them. Shinhan Financial Group has established an anti-corruption management system for its holding company and group companies, and is reviewing and improving their compliance with anti-corruption policies, while obtaining ISO 37001 certification as part of such efforts.

Internal Control System

In accordance with the Group Internal Control Regulation, Shinhan Financial Group has established standards and procedures to be followed by employees while fulfilling their duties, and each group company has detailed internal control guidelines. Shinhan Financial Holding establishes a group-wide internal control system based on a compliance officer appointed by a resolution of the board of directors. The compliance officer oversees the group's internal control system and supports the compliance officers of each group company in carrying out their internal control activities. The compliance office also establishes and operates a compliance monitoring system necessary to manage compliance programs. For efficient internal control management, all group companies have an internal control committee chaired by the CEO and manages major internal control matters for each group company. In addition, the compliance officer council and anti-money laundering council are in place to discuss internal control issues and share related matters to strengthen group-wide internal control. Meanwhile, Shinhan Financial Holding has obtained ISO 37301 certification, an international standard for compliance management systems, which proves that its compliance policies and risk response systems are consistent with global standards.

Shinhan Financial Group's Compliance and Internal Control Organizations

Classification	Compliance		Internal Control	
	Group Compliance Officer Council	Group Executive Committee	Internal Control Committee	Group Working-Level Compliance Employee Council
Name	CCO ¹⁾	CEO	Management	Working-level Employees
Position	Compliance officer	CEO of each group company	Chairperson (CEO) and members (executives)	Each group company's working-level compliance manager
Target	Set the group's major compliance/law/ethics policies and directions	Disseminate major internal control agenda within the group	Deliberate, resolve, and examine major matters related to internal control as each company's highest decision-making body on internal control	Identify the group's compliance/law/ethics issues and find countermeasures

1) CCO: Compliance Officer, Chief Compliance Officer

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Ethics and Compliance Management

Ethics and Compliance Management System

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Supervision and Management of Internal Control by the Board of Directors

The Board of Directors of Shinhan Financial Group fulfills its role to ensure compliance by reviewing the internal control system, its status, and major issues through the BOD meetings and BOD workshops. The board of directors receives reports on the results of the inspection of the internal control system and its operation, as well as the internal control activities of the group compliance officer. Given the increasing importance of internal control activities, the board of directors discussed internal control-related issues at two workshops.

BOD Workshops for Internal Control in 2023

Classification	Description
1st BOD Workshop(May 2023)	A lawyer specializing in internal control at a law firm shared and discussed major issues and trends
2nd BOD Workshop(August 2023)	Group compliance officer made presentations on and discussed "measures to strengthen internal control of the group"

Inspection and Audit of Internal Control

In accordance with the Financial Company Governance Supervisory Regulations and the Group Internal Control Regulations, Shinhan Financial Group inspects its internal control system and its status and reports the results to the board of directors on an annual basis. This task is delegated to the compliance officer, who regularly examines the internal control system and reports the results to the board of directors every year. The compliance officer of each group company reports the results of the inspection to the holding company compliance officer, who in turn reports the results to the Audit Committee.

The audit team of Shinhan Financial Holding audits the adequacy of the operation of the internal control system at the holding company and group companies with audit committees¹⁾ every year and reports the results to the board of directors. The Audit Committee of Shinhan Financial Holding evaluates the adequacy of the operation of the internal control system on an annual basis and submits its opinions on problems or improvements, if any. In 2023, the Audit Committee confirmed that Shinhan Financial Group has an appropriate internal control system and relevant organizations, and that the internal control system is operated based on effective control measures and communications. The internal control systems of the nine group companies with audit committees were also evaluated as being in good overall conditions. In addition, the external auditor is examining the design and operation of the internal accounting control system from the perspective of materiality in accordance with the Conceptual Framework for Design and Operation of Internal Accounting Control Systems.

¹⁾ Nine companies: Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life, Shinhan Capital, Shinhan Asset Management, Jeju Bank, Shinhan Savings Bank, Shinhan Asset Trust

Reflection of Internal Control Performance Evaluation

Shinhan Financial Group reflects the Internal Control Strengthening Index, i.e., a performance indicator related to internal control, in the KPIs of group company executives to strengthen group-wide internal control management. Internal control items are reflected in the performance evaluations of the management and group compliance officers, while performance evaluations of compliance officers in charge of compliance by each department, also reflect the compliance status of each department. If an employee violates internal control regulations and financial laws and regulations, a disciplinary action ranging from caution to dismissal may be imposed under the HR Regulations after deliberation by the HR Committee. Shinhan Bank also intends to reflect the level of compliance in the evaluation of each sales office to enhance internal control compliance at each workplace.

Group Company Executives' KPI "Internal Control Strengthening Index"

Improvement of Systems	Enhancement of Ethics and Compliance Programs	Proactive Enhancement of Monitoring Activities
 <ul style="list-style-type: none"> • Strengthening of executives' role in internal control • Strengthening of anti-money laundering system 	 <ul style="list-style-type: none"> • Training and capacity building of employees • Ethics and compliance activities of executives 	 <ul style="list-style-type: none"> • Adequacy management of internal control system • Improvement of weaknesses in internal control • Ordered leave for employees with hazardous duties

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Ethics and Compliance Management

Ethics and Compliance Management

Ethics and Compliance Practice Pledge and Self-Checks

To internalize ethics and compliance management, all employees of Shinhan Financial Group take an ethical practice pledge to express their commitment to comply with the Group Code of Ethics and internal regulations every year. The Group also conducts a group-wide survey on employees' awareness of ethics and compliance and takes improvement measures. Each group company assesses the implementation of the Code of Ethics and common bylaws through self-checks, while reviewing the ethical and legal appropriateness of each department's implementation of compliance by making a checklist. Furthermore, the Group provides its partners with Self-Diagnostic Questionnaire for Compliance with Code of Conduct for Partner Companies to encourage them to evaluate their compliance status.

Training for Internalization of Ethics and Compliance

Shinhan Financial Group conducts various activities for training on ethics and compliance education for all employees, including contract-based and temporary workers, at each group company for the purpose of raise awareness of ethics and compliance management. Shinhan Financial Group provides group-wide training for new employees and an annual online training on ethics and compliance and the Group Code of Ethics for all employees, as well as human rights education, e.g., to raise awareness of the disabled at workplace and prevent sexual harassment and bullying at workplace. It also provides online and offline training courses for compliance officers of all group companies to strengthen their internal control capabilities. In addition, each group company produces and distributes guidelines, videos, and newsletters on internal control, while providing ethics and compliance training for each position and job function, as part of its efforts to improve the culture of ethics and compliance management.

Ethics and Compliance Training by Group Company	
Shinhan Bank	<ul style="list-style-type: none"> • "Hello Compliance" program to raise awareness of compliance and internal control • Dissemination of ethics and compliance-related messages to employees by management • Posting and publication of education materials on ethics and compliance for head of division/branch through sales councils • Ethical management education through training for each position (for promoted employees, compliance officer, etc.) • Dissemination of ethics and compliance-related messages to participants of management strategy meetings for each half-year (executives, division head, department head) • Share the cases of implementing measures to improve internal control and AML issues with employees at branches
Shinhan Life	<ul style="list-style-type: none"> • Training for FCs to avoid incomplete sales and establish righteous business culture (visits to branches, education for sales managers, etc.)
Jeju Bank	<ul style="list-style-type: none"> • Ethics and compliance training for promoted employees and new heads of branches • Annual "employee event for ethical management practices" at the beginning of each year • Internal control communication activities for all employees ("What_Suda")

Whistleblower System

All Shinhan Financial Group companies have their own whistleblower system in place. All employees, whether regular or contract-based, are free to report violations of laws, bylaws and codes of ethics, or occurrence of financial accidents. The compliance officer directly receives the report, investigates it, and then notifies the results. The identity of the whistleblower and the contents of the report are protected, and any disadvantage to, or discrimination in terms of working conditions against, the whistleblower is prohibited.

Whistleblower System of Major Group Companies

Shinhan Financial Holding Shinhan Guardian	Shinhan Bank Shinhan Guardian	Shinhan Card Cyber Shinmungo	Shinhan Securities Grievance Handling Channel
Shinhan Life Whistleblower System	Shinhan Asset Management Shinmungo	Shinhan Savings Bank Justice Shinhan	Shinhan EZ General Insurance Unfair Trade Complaint Center



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Ethics and Compliance Management

Anti-Money Laundering

Anti-Money Laundering System

Shinhan Financial Group implements an anti-money laundering policy that incorporates domestic anti-money laundering laws and regulations and FATF recommendations to enhance its reliability through a strong financial crime prevention system. The Group's anti-money laundering system is established under the 'Group Anti-Money Laundering Business Regulations' and 'Group Anti-Money Laundering Business Guidelines', which are common to all group companies, and each group company has internal anti-money laundering guidelines that reflect the nature of business. The Audit Committee conducts an independent audit on the adequacy and effectiveness of anti-money laundering activities once a year and reports the results to the board of directors. The internal control committee reports key anti-money laundering issues to the management and the board of directors twice a year.

Advancement of Anti-Money Laundering System

Shinhan Financial Group continuously advances its anti-money laundering system to strengthen its anti-money laundering efforts. Shinhan Bank implemented a project to upgrade its digital-based anti-money laundering system in 2023, while Shinhan Securities commissioned an external expert organization to review its overall anti-money laundering activities and is continuously improving the relevant system based on the findings. Jeju Bank has introduced a preliminary and follow-up inspection system for virtual accounts and firm banking services to strengthen monitoring of anti-money laundering blind spots.

Shinhan Bank's Project for Advancement of Digital-Based AML Internal Control Management System



Background
Strengthening of anti-money laundering system through know-your-customer (KYC), completeness review of suspicious transaction reporting (STR), and capacity building for data management, etc.



Description

1. Advancement of KYC management system
2. Establishment of STR management system
3. Inspection of appropriateness of customer risk assessment
4. Advancement of national risk assessment

Customer Verification Policy

Shinhan Financial Group implements a know-your-customer policy that requires thorough identity verification procedures before commencing a transaction with a customer. Experts at a dedicated department conduct preliminary and follow-up checks on the appropriateness of the verification of the beneficial owner, and update customer information through regular customer verification according to the level of money laundering risks during the period of transaction.

Major Activities for Customer Verification by Group Company	
Shinhan Bank	• Amendment of procedures to verify identity of foreigners
Shinhan Card	• Introduction of processes to automate verification of documents required for customer verification by utilizing digital solutions (RPA, etc.)
Shinhan Securities	• Constant monitoring of each branch with obligations to verify corporate customers and individual customers
Jeju Bank	• Customer risk assessment based on risk-based approach and strengthening of customer verification procedure in accordance with the findings
Shinhan Venture Investment	• Mandatory verification of customer identity through amendment of anti-money laundering by-laws

CASE

Shinhan Card Awarded Prime Minister Commendation on "Anti-Money Laundering Awareness Day"

Shinhan Card has contributed to anti-money laundering management by proactively expanding its workforce to expand the scope of monitoring of money laundering. As a result, Shinhan Card was awarded the Prime Minister Commendation in recognition of its excellence in anti-money laundering efforts at the 17th Anti-Money Laundering Awareness Day ceremony.



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Ethics and Compliance Management

Anti-Money Laundering

Anti-Money Laundering Risk Assessment and Monitoring

Shinhan Financial Group identifies and assesses the risks of being used for money laundering and terrorist financing prior to launch of each product and service. If a high level of risk is identified as a result of money laundering risk assessment, it requires appropriate measures such as redesign or modification of the product or service. In addition, it operates a money laundering risk assessment system that identifies, analyzes, and evaluates the risk of money laundering acts inherent in existing financial transactions, and differentiates the level of management according to the identified risk level. The risk assessment model is continuously improved to reduce the risk of violations. At the same time, Shinhan Financial Group has employed experts in various types of illegal activities and new criminal techniques, who constantly monitor transactions with high risks of money laundering etc. under an advanced transaction monitoring and reporting system.

Advancement of Group Companies' Major Risk Assessment Model	
Shinhan Bank	<ul style="list-style-type: none"> Sophisticated customer risk assessment model by changing the cycle of machine-learned assessment of customer money laundering risks from a quarter to a month Foundation for timely improvement of performance of risk assessment model
Shinhan Card	<ul style="list-style-type: none"> Advancement of integrated model and system for company-wide risk assessment including risk assessment of new financial products and services
Shinhan Securities	<ul style="list-style-type: none"> Improvement of risk assessment model system related to the overall risks associated with each country, type of business and product

Anti-Money Laundering Education

Each company in Shinhan Financial Group provides regular anti-money laundering education for all employees to promote an anti-money laundering culture. Outside directors are also trained on the anti-money laundering policies every year, and differentiated education programs are provided to each position and job function. In addition to domestic education programs, Shinhan Bank operates various global programs through the corporate membership service of the Association of Certified Anti-Money Laundering specialists (ACAMS), the world's largest association of anti-money laundering professionals, in order to raise awareness of anti-money laundering and compliance with economic sanctions and strengthen the expertise of employees in charge of anti-money laundering activities. Jeju Bank has strengthened expertise and raised the rate of qualifications by operating the ACAMS Cop, while implementing an event to add branch KPI upon acquisition of related certifications or completion of telecommunication/cyber training to raise awareness of anti-money laundering efforts among its employees.

Prevention of Unfair Trade and Unfair Competition

Culture of Win-Win Partnerships

In its Group Code of Ethics, Shinhan Financial Group states that it aims for a win-win relationship with its partners through fair transactions, and it fosters a culture of ethical management and fair transactions in accordance with the Code of Conduct for Partner Companies, which is applied to all business partners. When conducting transactions with its partners, Shinhan Financial Group includes integrity clauses in contracts to enhance the transparency of the transactions, and actively communicate with the partners through seminars, surveys, and VOC channels.

Compliance with the Market Order

Each company of Shinhan Financial Group is enhancing monitoring to ensure that the employees are familiar with the provisions of the Financial Investment Services and Capital Markets Act to prevent any violations. Shinhan Financial Holding prevents unfair transactions, such as insider trading using undisclosed material information, by checking employees' sale and purchase of its shares on a semi-annual basis, while Shinhan Securities reports its employees' self-dealings to the Compliance Department on a monthly basis. Furthermore, in 2023, Shinhan Venture Investment strengthened the monitoring standards and revised the trading guidelines for all employees' securities transactions.

Fair Trade Compliance Program

Shinhan Bank has a fair trade compliance program aimed at establishing procedures and organizations, training programs, and internal monitoring system to ensure compliance with fair trade laws and regulations. It has also implemented compliance regulations based on the Monopoly Regulation and Fair Trade Act, and monitors enactment and amendments of major laws at all times. In addition, it provides employees with guidelines for fair trade compliance and practical manuals that reflect the financial industry and group structure to ensure that no violations of laws and regulations occur in the course of its business operation.

8 Elements of Compliance Program

- | | | | |
|---|---|--|---|
| 01 Establishment and implementation of CP standards and procedures | 02 CEO's commitment and support for compliance | 03 Appointment of compliance manager in charge of operation of CP | 04 Creation and utilization of compliance guide |
| 05 Continuous and systematic compliance education | 06 Establishment of internal monitoring system | 07 Strict sanctions against employee's violation of fair trade laws | 08 Effectiveness evaluation and improvement measures |

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Ethics and Compliance Management

Prevention of Unfair Trade and Unfair Competition

Fair Trade Risk Management

Shinhan Financial Group has a system to ensure compliance with laws and regulations to prevent violations related to fair trade and to report any violations when they occur. In particular, Shinhan Bank has a compliance monitoring system consisting of two tracks of monitoring, and status management and information sharing led by the Compliance Department and each of the other departments, respectively. The results of compliance monitoring are periodically reported to the board of directors and the compliance officer of the holding company, and employees of each department in charge of compliance immediately reports any unfair trade-related issues to the Compliance Department.



Shinhan Bank's Compliance Monitoring System



Monitoring System

Compliance Department

- On-site monitoring of compliance by departments at risk of violating antitrust laws
- Preliminary review of enactment and amendment of laws or disclosure of financial products, etc. to identify possible violations

Each department (Head office and each sales office)

- Inspection of violations of the fair trade laws based on compliance programs and checklists of each department
- Report of the monthly inspection results by each department's employee-in-charge



Status Management and Information Sharing

Status management and report of results

- Record and management pre- and post-inspection issues by Compliance Support Department
- Report of actual or potential violations to the Compliance Manager
- Report of the monitoring results to the Bank CEO and the Audit Committee (twice a year), board of directors (once a year) and the compliance officer of the holding company

Information sharing

- Compliance Manager's information sharing with each department
- Real-time sharing of information on regulatory trends and violation of laws, etc.
- Sharing and accumulation of important information through Gold Wing Bulletin Board

Internalization of Fair Trade Culture

Shinhan Financial Group provides fair trade training programs for employees of the internal control departments of each group company. Further, each department checks unfair collaborative act and conducts relevant training through the 'Legal Compliance Checklist' in the monthly compliance report.

Shinhan Bank's Fair Trade Compliance Education

Classification	Frequency	Hours	Targets	Description
Education for each department	Anytime	1 hour	All employees	• Regulatory trends and recent trial cases
Counseling	Anytime	-	All employees	• Consulting on questions regarding compliance issues arising in the course of practical business operation
Offline education	Semi-annually	2 hours	Employees of department with high risks of violating the laws	• Lectures from inside and outside experts • Analysis of trial cases and communication of fair competition issues

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Enhancing Risk Management

Risk Management Governance

Risk Management Committee

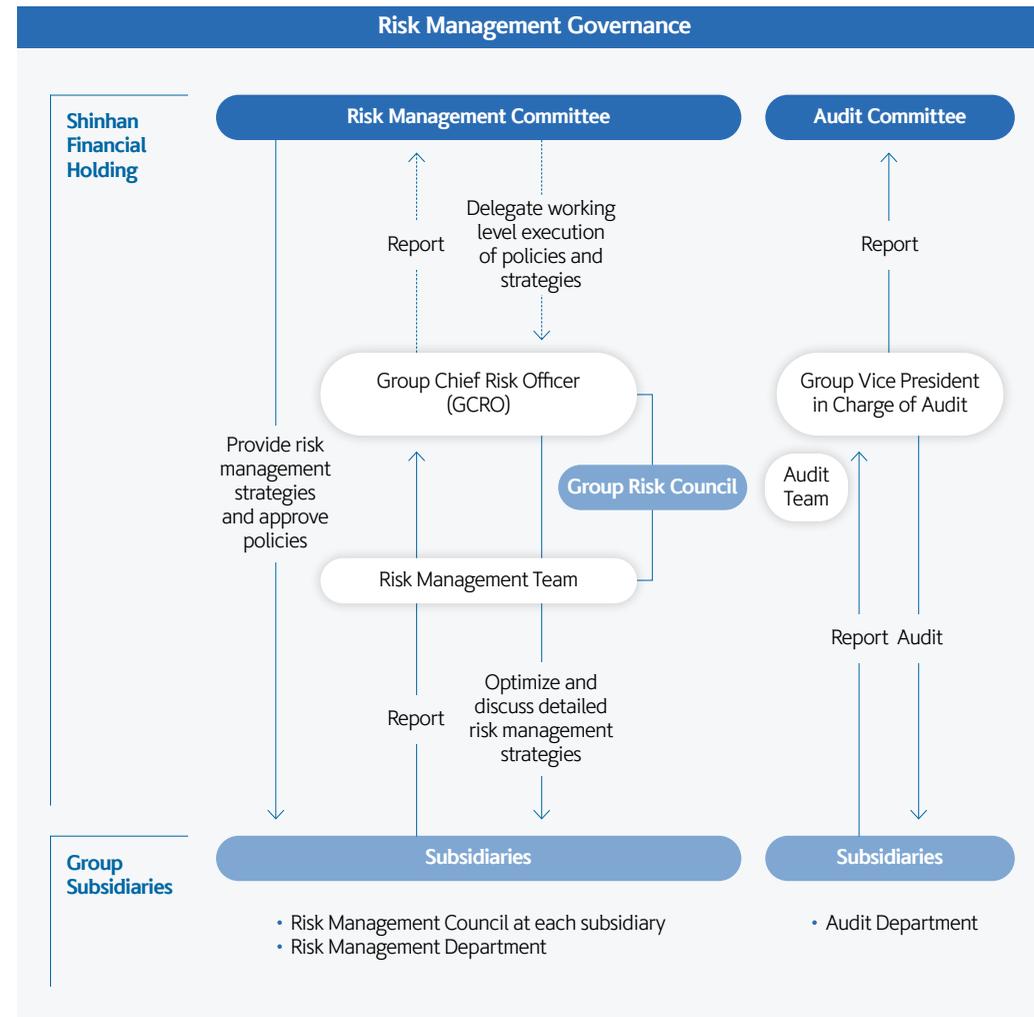
Shinhan Financial Group manages major risks with the lead of the Risk Management Committee under the Board of Directors to cope with risks caused by the rapidly changing business environment. Exceeding the standards of financial companies or under the Commercial Code, the Risk Management Committee is entirely composed of independent directors who have expertise based on their experience in banking, accounting or finance. The Risk Management Committee establishes basic policies and strategies for risk management, determines the risk levels and limits that the entire Group and each group company can afford, and enacts and amends risk management regulations.

Group Risk Council

Shinhan Financial Group operates the Group Risk Council in order to consistently carry out the strategies and policies established by the Risk Management Committee. The Group Risk Council discusses the matters delegated by the Risk Management Committee, such as the determination and management of exposure limits in key management areas and countries, and risk management at the group level. It is composed of chief risk officers of all group companies including Shinhan Financial Group, and the Group Chief Risk Officer is, in principle, dedicated to risk management to ensure his/her independence.

Risk Reporting and Audit

Shinhan Financial Group has established a risk organization in the form of semi-matrix between the holding company and the Group to effectively manage and respond to risks. The risk management departments of group subsidiaries report the risk management status to the holding company's risk management team, which in turn communicates it to the Risk Management Committee through the Group Chief Risk Officer. In addition, the Chief Risk Officer directly reports the Risk Management Committee's operational performance to the Board of Directors to establish a risk management system that extends to the Board of Directors.



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Enhancing Risk Management

Integrated Risk Management

Integrated Risk Monitoring

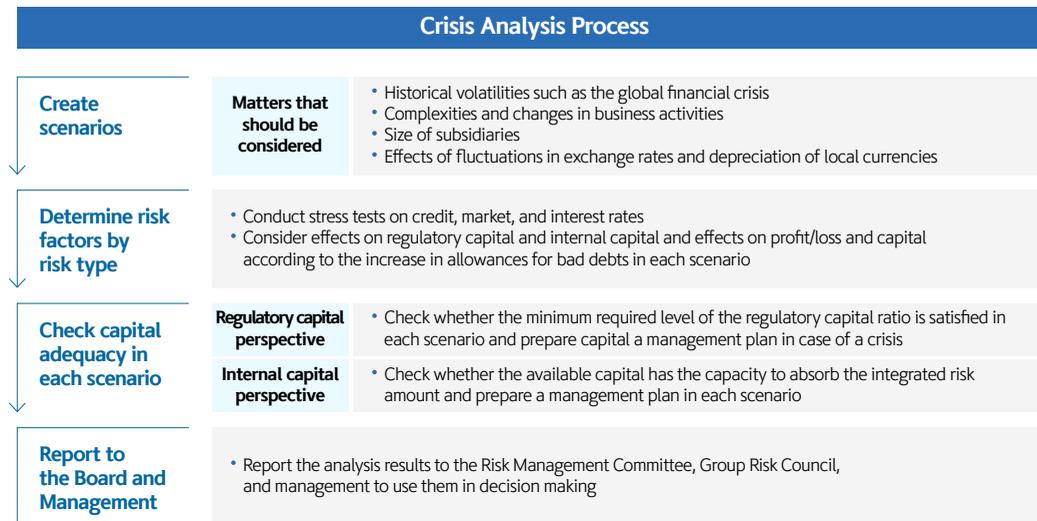
Shinhan Financial Group integrates and manages the risks of the Group and group companies at the group level to recognize and manage all risks that may arise from its business model and overall management. We operate an integrated risk monitoring system for external economic indicators, internal risk indicators, risk management processes and policy status to identify potential risks and other key issues in a timely manner. We also detect and manage unexpected changes in key indicators through the Risk Dashboard which monitors external issues related to portfolios managed by group companies including assets and risks.

Management of Major Risks

Shinhan Financial Group recognizes and manages all major risks that may cause potential losses, taking into account the characteristics, size, and complexity of each group company's operations. We divide the types of major risks into quantitative risks such as credit, market, interest rates, and liquidity risks and non-quantitative risks such as reputation and strategic risks for measuring, and ensure that the required equity capital for each risk is within the equity capital held by Shinhan Financial Group. We determine the Group's risk limit within the range of the available capital minus capital buffer taking into account the risk appetite, and allocate the risk limit by risk type and by group company for efficient management. In 2023, we set a risk limit at 87.6% of the risk appetite to maintain internal capital adequacy.

Integrated Crisis Analysis

Shinhan Financial Group conducts integrated crisis analysis (stress test) of potential events twice a year for the purpose of finding vulnerable areas, establishing response plans, and checking capital adequacy. We create scenarios that reflect macroeconomic prospects and changes in the external environment in connection with risk factors affecting our portfolio, and report response measures prepared from the perspective of regulatory capital and internal capital to the Board of Directors.



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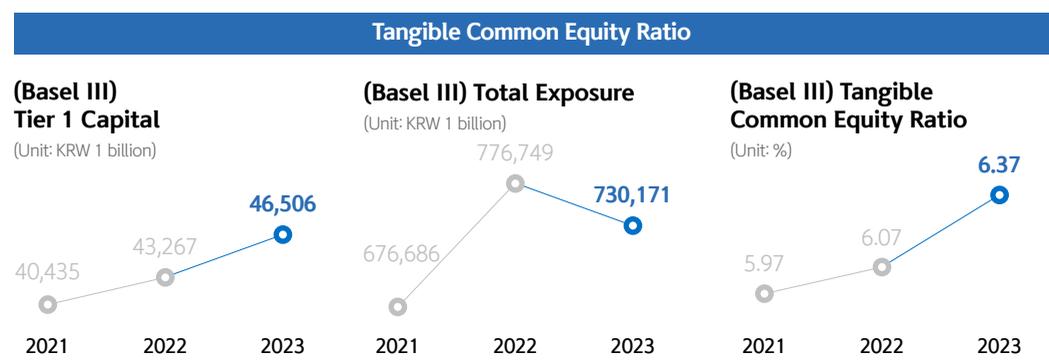


Enhancing Risk Management

Financial System Risk Management

Risk Management Status

Shinhan Financial Group has been required to disclose results of systemically important bank evaluations from the management disclosure at the end of 2023 and submits management status data related to the selection of G-SIB to the Basel Committee on Banking Supervision (BCBS) every year. In 2023, Shinhan Financial Group was designated as a Domestic Systemically Important Bank (D-SIB) and set aside 1.0% additional capital, and has strengthened its operating risk management system by introducing the Basel III reform plan, which took effect in 2023. As of the end of 2023, the BIS capital adequacy ratio was 15.98% for Shinhan Financial Group and 18.08% for Shinhan Bank, exceeding the minimum required capital ratio of 11.5% under Basel III.



*Financial Services Commission Press Release (2023.7.5.)
 1) D-SIB(Domestic Systemically Important Bank): Domestic and systemically major banking

Enhancing Risk Management Capabilities

Risk Management Education

Shinhan Financial Group provides risk management education programs to employees and the Board of Directors. In order to strengthen the capacity of the Risk Management Committee in charge of SFG's risk management, we provided two education sessions on climate risks and financial markets-related risks in 2023 and achieved a 100% participation rate. We also provide regular education to employees, including independent directors of all group companies and new employees in risk management departments.

Status of Risk Management Education		
Targets	Programs	Details
Risk Management Committee	Education on climate risks and financial markets-related risks	<ul style="list-style-type: none"> Analysis and utilization of climate risk scenarios Understanding of changes in capital ratio regulation
All employees, including independent directors, of group companies	Regular education on risk management	<ul style="list-style-type: none"> Provide education on SFG's philosophy on risk management and the seven principles of risk management specified in the Group Risk Management Best Practices and the Group Risk Management Regulations
New employees in risk management departments	Education on risk management systems	<ul style="list-style-type: none"> Provide education on risk management systems once a year

System for Employees' Risk Suggestion and Inspection

All employees of Shinhan Financial Group preemptively report or suggest risks or potential risks identified during their work through a business improvement proposal system operated by each group company. Such reports are reviewed by the risk department to provide feedback or to be reflected in SFG's systems. In addition, employees can self-check the risk level in terms of operational risks through the Risk & Control Self-Assessment (RCSA), and key metrics are reflected in employee evaluation to encourage risk reduction to enhance risk management capabilities at the group-level.

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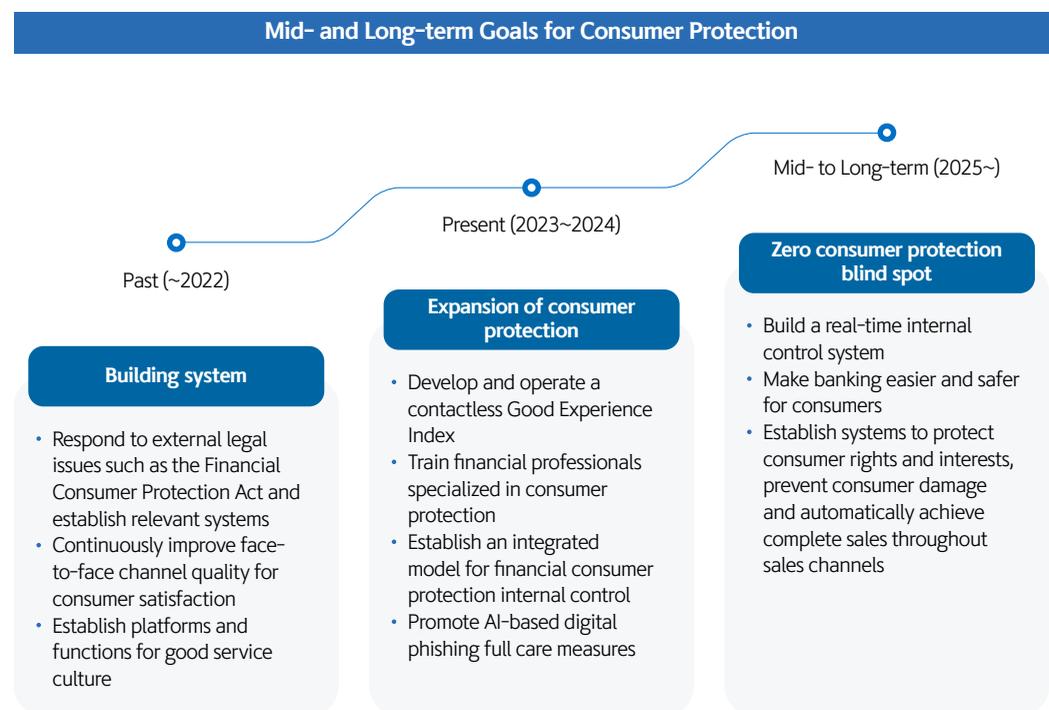


Financial Consumer Protection

Financial Consumer Protection System

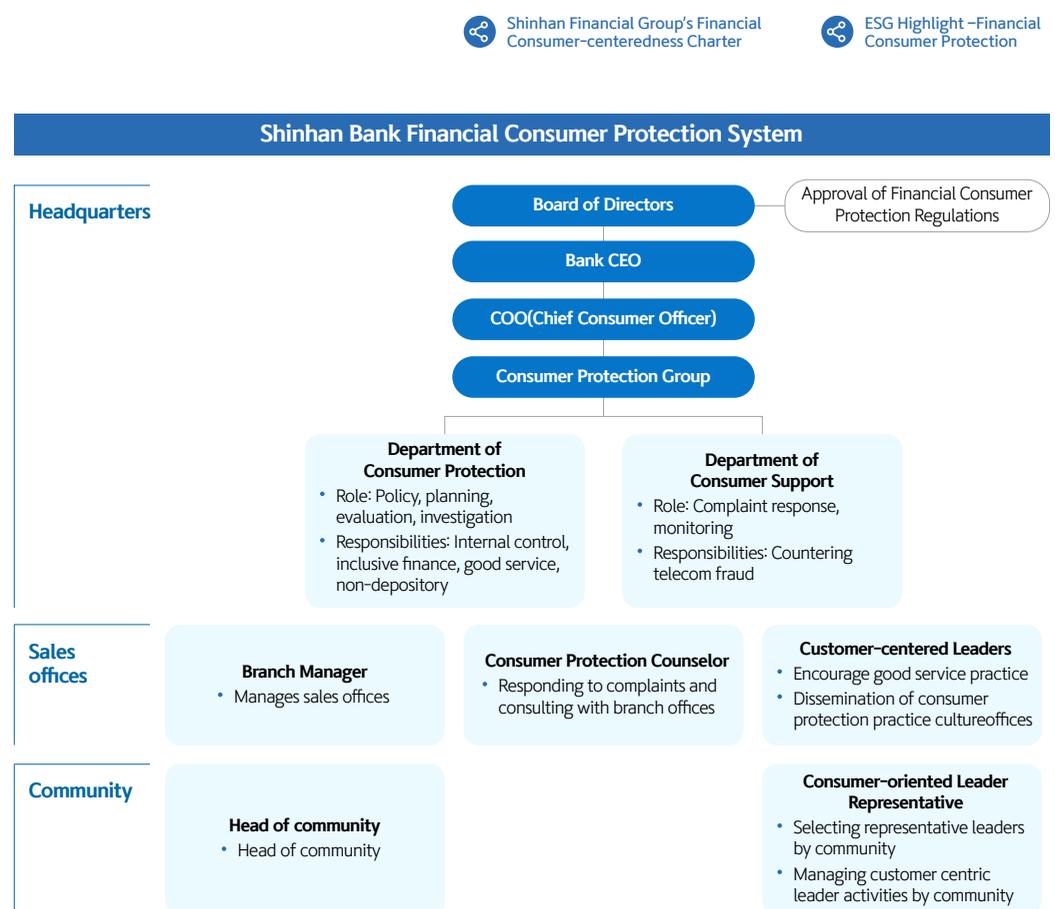
Establishment of Strategies and Goals for Financial Consumer Protection

Shinhan Financial Group is striving to strengthen its financial consumer protection system based on the Consumer Protection Charter, which expresses its commitment to protecting financial consumers. To this end, the Group set 'Creating an excellent environment for financial consumer protection through proactive responses' as the Group's consumer strategy goal, and established short-, medium-, and long-term goals to fulfill the strategy.



Financial Consumer Protection Governance

In July 2023, Shinhan Financial Group became Korea's first financial holding company to establish a consumer protection division. To promote group-wide strategies in a consistent manner, it operates the Financial Consumer Protection Consultative Group and strives to raise the level of consumer protection and become the most trusted financial group. Shinhan Card and Shinhan Securities regularly hold the Financial Consumer Protection Internal Control Committee attended by the management, while in January 2023, Shinhan Card established an internal control part within the Consumer Protection Team to strengthen the protection of financial consumers' rights and interests.



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Financial Consumer Protection

Policy to Protect Consumer Rights and Interests

Debt Collection Policy

Shinhan Financial Group protects the rights of debtors by conducting debt collection under the debt collection policy, and prevents illegal or unfair practices and unnecessary disputes through internal controls over debt collection. It provides regular offline and online training for all employees to prevent relevant compliance risks.



Loan Modification Policy

Shinhan Bank and Shinhan Card operate loan modification systems for loans where the borrower's credit status affects the calculation of interest rates in accordance with relevant laws and regulations. Whether to improve the internal credit rating is determined by comprehensively considering credit transaction history, credit rating information, e.g. amount and duration of delinquency, and credit transaction capacity, e.g., annual income and financial asset history, etc., through self-assessment. If the increase in the borrower's income and assets, rise in credit rating, and improvement in financial condition positively affect the improvement of the internal credit rating, it also affects the acceptance of the request for interest rate reduction.



Establishment of Code of Conduct for Business

Shinhan Bank's Code of Conduct for Business and Shinhan Card's Code of Conduct for Sales specify the role of employees in all sales activities to promote the rights and interests of financial consumers.



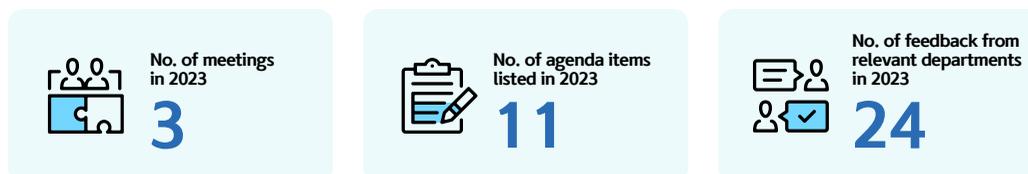
Fair Advertising Policy

Based on its fair advertising policy, Shinhan Financial Group conducts regular education for employees, review of advertisements, and periodic monitoring. Shinhan Bank established standards for joint advertising and formats for affiliates through product-specific advertisement checklists. The Compliance Department checks whether advertisements and product manuals comply with laws and regulations through a prior inspection, while the Consumer Protection Department reviews the wording of advertisements to prevent misunderstandings and improve customer understanding.

Practices for Financial Consumer Protection

Shinhan Ombudsman

To operate the Shinhan Ombudsman system, which emphasizes customer-centered management, Shinhan Bank has appointed six experts from academia and law, etc., one investment product company, and one civil organization representing financial consumers as the members. The ombudsman system verifies and improves various policies of the bank from the perspective of financial consumer protection, and the ombudsman members gave lectures at executive meetings to raise awareness of financial consumer protection.



Financial Consumer Protection Officer

The Financial Consumer Protection Officer system is intended to reduce the burden on employees for consumer-related tasks. Shinhan Bank assigns separate personnel at the head office and regional headquarters to check the appropriateness of the product sales process from the customers' perspective and support complaints. At Shinhan Securities, a consumer protection officer inspects stores through on-site visits and mystery shopping, while checking product launching and online sales processes.



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Financial Consumer Protection

Practices for Financial Consumer Protection

Employee Training

Every year, Shinhan Financial Group conducts mandatory training on consumer protection for all employees including the management. In 2023, it provided on-site consulting to improve the financial consumer protection system, and conducted a group-wide joint campaign for financial consumer protection.



Employee Training on Financial Consumer Protection	
Shinhan Bank	<ul style="list-style-type: none"> Self-inspection for internalization of financial consumer protection (twice per year) Capacity-building courses for CC (customer care) leaders
Shinhan Card	<ul style="list-style-type: none"> Product sales training related to the Financial Consumer Protection Act for all employees Issuance of a notice on 'Consumer rights strengthened upon implementation of the Financial Consumer Protection Act'
Shinhan Securities	<ul style="list-style-type: none"> Regular training on consumer protection (4 times a year) Video training on complete sales (18 times a year) On-site training on consumer protection (7 times a year) Publication of consumer protection system and best practices on the intranet (anytime)

Counselor Dedicated to the Financial Consumer Protection Act

Shinhan Card select dedicated counselors who deal with the issues related to the Financial Consumer Protection Act to support effective communication between employees and customers, internal inspections, and training. Shinhan Securities also designates one financial consumer protection leader for each branch to protect the rights and interests of financial consumers in accordance with the Financial Consumer Protection Act and communicate with them.

Prevention of Financial Frauds

Support for Victims of Voice Phishing

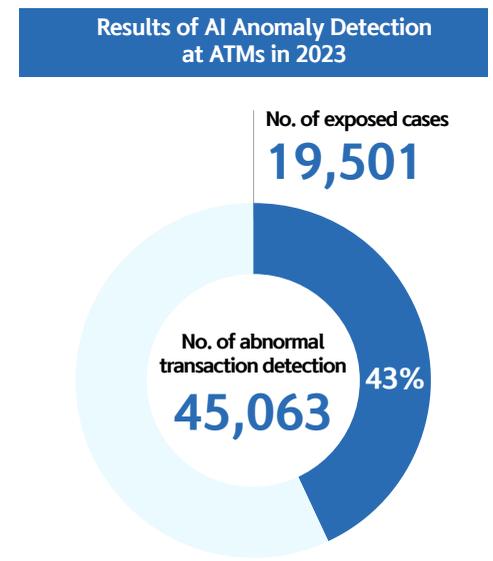
Shinhan Financial Group intends to provide various supports for vulnerable people who have been victimized by voice phishing, i.e., telecommunication-based financial fraud, and prevent financial damage. To this end, it signed a business agreement with the Financial Supervisory Service and the Community Chest of Korea in May 2023, while planning to contribute KRW 30 billion in total for the following three years to carry out various support projects.

Measures to Prevent Damage from Open Banking

Shinhan Bank operates the Open Banking Delay System to restrict transfer transactions for 12 hours upon initial registration of a withdrawal account to a third-party's opening banking and protect digitally vulnerable customers by restricting their registration of open banking withdrawal accounts. Moreover, Shinhan Securities is implementing comprehensive measures to prevent consumer damage by prohibiting open banking transactions for 7 business days when for an account opened in a contactless manner and restricting open banking transfers for 24 hours, etc.

Prevention of AI-Based Financial Frauds

Shinhan Financial Group is utilizing AI to proactively respond to financial frauds. It swiftly responds to different types of phishing by enhancing its capacity to detect and monitor suspicious transactions and fraudulent accounts through Anti-Phishing Smart 3.0. It has also adopted AI to ATMs that customers use, displaying cautionary messages when abnormal behavior is detected, and conducting identity verifications when abnormal behavior and abnormal financial transaction patterns are detected at the same time. In addition, the Group is further advancing its e-finance FDS (Fraud Detection System) with scenarios and AI detection to detect fraudulent transactions in e-finance channels, and reduce the risk of financial fraud by requiring additional authentication or blocking transactions.



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Financial Consumer Protection

Transparent Disclosure of Product Information

Reviews of Products and Services on the Board Level

Shinhan Financial Group conducts periodic board-level inspections to identify and manage risks to financial consumers that may arise from financial products and services. Shinhan Bank decides whether to sell highly complicated financial products by a resolution of the non-depository product steering committee at the management level in accordance with the internal policies and the rules of the said committee, and reports the decisions to the audit committee under the Board of Directors, via the internal control committee. In addition, Shinhan Securities has authorized the Chief Consumer Protection Officer (CCO) to conduct a consumer impact analysis on the products launched and to refuse the launch of the products based on the results.

Product Development from the Perspective of Financial Consumer Protection

Before launching new products, Shinhan Bank conducts a checklist evaluation of financial consumer protection and market risks while consulting with relevant departments. Shinhan Securities has a separate product review department and operates the product launch council and the product approval committee. It uses a checklist to clarify whether a product to be launched violates the applicable laws and regulations and protects the rights and interests of financial consumers, and ensures that the terms of the product are not unfavorable to customers through prior consultation with the consumer protection department before its launch.



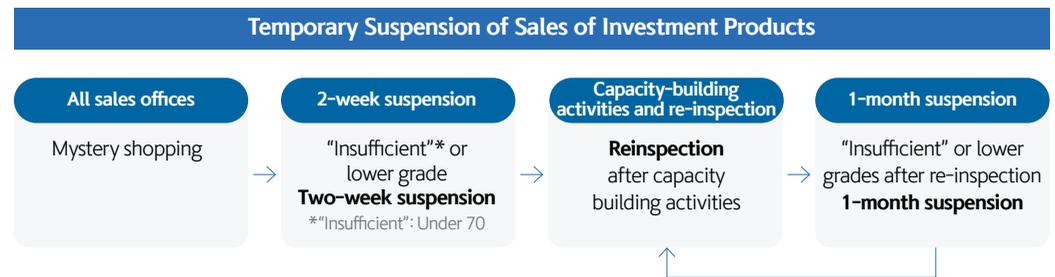
Prevention of Incomplete Sales

Each affiliate of Shinhan Financial Group conducts activities to prevent incomplete sales to ensure that customers purchase financial products after receiving sufficient explanations about them.

Shinhan Card	<ul style="list-style-type: none"> Self-monitoring by each sales department and monitoring of customer opinions by the consumer protection team 'Stipulation of reporting and regular monitoring of financial investment products covered by the rules on prohibition on use of undisclosed important information Quarterly inspections on incomplete sales and regular training for relevant departments
Shinhan Securities	<ul style="list-style-type: none"> Monitoring of the product sales process and prevention of incomplete sales through the new recording system and AI happy call system Restitution of monetary compensation from an employee when a consumer withdraws or terminates transactions due to an improper sales behavior of the employee
Shinhan Life	<ul style="list-style-type: none"> Identification of insurance sales status and improvement of sales processes through collection and analysis of basic data Inspection of compliance with laws and regulations and establishment of a complete sales culture through mystery shopping Operation of platforms for mandatory training and online training to improve complete sales and productivity by FCs

Enhancement of Follow-up after Product Launches

Shinhan Bank reviews sales of financial products, including the ones at high risks, on a regular basis. If the operation level of an investment product reaches 'alert' and 'critical' based on objective management indicators, it considers the suspension of sales and restrictions on launches provides guidance to customers, and prepares countermeasures at the head office level. In the event of non-cyclical issues, Shinhan Bank promptly comes up with countermeasures through supervision. Furthermore, it temporarily suspends sales of investment products to regulate branches with superficial investor protection, non-compliance with sales procedures, and insufficient product descriptions. Shinhan Securities, the product's rate of return, implementation of follow-up measures, and appropriateness of the manager's management activities through its supervision department.



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Improvement of Consumer Experience

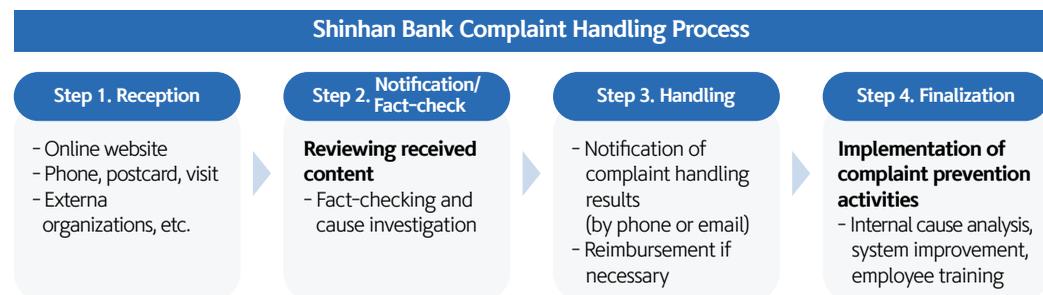
Complaint Review Committee

Shinhan Bank deals with material consumer complaints as agenda of the Financial Consumer Protection Internal Control Committee, which is composed of the management, and reports them to the board of directors. Any issue that needs immediate reporting or urgent measures to prevent expansion of damage to financial consumers is reported to the board on a non-regular basis. In addition, it operates the 1-Minute Voice of Customer System, which is an executive meeting held after the complaint handling process, to prevent complaints at the management level, while Shinhan Securities has a company-wide review and discussion system, e.g., reporting of complaints and VOC-related matters to the management through executive meetings.

System for Handling of Complaints

Shinhan Bank discloses its policy on customer complaints by providing information on handling of e-banking disputes on its website. Shinhan Card has developed a model to predict and respond to customer complaints by analyzing data using machine learning, while Shinhan Securities has improved its computer system and visualized dashboards to raise efficiency of complaint handling. Jeju Bank shares customer complaints with all employees through Voice of Customer (a monthly meeting), while preventing complaints through prior alerts.

 Guidance on Procedure for E-Banking Dispute Resolution



Digital Platform "SoboPlus+"

Shinhan Bank's SoboPlus+ is a financial consumer protection platform aimed at strengthening customer communication and improving customer experience. It uses visualization of key data and artificial intelligence to prevent customer complaints and shorten the time to process complaints. Furthermore, Shinhan Bank utilizes SoboPlus+ to examine major keywords of complaints, multi-dimensional analysis data, and real-time customer opinions on individuals and sales offices, and customer opinions are immediately reflected in business operation as an agenda for executive meetings.

Customer Complaint Resolution <small>(Unit: cases, KRW 1 million)</small>			
Classification	2021	2022	2023
No. of customer complaints ¹⁾	11,011	8,986	9,589
No. of complaints handled	11,011	8,986	9,539
Rate of handling (%)	100	100	99.5
Monetary loss due to product sales-related lawsuits ²⁾	1,178	1,178	101

*Expanded the scope of data reporting from 2022 (7 -> 9; Bank/Card/Securities/Life/Capital/Asset Management/Jeju/Savings Bank/EZ Insurance)

1) Total number of complaints submitted through various channels, e.g., financial authorities, website, customer call centers, visits, etc.

2) The total monetary loss from lawsuits related to product sales was disclosed until 2022, but from 2023, the disclosed amount is based on the amount of compensation made in such lawsuits.

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Financial Consumer Protection

Improvement of Consumer Experience

Customer Satisfaction Survey

Shinhan Financial Group conducts customer satisfaction surveys for all six affiliates. In addition, Shinhan Bank has become Korea's first bank to introduce the "Good Service" value system to provide customer-centered services, which is differentiated from existing customer satisfaction, while conducting customer satisfaction surveys tailored to each channel. For customers who do business at sales offices, the bank presents mobile surveys within two hours from their visit through the financial consumer protection digital platform SoboPlus+ and uses customer responses to improve the quality of customer experience, provide optimal training programs upon analysis of experience data, and promote the conversion of complaint experiences.

Good Service Experience Survey for Each Customer Contact Channel of Shinhan Bank					
Channel	Face-to-face				
Type of Surveys	Survey on experience of individual customers	Survey on experience of corporate customers	Survey on experience at PWM Centers	Survey on experience of institutional customers	Survey on customer experience journey
Channel	Contactless	Internal		Others	
Type of Surveys	Survey on digital customer experience	Survey on Good Communications with head office		Survey on CSI strategies (FGI, panel, etc.)	

Customer Satisfaction of Each Affiliate in 2023



Improvement of Customer Experience through Customer Engagement

Shinhan Financial Group operates various programs to improve customer experience, including customer advisory groups and consultant programs. Shinhan Bank is operating the customer advisory group "Shinhan Saída" to receive opinions from around 3,000 customers on prevention of consumer damage and financial accidents and improve services based on customer suggestions. Shinhan Securities improves its products and services by reflecting the opinions of the S Friends General Customer Advisory Group and customer consultants who communicate with relevant departments. Shinhan Life conducts in-depth interviews of customers and insurance product awareness surveys to come up with customer-friendly products and services, while Jeju Bank operates a customer advisory group to collect customer opinions on new products and service improvements through quarterly meetings.

Information Security and Privacy

Establishing the Information Security Framework

Information Security Governance and Management System

Shinhan Financial Group's information security governance starts from the board of directors and leads to the information security policy departments of each group company. The Chief Information Security Officer (CISO) is required to possess expertise on information security, and reports directly to the CEO regarding the management of information security affairs. Additionally, based on the 'Group Information Security Council Regulations' applicable to all group companies, we operate the Group Information Security Council, which meets once every quarter to review the status of information security and the management and supervision practices of all group companies' CISOs, CPOs, and credit information management officers.



Acquiring Information Security Certifications

Each group company periodically checks its information security management system, has its adequacy checked by an external certification body every three years and renew certifications.

Information Security and Privacy Certifications			
Shinhan Bank	ISO 27001, ISMS	Shinhan Asset Management, Shinhan Fund Partners	ISO 27001, BS10012
Shinhan Card	ISO 27001, ISMS-P, PCI-DSS	Shinhan Life, Shinhan Capital	ISO 27001
Shinhan Securities	ISO 27001, ISMS-P, ISO 27701	Jeju Bank	ISMS
Shinhan DS	ISO 27001, ISMS-P, ISO 27701, ISO 20000		

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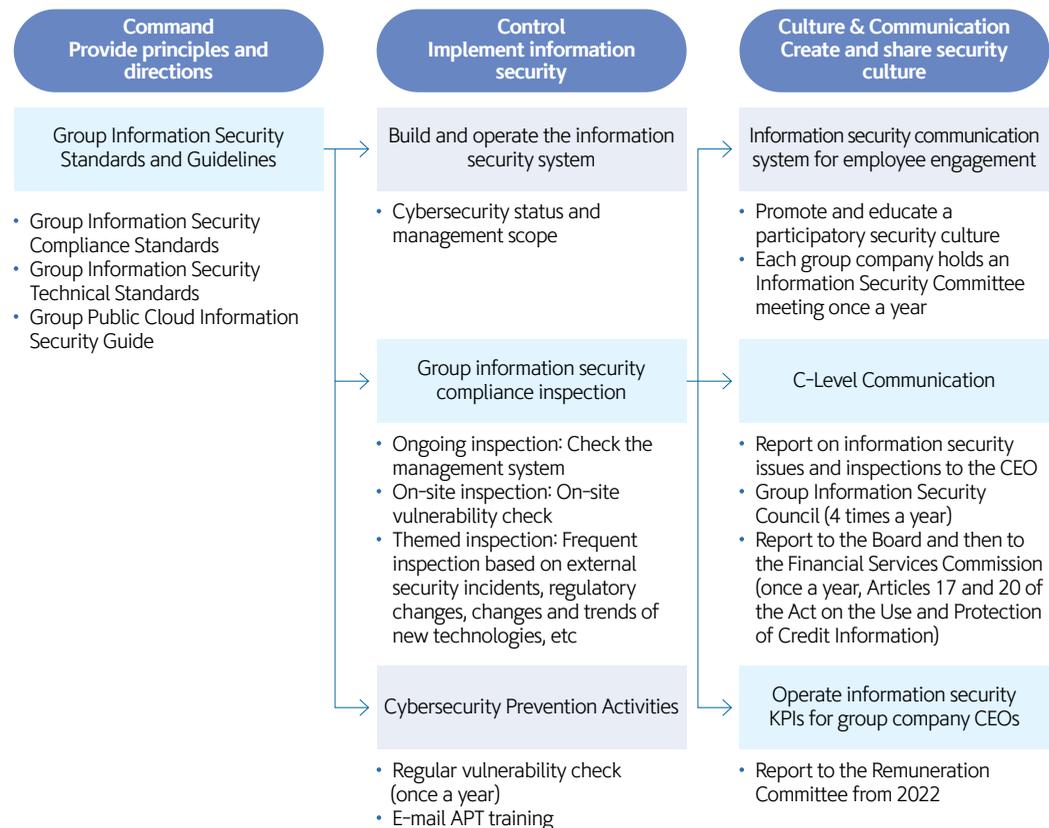
Information Security and Privacy

Information Security Principles and Directions

Information Security Framework

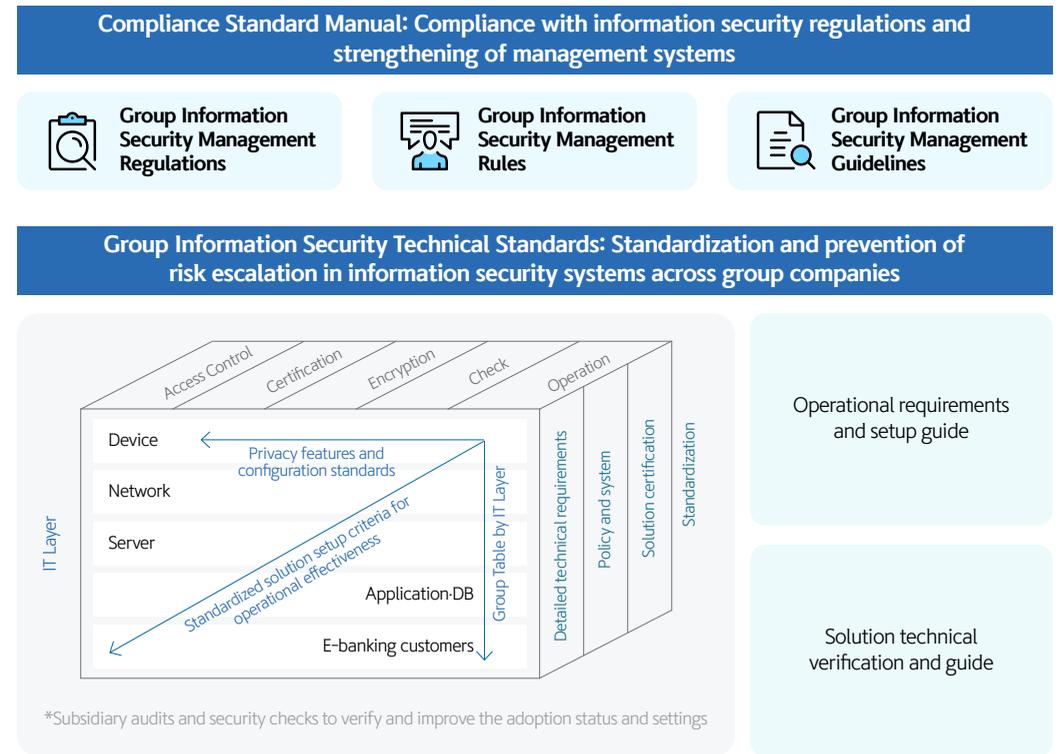
Shinhan Financial Group has established the Group's information security policies and standards based on the 3C structure to promote consistent information security practices across group companies. Based on the Group Information Security Management Regulations and the Group Information Security Management Guidelines, we have established rules for privacy and credit information security that are appropriate for the holding company and each group company, and apply them to all stakeholders including group companies, employees, trustees, partners and customers who use our services.

Shinhan Financial Group's Information Security Governance - 3C Structure



Group Information Security Standards and Guidelines

Shinhan Financial Group applies information security standards and guidelines to all group companies to provide principles and directions for information security. We established the Group's information security and inspection standards to comply with information security laws and regulations and strengthen the management system through compliance standards. In addition, we provided Group's information security technical standards to level up the information reporting system of each group company and prevent the spread of risks. In 2023, we established the "Public Cloud Information Security Standards" in response to the expansion of the Group's cloud-based services. Based on this, we established the "Cloud Information Protection and Security Guide" to provide a direction for the Group's joint response to prevent operational risks in the event of failures and security incidents.



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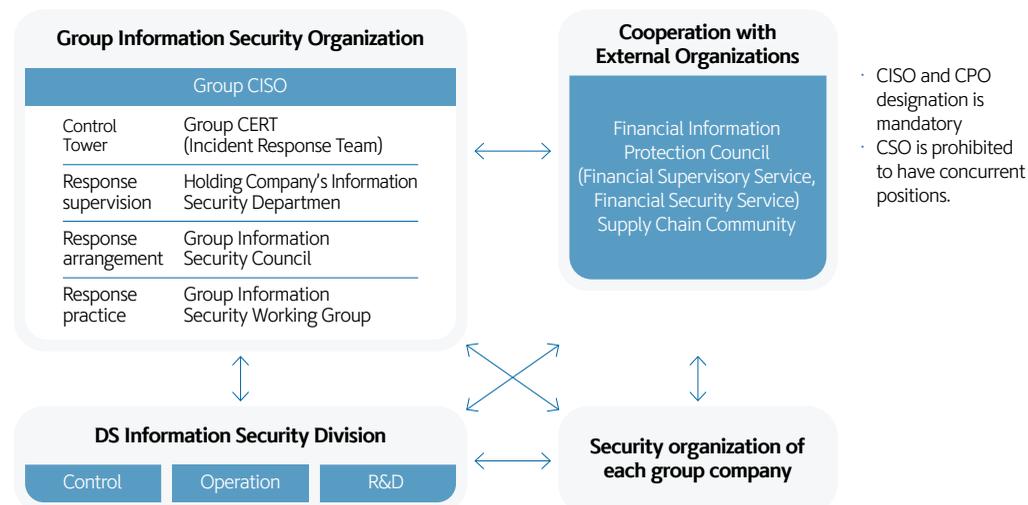
Strengthening Execution of Information Security

Security Incident Response System

Shinhan Financial Group has categorized security incidents into four types¹⁾ and established response procedures and communication systems for immediate response to security incidents, and has conducted semi-annual checks on security incidents in accordance with the Business Contingency Plan (BCP) Manual and ICT Emergency Response Manual. In addition, to respond to malware intrusion and excessive personal data leakages, we check for malware intrusion through the intelligent security control system and control personal data leakages through the anomaly detection system.



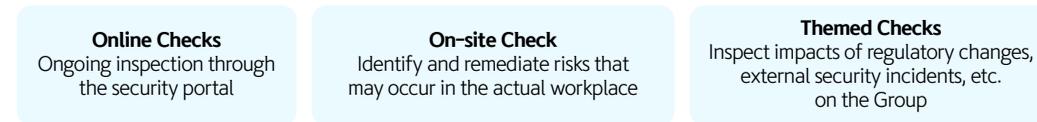
Incident Response Communication System



1) Types of security incidents: Insider information leakage, outsider information leakage, service failure, customer information leakage through hacking

Information Security Compliance Checks

Since 2021, Shinhan Financial Group has dualized its compliance approach by conducting online and on-site inspections to assess the implementation of group information security policies and standards and the level of risk management. From 2023, we have conducted themed inspections when information security-related laws and regulations changed or when external security incidents occurred.



Cybersecurity Prevention Activities

Shinhan Financial Group takes preventive measures to respond to cyber breaches and threats. We have established an intelligent integrated security control system utilizing artificial intelligence algorithms and conducted various activities such as regular vulnerability diagnoses, mock hacking, breach response drills and emergency drills. In particular, in 2023, we became the first financial group that established a group-wide system utilizing open source software (OSS) to check internal security vulnerabilities.

Shinhan Financial Group Security Check Process

	Control	
Positive Risk (Prevention)		• Operate an integrated security control system that conducts monitoring 24/365
	Vulnerability Assessment	• Diagnose infrastructure vulnerabilities such as server and network attacks (once a year) • Conduct security checks on public clouds (AWS, AZURE). • Conduct a vulnerability analysis and evaluation semi-annually
	Mock Hacking	• Web, App (including falsification and forgery) checks • Vulnerability analysis conducted by a third-party specialized organization including hacker attack simulations • Manage threats of new attack points and monitor information leakage due to changes in the work environment
Simulation (Mock Drills)	Breach Response Drills	• APT attack response drills • Detection and response system training for malware, etc.
	Emergency Response Drills	• Emergency response simulation drills and backup recovery concerning the IFRS & consolidated tax system • Monthly ICT emergency response drills: system failure backup recovery drills due to emergency situations.

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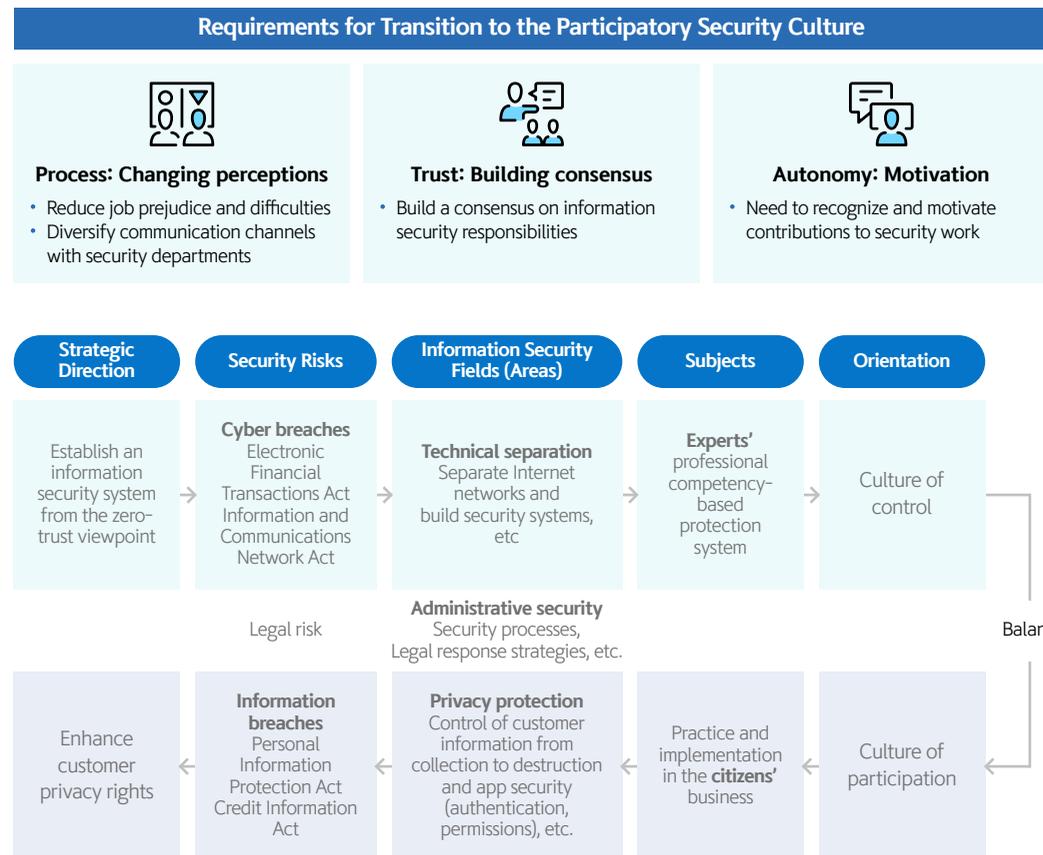


Information Security and Privacy

Creating and Sharing the Security Culture

Promoting a Participatory Security Culture

To overcome the limitations of traditional information security, Shinhan Financial Group has created a security culture that engages employee participation. In 2023, we conducted a security survey with a selected focus group that worked for information security and privacy, and conducted a security awareness survey of all employees through the Shinhan Organizational Culture Survey. In addition, we held events such as the Information Security Day quiz, pledges for information security, and employee participation campaigns.



Rewards and Penalties to Foster a Culture of Information Security Compliance

Shinhan Financial Group reflects information security-related performance in the CEO's performance evaluation. Points are deducted in the event of legal risks such as cybersecurity breaches and information leakage, and incentives are provided to efforts to provide reliable customer services and create a culture of employee information security. In addition, we operate a reward and penalty system to raise employees' information security awareness and policy compliance in accordance with the Group's information security management guidelines. In 2023, Shinhan Securities determined participation in information security activities as a KPI to internalize employees' information security practices.

Information Security Education & Training for Employees and Partner Companies

Shinhan Financial Group conducts periodic information security education and training for employees and partner companies. In addition to job-specific training, we provide guides on major deficiencies identified during information security checks and online-based training on information security issues specific to a financial group. In addition, we conduct mock malware drills at least once a year to raise employees' security awareness. Personal information outsourcing and affiliate companies have entered into contracts that include information security training, and ensure that information security training is conducted before handling personal information processing tasks.

Main Details of Job-Specific Information Security Training		
Executives	3 hours	<ul style="list-style-type: none"> General education on preventing information leaks and security breaches
General Employee	6 hours	<ul style="list-style-type: none"> Secure handling of customer personal information Remote work, PC systems, and financial institution-related regulations (network segregation, outsourcing management) Security guidelines
Information Technology Department Employee	7 hours	<ul style="list-style-type: none"> Measures to ensure the security of personal information processing systems IT infrastructure security Security management of new technologies such as cloud computing and open source
Information Security Employee	12 hours	<ul style="list-style-type: none"> Recent security trends Encryption and cases of encryption violation Role of information security solutions Personal information destruction

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Information Security and Privacy

Protecting Customers' Personal Information

Mid- to Long-Term Privacy

Shinhan Financial Group has established mid- to long-term goals for information security to secure trust by safely protecting customer information and strengthening their rights. In 2023, we set the "establishment of an information security system from the zero trust perspective" as a mid- to long-term strategy to achieve the goal, and based on this, we strengthened the information security system including revision of the Group Information Security Technical Standards, taking into consideration the systems and business characteristics of each group company.

2022~2024 Information Security Tasks		2025 Goals	
For Korea's No. 1 Digital Finance Company, Gain trust through safe protection of customer information and enhancement of their rights"		"Lead cybersecurity in the financial sector"	
Enhance customer trust & value	Services to enhance customer information rights	Attack Surface management	Different Gain customer trust Transparently process customer information and enhance customer privacy rights 
	Advance the cyber threat detection and response system	Strengthen supply chain security management	
Establish a zero-Trust Information security system	Redesign of the access authentication system	Create a culture for all employees to voluntarily fulfill their responsibilities for information security	Fast Lead cybersecurity in the financial sector Build a cybersecurity environment without internal and external boundaries 
	Group information security compliance	Group Information Security Technical Standards	
Manage information security standards	Group Public Cloud Information Security Standards		Right Upwardly level the group information security posture Raise the Group's information security level and proactively respond to threats 

Customer Information and Privacy Policy

Shinhan Financial Group and all group companies operate consistent policies to protect customer information and personal information in accordance with the Personal Information Protection Act, the Act on the Use and Protection of Credit Information, and the Financial Holding Companies Act. When we entrust or need to provide personal information to a third party, we disclose the items and purposes of the personal information provided, and support customers' requests to exercise their rights, such as access, correction, deletion, suspension of processing, etc.



Privacy Policy

Shinhan Financial Group has established a group-wide privacy policy, and each group company has separately established its own privacy policy in accordance with the direction set forth in the group's privacy policy and the characteristics of its business. Compliance with the Privacy Policy applies to Shinhan Financial Group's regular and contract workers, as well as contractors and partner companies with whom Shinhan Financial Group conducts business.

Collection, Use and Destruction of Customer Personal Information

Shinhan Financial Group collects and uses the minimum customer personal information necessary to conduct its business. When collecting customer personal information from a third party, we receive personal information only to the extent that the third party obtained consent to the purpose and scope of personal information processing, retention and use period, etc. from the relevant customer. Personal information received after explanations were given to and consent was obtained from customers is immediately destroyed when the purpose of collection and use has been achieved or when the retention and use period has expired, or upon the customer's request to destroy the personal information, unless there is a special obligation to retain the personal information in accordance with laws and regulations.

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Information Security and Privacy

Protecting Customers' Personal Information

Implementing Personal Information Access Control and Protection Measures

Shinhan Financial Group uses encryption algorithms when storing customer personal information in the database, and applies encryption solutions to documents stored in the file form to prevent access, viewing, and leakage by outsiders or unauthorized persons. In addition, when transmitting and receiving customer personal information, we use communication section encryption or file encryption to prevent theft and leakage of personal information by outsiders.

Management When Outsourcing Personal Information Processing

Shinhan Financial Group concludes a "Security Management Agreement" when outsourcing personal information processing. This agreement covers prohibition of personal information processing outside of the business purposes, technical protection measures (encryption of personal information, installation and operation of security programs, etc.), prohibition of provision of personal information to third parties, compliance with personal information related laws and regulations, etc. Even after outsourcing, we check the service provider's compliance with the security management agreement, encryption, access control, destruction of personal information after the purpose is achieved, and completion of information security education at least once a year. Furthermore, we report the personal information management status of the service provider that we inspected in writing and through on-site visits to the Chief Privacy Officer (CPO).

Privacy Risk Management

Shinhan Financial Group manages privacy risks based on the risk and compliance management systems of the entire group and each group company. To this end, we regularly conduct internal audits through the compliance check system on the Group Information security Management Portal to identify and manage risks. Furthermore, we conduct third-party audits on privacy through the Financial Security Service's ongoing evaluation, and as a result, Shinhan Securities has obtained the highest rating in the ongoing privacy evaluation for three consecutive years and has been selected as an outstanding company for information security investment for two consecutive years as of the end of 2023.

Activities to Raise Awareness of Personal (Credit) Information Subjects

Shinhan Financial Group informs all customers about its privacy policy and revisions to the credit information handling system through notices and pop-up windows on its website to raise awareness of personal information protection as the subjects of personal and credit information. In addition, Shinhan Financial Group has posted an easy-to-understand Privacy Policy which visualize the main contents of Shinhan Financial Group's Privacy Policy, 10 Commandments for E-Finance Users, and 10 Commandments for Smartphone Financial Transactions, so that customers can easily understand their rights to personal information and personal information leakage incidents.



Customer Information Security Activities

Shinhan Financial Group aims to proactively protect customers from fraudulent crimes that utilize phishing and farming links or illegally acquired customer personal information. We provide case guides on phishing and farming links, mobile device security settings, overseas IP blocking, and device registration services, and have strengthened the detection and closure of phishing and farming sites.

Shinhan Financial Group's Security Activities		
 Detection and Response Proactively detect phishing, malware, malicious app attacks, and social media threats	 Blocking Block access to malicious contents and prevent further user damage through global blocking partners	 Documentation and Reporting Provide the attack information and status via online dashboards and API
 Forensics and Analysis Conduct deep analyses of phishing tools, malware samples and social media threats	 Shutdown Promptly shut down attack points	 Output Restore reports, data feeds and breached data

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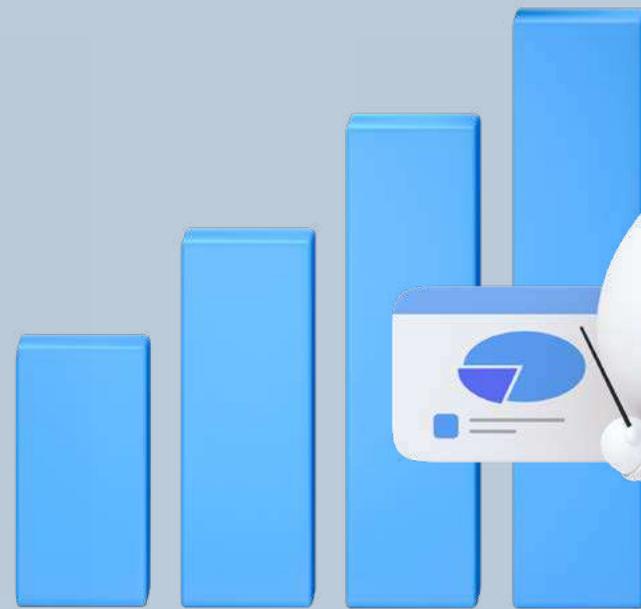
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Materiality Assessment

Selecting Material Issues

Stakeholder Communication

Shinhan Financial Group categorizes key stakeholder groups into employees, customers, shareholders and investors, partner companies, local communities, and government. We listen to the opinions of our stakeholders based on various communication channels, and their key opinions are reflected in our ESG strategy promotion activities.

Category	Key Issues of Interest	Communication channels and action status
 Employees	<ul style="list-style-type: none"> Enhancement of employee expertise Fair organizational culture without discrimination Work-life balance and well-being 	<ul style="list-style-type: none"> Operate an internal employee training program Women Leadership Development Program Shinhan SHeroes Shinhan Guardian: Whistleblower System Shinhan Culture Index (biannual): conducting employee survey Internal proposals on Intranet/portal Mental health care for employees Labor-Management Councils, CoP-company clubs, internal broadcasts, headquarter-to-branch communication events/workshops, etc.
 Customer	<ul style="list-style-type: none"> Customer-focused financial products and services Innovating the customer experience through digital finance Manage the right customer information Protection of Financial Consumer Rights and Interests 	<ul style="list-style-type: none"> Customer satisfaction surveys Mystery Shopping, Product Subscription Happy Call Panel of customer and external experts Receive praises, complaints, and suggestions (internet, mobile, customer service, etc.) Operation of Financial Consumer Protection Information Portal Operation of official YouTube and SNS channels (Holding, Bank, Card, Securities, Life)
 Shareholders & Investors	<ul style="list-style-type: none"> Business transparency and credibility Sound Governance Enhancing shareholder value Develop and expand products for a sustainable financial ecosystem Strengthening financial emissions management 	<ul style="list-style-type: none"> General Shareholder Meetings and Board Meetings IR Investor Information Portal & Mobile IR: Business Performance Status, Annual Report, E-brochure, etc. IR Activities, Investor Counseling Regular, Occasional, and Voluntary Disclosure (DART, KRX, SEC, etc.) <ul style="list-style-type: none"> Publication of ESG reports and annual corporate governance reports for each group company, including holding companies (Bank, Card, Securities, Life)
 Partner Companies	<ul style="list-style-type: none"> Focus on win-win value Fair Trade Enhance communication 	<ul style="list-style-type: none"> Monitoring through roundtables and surveys Operation of reporting channel (website) Operation of the Emotional Worker Protection System Operation of VOC channels for partner companies Diagnosis of CSR management, implementation of ICT purchase contract system reflecting ESG performance, etc.
 Local Communities & Government	<ul style="list-style-type: none"> Social contribution activities and support for the vulnerable Improved access to finance Compliance and financial decision-making with community impact in mind Respond to major government policies and comply with laws and regulations Transparent tax payments and disclosure of corporate information 	<ul style="list-style-type: none"> Social contribution foundations and the company's internal programs Employee Volunteer Groups and Social Contribution and Donation Websites Financial education: Group-integrated platform (Shinhan Easy), 1 company 1 school financial education, on-site training for each group company, etc. Financial Accessibility: Professional Counseling for the Vulnerable (Teller, Video Consultation, Customer Center) Investment and loan engagement: sending carbon neutral shareholder letters, stewardship codes, Equator Principles, Environmental and Social Risk Review Press Releases, Meetings, Councils, Briefings, Policy Proposals

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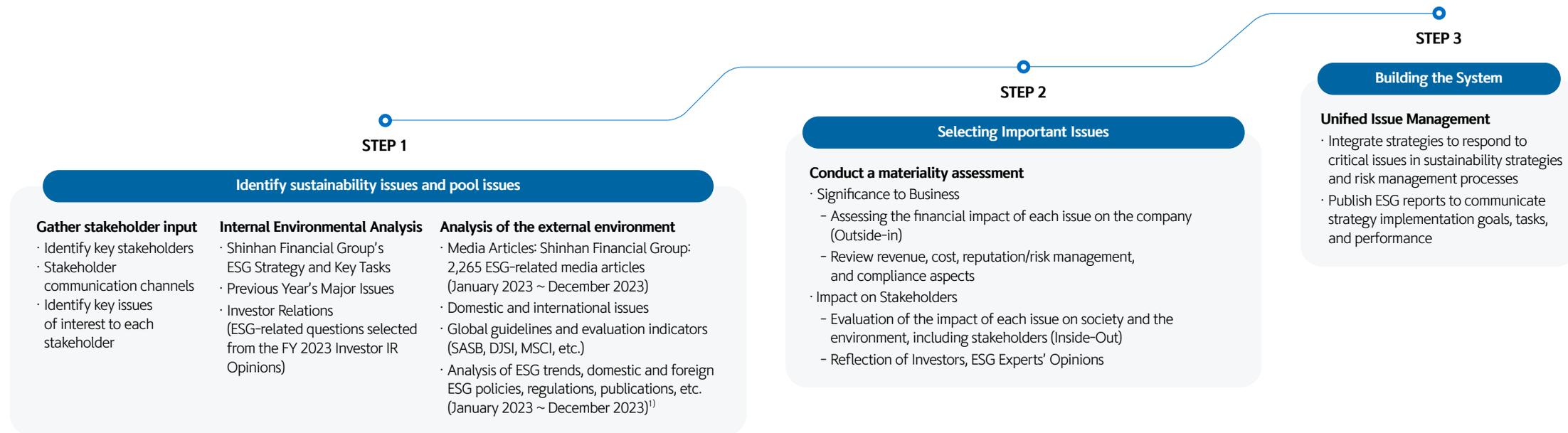
Double Materiality Assessment

Significance is the concept that companies must consider not only the impact of corporate issues on sustainability on corporate value and financial performance, but also the impact on society and the environment. Shinhan Financial Group selects important issues through double materiality assessments, uses them to establish and promote consistent ESG strategies, and reflects the results in the KPIs of unregistered executives.

In order to conduct a materiality assessment, we first identified sustainability issues and formed an issue pool based on the identification results. In particular, while analyzing the level of interest of stakeholders and the internal status of Shinhan Financial Corp.'s ESG management, we mainly analyzed ESG-related issues that domestic and foreign investors have been inquiring about through IR. In addition, we selected 30 issues that are important to the Group by analyzing various external statuses such as Shinhan's media articles related to ESG, major issues in the same industry, global ESG guidelines and evaluation indicators, and ESG trends and regulations.

The materiality assessment was conducted by comprehensively judging the financial significance (Outside-in) and environmental/social significance (Inside-out) of 30 selected issues. Financial significance was determined by identifying the impact that an issue could have on the company's revenue, costs, reputational and risk management, and compliance, while environmental and social significance was determined based on the extent to which a company's business activities could have an impact on the environment and society, including its stakeholders.

Materiality Management Process



1) In the case of ESG trends and regulatory analysis, the main ESG trends include the publication in January 2024.

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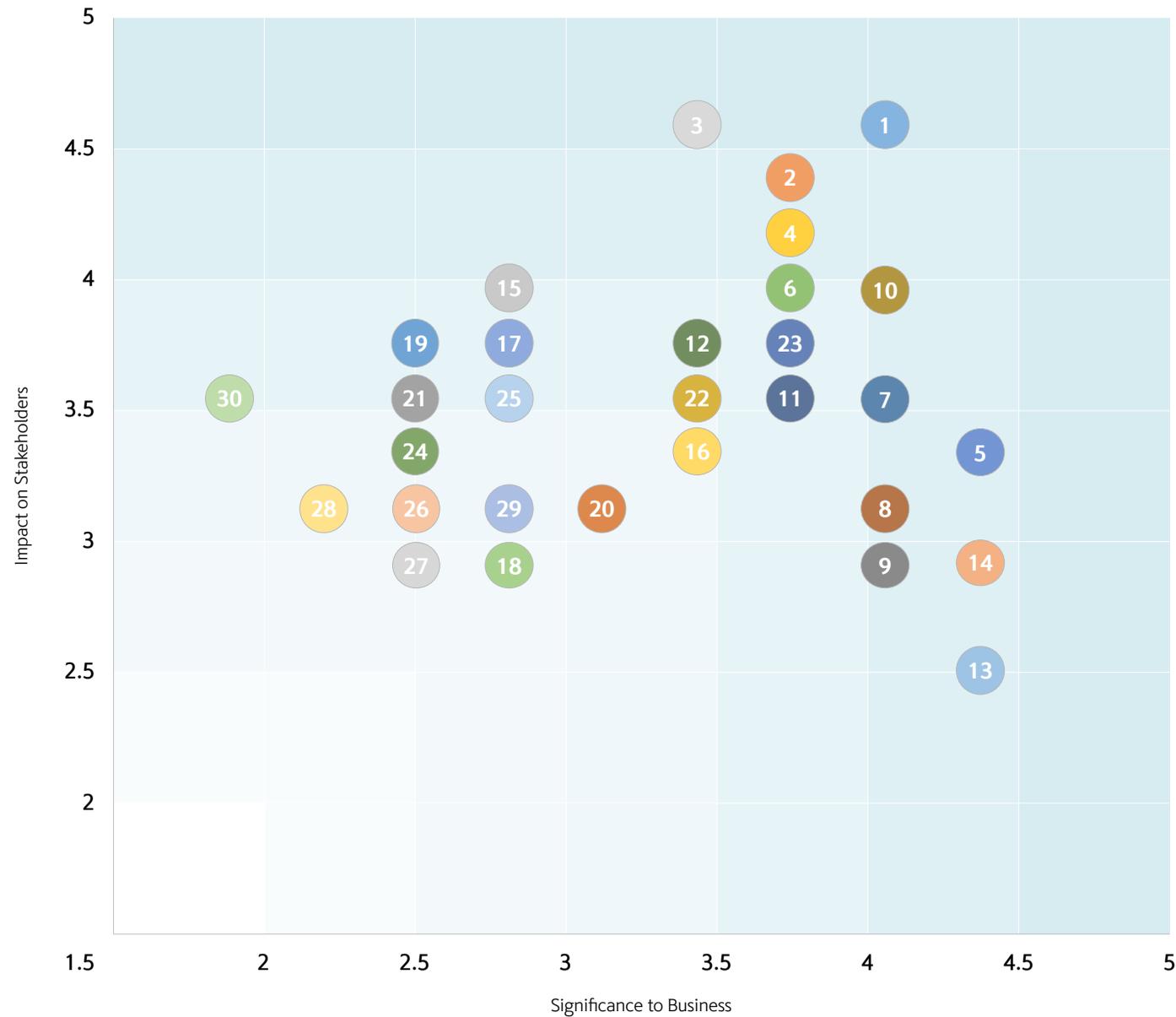
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Materiality Assessment

Identifying Issue Pools and Selecting Material Issues

Shinhan Financial Group identified 30 issues related to ESG management activities and conducted a materiality assessment of them to select the top 10 issues of high importance.



- 1 Enhance risk management
- 2 Compliance
- 3 Compliance with business ethics
- 4 Establishment of information security system
- 5 Transparent disclosure of information about products
- 6 Customer privacy
- 7 Improve the customer experience
- 8 Strengthen ESG governance
- 9 Digital transformation
- 10 Financial consumer protection
- 11 Response to climate change
- 12 Advancement of human rights management
- 13 Establish sound governance
- 14 Empowering digital financial services
- 15 Supporting the financially vulnerable
- 16 Develop and expand ESG financial products
- 17 Improving access to finance
- 18 Safety & health management
- 19 Implementation of social contribution activities
- 20 Establishment of environmental management system
- 21 Support for small and medium-sized and innovative companies
- 22 Strengthening diversity management
- 23 Educate consumers about finance
- 24 Recruiting and retaining top talent
- 25 Human resource development
- 26 Increase employee job satisfaction
- 27 Advance ESG lending and investment processes
- 28 Supporting startups and young people
- 29 Measuring social values
- 30 Biodiversity & nature

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Materiality Assessment

Reporting and Managing Material Issues

* Scale: ●●●● Very High, ●●●○ High, ●●○○ Medium, ●○○○ Low

Material Issues	Significance to Business	Impact on Stakeholders	Shinhan Financial Group's Action	2023 Activities
Enhance risk management	●●●●	●●●●	Centered around the Risk Management Committee within the Board of Directors, the Group Risk Management Officer (GCRO) and a dedicated department are in charge of integrated management of major financial and non-financial risks in conjunction with the Group's overall strategy. In addition, we have established a preemptive risk management system for ESG issues by utilizing corporate ESG activities for decision-making such as loans and investments.	p. 68,70
Compliance	●●●○	●●●●	In response to the enactment and enforcement of laws and regulations, we have established a compliance response system such as internal control system, anti-money laundering, and prevention of unfair trade and fraudulent trade.	p. 62-63 p. 64-67
Compliance with business ethics	●●●○	●●●●	Through reporting to and resolution of the board of directors, Shinhan Financial Group's Code of Ethics was completely revised, and a guide was produced and distributed. In addition, every year, we strive to internalize ethical management through ethics and compliance education for employees and ethical practice pledges.	p. 60 p.62-63
Establishment of information security system	●●●○	●●●●	We have established mid- to long-term goals for information protection and established an information protection framework based on the 3C structure. We are raising the level of information protection through group-level policies and standards, a system for preventing and responding to information security incidents, and regular education and training.	p. 75-78
Transparent disclosure of information about products	●●●●	●●●○	Periodic product inspections are conducted at the board of directors level to prevent consumer risks that may occur in financial products and services in advance, and to identify and manage risks that may occur. In addition, we are proceduralizing the product management process to check the safety of the product and eliminate risk factors.	p. 72-73
Customer privacy	●●●○	●●●○	We have established a consistent customer information and privacy processing policy at the group level, and discloses the life cycle management policy of customer personal information, including the collection and use of customer information, the prevention of personal information leakage through encryption, and the safe destruction of personal information.	p. 78-80
Improve the customer experience	●●●●	●●●○	The Consumer Protection Group was established independently and the Consumer Protection Department and the Consumer Support Department were separated to strengthen their professional functions. In addition, we operate a company-wide systematic drive system that leads to the Consumer Protection Committee, Council, and Working Council, as well as various customer communication channels to listen to customers' opinions and reflect them in management.	p. 73-74
Strengthen ESG governance	●●●●	●●●○	Since the establishment of the first committee within the board of directors (currently the ESG Strategy Committee) in 2015, we have been strengthening the group's overall ESG execution capabilities based on the CSO and the ESG Promotion Committee, in which the CEOs of all group companies participate on a monthly basis.	p.59
Digital transformation	●●●●	●●○○	For innovative and open digital transformation, we have set 'Easier Finance', 'More Comfortable Finance', and 'Newer Finance' as the three main goals to strengthen our execution capabilities, and we have opened the Shinhan One Data Platform to enhance the competitiveness of the Group's data utilization.	p. 37-39
Financial consumer protection	●●●●	●●●○	For the first time in Korea, we have established a consumer protection division to strengthen the governance system for consumer protection. In addition, we are carrying out financial fraud prevention activities such as voice phishing prevention campaigns and building the infrastructure.	p.70-72

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GRI Standard	Disclosure	Page	
Universal Standards			
GRI 2: General Disclosures 2021	2-1	Organizational details	p.7, 8
	2-2	Entities included in the organization's sustainability reporting	p.2
	2-3	Reporting period, frequency and contact point	p.2
	2-4	Restatements of information	p.73,2023 ESG DATA PACK p.15, 16, 18, 19, 20, 21, 23
	2-5	External assurance	p.103-106
	2-6	Activities, value chain and other business relationships	p.8
	2-7	Employees	p.7,2023 ESG DATA PACK p.18
	2-8	Workers who are not employees	2023 ESG DATA PACK p.19
	2-9	Governance structure and composition	p.53-55,2023 Annual Report on Governance and Remuneration System p. 9-11
	2-10	Nomination and selection of the highest governance body	p.53-55,2023 Annual Report on Governance and Remuneration System p. 9-11
	2-11	Chair of the highest governance body	p.54, 55
	2-12	Role of the highest governance body in overseeing the management of impacts	p.56, 57, 59
	2-13	Delegation of responsibility for managing impacts	p.57, 59
	2-14	Role of the highest governance body in sustainability reporting	p.59
	2-15	Conflicts of interest	2023 Annual Report on Governance and Remuneration System p. 56

GRI Standard	Disclosure	Page	
Universal Standards			
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	p.56
	2-17	Collective knowledge of the highest governance body	2023 Annual Report on Governance and Remuneration System p. 108-112
	2-18	Evaluation of the performance of the highest governance body	2023 Annual Report on Governance and Remuneration System p. 113-117
	2-19	Remuneration policies	p.57, 58
	2-20	Process to determine remuneration	p.57, 58
	2-21	Annual total compensation ratio	p.57, 58
	2-22	Statement on sustainable development strategy	p.5, 6
	2-23	Policy commitments	p.25, 47-49, 60, 69, 75
	2-24	Embedding policy commitments	p.25, 47-51, 60-65, 69-71, 74-77
	2-25	Processes to remediate negative impacts	p.48
	2-26	Mechanisms for seeking advice and raising concerns	p.62
	2-27	Compliance with laws and regulations	2023 BUSINESS REPORT p.746-765
	2-28	Membership associations	p.12
	2-29	Approach to stakeholder engagement	p.81
	2-30	Collective bargaining agreements	2023 ESG DATA PACK p.21
GRI 3: Material Topics 2021	3-1	Process to determine material topics	p.82
	3-2	List of material topics	p.83, 84
	3-3	Managing material issues	p.84

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GRI Standard	Disclosure	Page
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GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed 2023 ESG DATA PACK p.25, 26
	201-2	Financial implications and other risks and opportunities due to climate change 2023 SPECIAL REPORT p.15, 16
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community 2023 SPECIAL REPORT p.93
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported p.30-38
	203-2	Significant indirect economic impacts p.30-39
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption p.61, 2023 ESG DATA PACK p.27
	205-2	Communication and training about anti-corruption policies and procedures p.62, 65, 2023 ESG DATA PACK p.24
	205-3	Confirmed incidents of corruption and actions taken 2023 ESG DATA PACK p.27
GRI 207: Tax 2019	207-4	Country-by-country reporting 2023 ESG DATA PACK p.25, 26
GRI 301: Materials 2016	301-1	Materials used by weight or volume 2023 ESG DATA PACK p.10
GRI 302: Energy 2016	302-1	Energy consumption within the organization 2023 ESG DATA PACK p.10
	302-3	Energy intensity 2023 ESG DATA PACK p.10
	302-4	Reduction of energy consumption 2023 ESG DATA PACK p.10
GRI 303: Water and Effluents 2018	303-5	Water consumption 2023 ESG DATA PACK p.11
GRI 304: Biodiversity 2023	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas 2023 SPECIAL REPORT p.52
	304-2	Significant impacts of activities, products and services on biodiversity 2023 SPECIAL REPORT p.56
	304-3	Habitats protected or restored 2023 SPECIAL REPORT p.69
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions 2023 ESG DATA PACK p.7
	305-2	Energy indirect (Scope 2) GHG emissions 2023 ESG DATA PACK p.7
	305-3	Other indirect (Scope 3) GHG emissions 2023 ESG DATA PACK p.7, 8
	305-4	GHG emissions intensity 2023 ESG DATA PACK p.7
	305-5	Reduction of GHG emissions 2023 SPECIAL REPORT p.34, 35

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GRI Standard	Disclosure	Page
Topic Standards		
GRI 306: Waste 2020	306-3 Waste generated	2023 ESG DATA PACK p.11
	306-4 Waste diverted from disposal	2023 ESG DATA PACK p.11
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	2023 ESG DATA PACK p.20-21
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A ¹⁾
	401-3 Parental leave	2023 ESG DATA PACK p.22
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p.49
	403-2 Hazard identification, risk assessment, and incident investigation	p.50
	403-3 Occupational health services	p.50, 51
	403-4 Worker participation, consultation, and communication on occupational health and safety	p.49, 51
	403-5 Worker training on occupational health and safety	p.49, 51
	403-6 Promotion of worker health	p.51
	403-8 Workers covered by an occupational health and safety management system	p.49
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	2023 ESG DATA PACK p.23
	404-2 Programs for upgrading employee skills and transition assistance programs	p.41-44
	404-3 Percentage of employees receiving regular performance and career development reviews	p.44
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p.55, 2023 ESG DATA PACK p.18
	405-2 Ratio of basic salary and remuneration of women to men	2023 SPECIAL REPORT p.91
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	2023 ESG DATA PACK p.24
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	p.35-38
	417-2 Incidents of non-compliance concerning product and service information and labeling	2023 BUSINESS REPORT p.746-765
	417-3 Incidents of non-compliance concerning marketing communications	2023 BUSINESS REPORT p.746-765
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2023 ESG DATA PACK p.16

1) All benefits are provided equally to all employees, including full-time and contract employees.

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IFRS S2 Climate-related Disclosures

Classification	IFRS S2 Climate-Related Disclosures	Reference Page
Governance		
6 (a)	The highest decision-making body overseeing climate-related risks and opportunities	2023 SPECIAL REPORT 6
6 (a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information	2023 SPECIAL REPORT 6
6 (b)	Executives managing climate-related risks and opportunities	2023 SPECIAL REPORT 7
6 (b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information	2023 SPECIAL REPORT 7
Strategy		
10	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:	
10 (a)	describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	2023 SPECIAL REPORT 11, 15, 16
10 (b)	explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	2023 SPECIAL REPORT 11, 15, 16
10 (c)	specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term— the effects of each climate-related risk and opportunity could reasonably be expected to occur	2023 SPECIAL REPORT 15, 16
10 (d)	explain how the entity defines 'short term', 'medium term' and 'long term'	2023 SPECIAL REPORT 12
	how these definitions are linked to the planning horizons used by the entity for strategic decision-making	2023 SPECIAL REPORT 12
13	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:	
13 (a)	a description of the current and anticipated effects of climate - related risks and opportunities on the entity's business model	2023 SPECIAL REPORT 15, 16, 20, 21
	a description of the current and anticipated effects of climate-related risks and opportunities on the entity's value chain	2023 SPECIAL REPORT 15, 16, 20, 21
13 (b)	a description of where in the entity's business model climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	2023 SPECIAL REPORT 20, 21, 23-25
	a description of where in the entity's value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	2023 SPECIAL REPORT 20, 21
14	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:	
14 (b)	information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	2023 SPECIAL REPORT 23-25, 38
14 (c)	quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	2023 SPECIAL REPORT 30-32

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IFRS S2 Climate-related Disclosures

GRI Standard	Disclosure	Page
Strategy		
16	Financial position, financial performance and cash flows affected	
16 (a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period	2023 SPECIAL REPORT 20-22
16 (b)	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	2023 SPECIAL REPORT 20-22
16 (c)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration	2023 SPECIAL REPORT 20-22
16 (d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation)	2023 SPECIAL REPORT 20-22
22 (a)	The entity's assessment of its climate resilience as at the reporting date	2023 SPECIAL REPORT 22
22 (b)	How and when the climate-related scenario analysis was carried out	2023 SPECIAL REPORT 17-19
Risk management		
25	An entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities	
25 (a)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks	2023 SPECIAL REPORT 28
25 (b)	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether	2023 SPECIAL REPORT 28
25 (b)	How the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	2023 SPECIAL REPORT 28
25 (c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	2023 SPECIAL REPORT 27
Metrics and targets		
29 (a)	Scope 1 greenhouse gas emissions	2023 SPECIAL REPORT 30, 31, 34
29 (a)	Scope 2 greenhouse gas emissions	2023 SPECIAL REPORT 30, 31, 34
29 (a)	Scope 3 greenhouse gas emissions	2023 SPECIAL REPORT 30, 31, 35-39
29 (b)	Climate-related transition risks	2023 SPECIAL REPORT 39
29 (b)	The amount and percentage of assets vulnerable to climate-related transition risks	-
	The amount and percentage of business activities vulnerable to climate-related transition risks	2023 SPECIAL REPORT 23, 25

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IFRS S2 Climate-related Disclosures

GRI Standard	Disclosure	Page
Metrics and Targets		
29 (e)	Capital deployment	
29 (e)	The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	2023 SPECIAL REPORT 38
29 (f)	Internal carbon prices	
29 (f)	An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis)	2023 SPECIAL REPORT 33
	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions	2023 SPECIAL REPORT 33
29 (g)	Remuneration	
29 (g)	A description of whether and how climate-related considerations are factored into executive remuneration	2023 SPECIAL REPORT 7
	The percentage of executive management remuneration recognised in the current period that is linked to climaterelated considerations	2023 SPECIAL REPORT 7
33	Climate-related targets	
33 (a)	The metric used to set the target	2023 SPECIAL REPORT 30, 31, 34, 35
33 (b)	The objective of the target	2023 SPECIAL REPORT 30, 31, 34, 35
33 (c)	The part of the entity to which the target applies	2023 SPECIAL REPORT 30, 31, 34, 35
33 (d)	The period over which the target applies	2023 SPECIAL REPORT 30, 31, 34, 35
33 (e)	The base period from which progress is measured	2023 SPECIAL REPORT 30, 31, 34, 35
33 (f)	Any milestones and interim targets	2023 SPECIAL REPORT 30, 31, 34, 35
33 (g)	If the target is quantitative, whether it is an absolute target or an intensity target	2023 SPECIAL REPORT 30, 31, 34, 35
33 (h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	2023 SPECIAL REPORT 30, 31, 34, 35

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IFRS S2 Climate-related Disclosures

GRI Standard	Disclosure	Page
Metrics and Targets		
35	An entity's performance against each climate-related target	2023 SPECIAL REPORT 30, 31, 34, 35
	An analysis of trends or changes in the entity's performance	2023 SPECIAL REPORT 34, 35
34	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
34 (a)	whether the target and the methodology for setting the target has been validated by a third party	2023 SPECIAL REPORT 33
34 (b)	the entity's processes for reviewing the target	2023 SPECIAL REPORT 33
34 (c)	the metrics used to monitor progress towards reaching the target	2023 SPECIAL REPORT 30
34 (d)	any revisions to the target and an explanation for those revisions	-
36	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose:	
36 (a)	which greenhouse gases are covered by the target	2023 SPECIAL REPORT 31
36 (b)	whether scope 1, scope 2 or scope 3 greenhouse gas emissions are covered by the target	2023 SPECIAL REPORT 31, 32
36 (c)	whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target	2023 SPECIAL REPORT 31
36 (d)	whether the target was derived using a sectoral decarbonisation approach	2023 SPECIAL REPORT 40
36 (e)	The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.	
36 (e)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits	2023 SPECIAL REPORT 31

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TCFD Index

Classification	Framework	Reference Page
Governance	a Describe the board's oversight of climate-related risks and opportunities	2023 SPECIAL REPORT 5-8
	b Describe management's role in assessing and managing climate-related risks and opportunities	
Strategy	a Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2023 SPECIAL REPORT 9-25
	b Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
	c Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk Management	a Describe the organization's processes for identifying and assessing climate-related risks	2023 SPECIAL REPORT 26-29
	b Describe the organization's processes for managing climate-related risks	
	c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	
Metrics and Targets	a Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	2023 SPECIAL REPORT 30-40
	b Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
	c Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	

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TNFD Index

Classification	Framework	Reference page
Governance	a Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	2023 SPECIAL REPORT 48-49
	b Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	
	c Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	
Strategy	a Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	2023 SPECIAL REPORT 50-62
	b Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	
	c Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	
	d Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	
Risk Management	a (i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	2023 SPECIAL REPORT 63-64
	a (ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	
	b Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.	
Metrics and Targets	c Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	2023 SPECIAL REPORT 65-69
	a Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	
	b Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	
	c Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	

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SASB Index

Topic	Code	Category	Unit of Measure	Reference Page
Commercial Banks				
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Number, Percentage (%)	2023 ESG DATA PACK p.16
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	n/a	p.76, 79
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Number, Reporting currency	p.30-33
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Number, Reporting currency	-
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Number	2023 ESG DATA PACK p.13
	FN-CB-240a.4	Number of participants in financial literacy Standards for unbanked, underbanked, or underserved customers	Number	2023 ESG DATA PACK p.17
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	n/a	p.16-22
Financed Emissions	FN-CB-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	tCO ₂ e	2023 SPECIAL REPORT p.35
	FN-CB-410b.2	Gross exposure for each industry by asset class	Reporting currency	2023 SPECIAL REPORT p.39
	FN-CB-410b.3	Percentage of gross exposure included in the financed emissions calculation	Percentage (%)	2023 SPECIAL REPORT p.39
	FN-CB-410b.4	Description of the methodology used to calculate financed emissions.	n/a	2023 SPECIAL REPORT p.33
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Reporting currency	2023 BUSINESS REPORT p.746-765
	FN-CB-510a.2	Description of whistleblower policies and procedures	n/a	p.62
Systemic Risk	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Basis points (bps)	p.68
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	n/a	p.67
Asset Management & Custody Activities				
Transparent Information & Fair Advice for Customers	FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Number, Percentage (%)	-
	FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Reporting currency	2023 BUSINESS REPORT p.746-765
	FN-AC-270a.3	Description of approach to informing customers about products and services	n/a	p.72
Employee Diversity & Inclusion	FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Percentage (%)	2023 SPECIAL REPORT p.91-93
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Reporting currency	2023 ESG DATA PACK p.3-5
	FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	n/a	p.16-22
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	n/a	p.16

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Topic	Code	Category	Unit of Measure	Reference Page
Financed Emissions	FN-AC-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	tCO ₂ eq	2023 SPECIAL REPORT p.35
	FN-AC-410b.2	Total amount of assets under management (AUM) included in the financed emissions disclosure	Reporting currency	2023 SPECIAL REPORT p.37
	FN-AC-410b.3	Percentage of total assets under management (AUM) included in the financed emissions calculation	Percentage(%)	2023 SPECIAL REPORT p.39
	FN-AC-410b.4	Description of the methodology used to calculate financed emissions	n/a	2023 SPECIAL REPORT p.33
Business Ethics	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Reporting currency	2023 BUSINESS REPORT p.746-765
	FN-AC-510a.2	Description of whistleblower policies and procedures	n/a	p.62
Consumer Finance				
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Number	2023 ESG DATA PACK p.16
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Reporting currency	2023 ESG DATA PACK p.16
Data Security	FN-CF-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Number, Percentage (%)	2023 ESG DATA PACK p.16
	FN-CF-230a.2	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	Reporting currency	-
	FN-CF-230a.3	Description of approach to identifying and addressing data security risks	n/a	p.76, 79
Selling Practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Percentage (%)	-
	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	Percentage (%)	-
	FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	Reporting currency Percentage (%), Months, Number, Reporting currency	-
	FN-CF-270a.4	(1) Number of customer complaints filed, (2) percentage with monetary or nonmonetary relief	Number, Percentage (%)	2023 ESG DATA PACK p.15
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Reporting currency	2023 BUSINESS REPORT p.746-765
Insurance				
Transparent Information & Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	Reporting currency	2023 BUSINESS REPORT p.746-765
	FN-IN-270a.2	Complaints-to-claims ratio	Rate	-
	FN-IN-270a.3	Customer retention rate	Rate	-
	FN-IN-270a.4	Description of approach to informing customers about products	n/a	p.72
Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	n/a	p.16-22
Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	Reporting currency	-
	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	n/a	-

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Topic	Code	Category	Unit of Measure	Reference Page
Financed Emissions	FN-IN-410c.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	tCO ₂ eq	2023 SPECIAL REPORT p.35
	FN-IN-410c.2	Gross exposure for each industry by asset class	Reporting currency	2023 SPECIAL REPORT p.39
	FN-IN-410c.3	Percentage of gross exposure included in the financed emissions calculation	Percentage(%)	2023 SPECIAL REPORT p.39
	FN-IN-410c.4	Description of the methodology used to calculate financed emissions	n/a	2023 SPECIAL REPORT p.33
Environmental Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	Reporting currency	-
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Reporting currency	-
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of krm-level risks and capital adequacy	n/a	-
Systemic Risk Management	FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	Reporting currency	-
	FN-IN-550a.2	Total fair value of securities lending collateral assets	Reporting currency	-
	FN-IN-550a.3	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	n/a	p.67
Investment Banking & Brokerage				
Employee Diversity & Inclusion	FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Percentage (%)	2023 SPECIAL REPORT p.91-93
Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	Reporting currency	-
	FN-IB-410a.2	1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	Number, Reporting currency	2023 ESG DATA PACK p.3-5
	FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	n/a	p.16-22
Business Ethics	FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Reporting currency	2023 BUSINESS REPORT p.746-765
	FN-IB-510a.2	Description of whistleblower policies and procedures	n/a	p.62
Professional Integrity	FN-IB-510b.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Number, Percentage (%)	-
	FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	Number	2023 ESG DATA PACK p.27
	FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Reporting currency	2023 ESG DATA PACK p.27
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	n/a	p.60-65
Systemic Risk Management	FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Basis points (bps)	p.68
	FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	n/a	p.67
Employee Incentives & Risk Taking	FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	Percentage (%)	p.57
	FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	Percentage (%)	p.58
	FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	n/a	-

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		Reporting Framework	Page
Part A: Governance of Respect for Human Rights			
Policy commitment	A1	What does the company say publicly about its commitment to respect human rights?L	2023 SPECIAL REPORT p.103
	A1.1	How has the public commitment been developed?	2023 SPECIAL REPORT p.103
	A1.2	Whose human rights does the public commitment address?	2023 SPECIAL REPORT p.103
	A1.3	How is the public commitment disseminated?	2023 SPECIAL REPORT p.107
Embedding respect for human rights	A2	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	2023 SPECIAL REPORT p.102-104
	A2.1	How is day-to-day responsibility for human rights performance organized within the company, and why?	2023 SPECIAL REPORT p.104
	A2.2	What kinds of human rights issues are discussed by senior management and by the Board and why?	2023 SPECIAL REPORT p.104
	A2.3	How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?	2023 SPECIAL REPORT p.107
	A2.4	How does the company make clear in its business relationships the importance it places on respect for human rights?	2023 SPECIAL REPORT p.106
	A2.5	What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	2023 SPECIAL REPORT p.105-107
Part B: Defining the Focus of Reporting			
Statement of Salient Issues	B1	State the salient human rights issues associated with the company's activities and business relationships during the reporting period	2023 SPECIAL REPORT p.106
Determination of Salient Issues	B2	Describe how the salient human rights issues were determined, including any input from stakeholders	2023 SPECIAL REPORT p.106-107
Choice of Focal Geographies	B3	If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made	Not applicable
Additional Severe Impacts	B4	Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed	Not applicable

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		Reporting Framework	Page
Part C: Management of Salient Human Rights Issues			
Specific Policies	C1	Does the company have any specific policies that address its salient human rights issues and, if so, what are they?	2023 SPECIAL REPORT p.103
	C1.1	How does the company make clear the relevance and significance of such policies to those who need to implement them?	2023 SPECIAL REPORT p.107
Stakeholder Engagement	C2	What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?	2023 SPECIAL REPORT p.107
	C2.1	How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?	2023 SPECIAL REPORT p.107
	C2.2	During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	2023 SPECIAL REPORT p.106-107
	C2.3	During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?	2023 SPECIAL REPORT p.105, 107
Assessing Impacts	C3	How does the company identify any changes in the nature of each salient human rights issue over time?	2023 SPECIAL REPORT p.105-106
	C3.1	During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	2023 SPECIAL REPORT p.105-106
	C3.2	During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	2023 SPECIAL REPORT p.105-106
Integrating Findings and Taking Action	C4	How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	2023 SPECIAL REPORT p.102-104
	C4.1	How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?	2023 SPECIAL REPORT p.104
	C4.2	When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?	2023 SPECIAL REPORT p.104
	C4.3	During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?	2023 SPECIAL REPORT p.105, 107
Tracking Performance	C5	How does the company know if its efforts to address each salient human rights issue are effective in practice?	2023 SPECIAL REPORT p.105, 107
	C5.1	What specific examples from the reporting period illustrate if each salient issue is being managed effectively?	2023 SPECIAL REPORT p.105, 107
Remediation	C6	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to the salient human rights issues?	2023 SPECIAL REPORT p.102-103
	C6.1	Through what means can the company receive complaints or concerns related to each salient issue?	2023 SPECIAL REPORT p.107
	C6.2	How does the company know if people feel able and empowered to raise complaints or concerns?	2023 SPECIAL REPORT p.107
	C6.3	How does the company process complaints and assess the effectiveness of outcomes?	2023 SPECIAL REPORT p.107
	C6.4	During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?	2023 SPECIAL REPORT p.105-107
	C6.5	During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?	2023 SPECIAL REPORT p.107

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PRB Index

	Reporting and Self-Assessment Requirements	Reference Page
Principle 1: Alignment	We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.	
	1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies knanced across the main geographies in which your bank has operations or provides products and services.	p.7-8, 2023 BUSINESS REPORT p.45-106
	1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	p.10
Principle 2: Impact and Target Setting	We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	
	2.1 Impact Analysis: Show that your bank has identiked the areas in which it has its most signikcant (potential) positive and negative impact through an impact analysis that fulkls the following elements: a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis. b) Scale of Exposure: In identifying its areas of most signikcant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. d) Scale and intensity/saliene of impact: In identifying its areas of most signikcant impact, the bank has considered the scale and intensity/saliene of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.	2023 SPECIAL REPORT p.10-22, 51-62, 72-74
	2.2 Target Setting: Show that the bank has set and published a minimum of two Specick, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.	2023 SPECIAL REPORT p.31-40, 66-69
	2.3 Plans for Target Implementation and Monitoring: Show that your bank has dekned actions and milestones to meet the set targets.	2023 SPECIAL REPORT p.6-8, 10, 23, 25, 69, 75-84
Principle 3: Clients and Customers	We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	
	3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers.	p.69-74
	3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities.	p.16-20
Principle 4: Stakeholders	We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	
	4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts.	p.81
Principle 5: Governance & Culture	We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	
	5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage signikcant positive and negative (potential) impacts and support effective implementation of the Principles.	p.59, 2023 SPECIAL REPORT p.6-7
	5.2 Describe the Standards and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees.	p.57, 59-62, 71
	5.3 Governance Structure for Implementation of the Principles. a) target-setting and actions to achieve targets set. b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.	p.21-22
Principle 6: Transparency & Accountability	We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	
	6.1 verification	p.103-105
	6.2 Reporting framework	p.85-101
	6.3 Prospect	-

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Item	Index	Content	Reference Page
Part A: Organization			
ESG Response	Roles of the management	Roles of the management in relation to the identification and management of ESG issues	p.59
ESG Evaluation	ESG risk and opportunity	Assessment of ESG-related risks and opportunities	p.82
Stakeholder	Stakeholder participation	Method of stakeholder participation in the ESG process	p.81
Part B: Environment			
GHG Emissions	Direct GHG emissions (Scope 1)	Amount of GHG emitted into the air by physical devices or factories that are owned and managed by the company	2023 ESG DATA PACK p.7
	Indirect GHG emissions (Scope 2)	Amount of GHG emissions caused by electricity, cooling and heating, and steam emissions that were purchased or 41 obtained for company use	2023 ESG DATA PACK p.7
	GHG emissions intensity	Amount of GHG emitted per unit of activity, production, and other organizational-level metric system	2023 ESG DATA PACK p.7
Energy Consumption	Direct energy consumption	Amount of energy consumption of subjects owned or managed by an organization	2023 ESG DATA PACK p.10
	Indirect energy consumption	Amount of energy consumed outside the organization, such as use and disposal and treatment of sold products	-
	Energy consumption intensity	Amount of energy consumption needed per unit of activity, production, and other organizational-level metric system	2023 ESG DATA PACK p.10
Water Consumption	Total volume of water used	Total volume of water used by the organization	2023 ESG DATA PACK p.11
Waste Discharge	Total volume of waste discharged	Total weight of wastes by treatment method, such as reclamation and recycling	2023 ESG DATA PACK p.11
Violation of Law and Incident	Violation of environmental law and incident	No. of violations of environmental law, environment-related incidents, and measures taken	No violations
Part C: Society			
Employee	Equality and diversity	Status of employees by gender and employment type, and no. of discrimination-related sanctions and measures taken	2023 ESG DATA PACK p.18-19, 24
	New employee hires and employee turnover	Status of new employee hires and employee turnover	2023 ESG DATA PACK p.20-21
	Hiring of young interns	Status of hiring young interns and ratio of change to permanent positions	Not applicable
	Parental leave	Status of employees who use parental leave	2023 ESG DATA PACK p.22
Health & Safety	Industrial incidents	No. of work-related deaths, injuries, and diseases, and measures	p.49
	Product safety	No. of product recalls (pickup, destruction, collection, corrective measure, etc.) and measures taken	p.73
	Labeling and advertising	No. of violations labeling and advertising regulations, and measures taken	2023 BUSINESS REPORT p.746-765
Information Security	Personal information protection	No. of personal information protection violations and measures taken	2023 ESG DATA PACK p.16
Fair Competition	Fair competition and abuse of dominance	No. of violations of law related to internal trading, subcontracting, franchise business, and agency trading, and measures taken	2023 BUSINESS REPORT p.760

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Pillar	Theme	Core metrics	Reference Page
Principle of Governance	Governing purpose	Setting purpose	p.10
	Quality of governing body	Governance body composition	p.55
	Stakeholder engagement	Material issues impacting stakeholders	p.81-84
	Ethical behaviour	Anti-corruption	p.62, 2023 ESG DATA PACK p.24, 27
		Protected ethics advice and reporting mechanisms	p.62
Risk and opportunity oversight	Integrating risk and opportunity into business process	p.66-68	
Planet	Climate change	Greenhouse gas (GHG) emissions	2023 ESG DATA PACK p.7-8
		TCFD implementation	2023 SPECIAL REPORT p.3-40
	Nature loss	Land use and ecological sensitivity	2023 SPECIAL REPORT p.46-70
Fresh water availability	Water consumption and withdrawal in water-stressed areas	-	
People	Dignity and equality	Diversity and inclusion (Percentage of employees per employee category, per age group, gender and other indicators of diversity)	2023 SPECIAL REPORT p.91-93
		Pay equality (Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men; minor to major ethnic groups; and other relevant equality areas)	2023 SPECIAL REPORT p.91
		Wage level (Ratios of standard entry-level wage by gender compared to local minimum wage, etc.)	2023 SPECIAL REPORT p.91
		Risk for incidents of child, forced or compulsory labour	-
	Health & wellbeing	Health and safety	p.49, 51
Skills for the future	Training provided (Average hours of training per person, average training and development expenditure per full time employee, etc.)	2023 ESG DATA PACK p.23	
Prosperity	Employment and wealth generation	Absolute number and rate of employment (Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity, etc.)	2023 ESG DATA PACK p.20-21
		Economic contribution (Revenue, operating costs, employee wages and benefits, payments to providers of capital, payments to government, etc.)	2023 BUSINESS REPORT
		Financial investment contribution disclosure (Share buybacks, dividend payments, etc.)	p.58
	Innovation in better products and services	Total R&D expenses	2023 BUSINESS REPORT
	Community and social vitality	Total tax paid (corporate income taxes, property taxes, non-creditable VAT, etc.)	2023 ESG DATA PACK p.25-26

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ESG Evaluation

Shinhan Financial Group is developing its ESG system by transparently disclosing its management status, and these efforts have been recognized for their excellence by ESG rating agencies.

Global Recognition

 <p>S&P Dow Jones Indices A Division of S&P Global</p> <p>DJSI</p> <p>The first financial company in Korea Included in DJSI World for 11 consecutive years (Incorporated into Asia Pacific for 15 consecutive years)</p>	 <p>CDP</p> <p>The first financial company in Korea Received Leadership A</p>	 <p>MSCI</p> <p>The first financial company in Korea Received AA grade for 7 consecutive years</p>	 <p>Korea Institute of Corporate Governance and Sustainability</p> <p>The first financial company in Korea Received A+ grade for 9 consecutive years</p>
 <p>Bloomberg Gender-Equality Index</p> <p>The first financial company in Korea Included in the GEI for 6 consecutive years</p>	 <p>SUSTINVEST</p> <p>The first financial company in Korea Received the highest (AA) grade for 5 consecutive years</p>	 <p>ISS</p> <p>ISS Quality Score Grade Governance 1, Environment 1, Social 2</p>	

* As of the end of January 2024

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Independent Assurance Statement

[PRJN-744209-2024-AST-KOR]

DNV Business Assurance Korea, Ltd. ('DNV', 'we', or 'us') has been commissioned by Shinhan Financial Group (hereafter referred to as the 'Group' or the 'Company') to undertake an independent limited assurance on the Group's 2023 ESG Repot (hereafter referred as 'the Report') for the calendar year ending 31 December 2023. The intended users of this assurance statement are the management and stakeholders of Shinhan Financial Group.

Standards of Assurance

This assurance engagement has been carried out in limited assurance in accordance with DNV's VeriSustain protocol V6.0, which is based on our professional experience and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. DNV has reviewed the Report's adherence to the VeriSustain protocol V6.0.

DNV's Verisustain protocol requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited or/and reasonable assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less detailed than, those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our conclusion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Shinhan Financial Group website for the current reporting period.

Scope of Assurance

We have carried out an independent limited assurance on the Report. The assurance scope includes domestic operation sites and part of overseas operation sites:

- We have reviewed the GRI Topic Disclosures relevant to the Material Topics which have been identified as material through the materiality assessment undertaken by Shinhan Financial Group.

Opinion, observations and recommendations

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not adhere to the principles of VeriSustain described below. In terms of reliability of specified sustainability performance information, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate. Nothing came to our attention to cause us to believe that Shinhan Financial Group's Report is not prepared, in all material respects, in accordance with the GRI Standards.

Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain applicable to the relevant information described in the 'Scope of Assurance':

Stakeholder Inclusiveness: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability

Shinhan Financial Group identifies employees, customers, shareholders/investors, business partners, local communities, and government as key stakeholder groups and reports various communication channels with each stakeholder and their major interests. DNV confirms that major interests of each stakeholder have been reflected in the materiality assessment process through inclusion of impact on society and environment, and reflection of opinions from investors and ESG experts.

Materiality: the process for determining the issues that are most relevant to an organization and its stakeholders

Shinhan Financial Group conducted a dual materiality assessment, taking into account the impacts which the Company's operations have on both the Company's value/financial performance and society/environment. This assessment includes analysis of the ESG issues identified on the occasions of IR for domestic and overseas investors, media exposure, peer group review, global ESG guidelines/indicators, and ESG trend/regulatory environment, thus leading to having 10 material issues. DNV confirms that the Company's strategy and activities in relation to material issues are reflected in the Report.

DNV recommends that the Company map material issues with mid- and long-term ESG objectives and relevant performance in order to help understanding of stakeholders with regard to management of the Company's material issues.

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1) International Auditing and Assurance Standard Board

2) International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised)

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[Sustainability Context the presentation the organization's performance in the wider context of sustainability](#)

Shinhan Financial Group reports the ESG strategy (as well as its performance) which reflects the Company's ESG management direction. The Company set eco-friendliness, mutual growth, and trust as 3 key ESG strategies and presents 5 impact topics and 10 strategic indicators in order to help understanding of stakeholders. DNV can confirm that the Company's achievements and activities in the context of sustainability are disclosed in the Report.

[Completeness: How much of all the information that has been identified as material to the organization and its stakeholders is reported](#)

The Group discloses background with regard to selecting material issues and the related activities. The reporting scope is composed of domestic sites of 14 companies such as Shinhan Financial Group, Shinhan Bank, etc. If the scope of reporting is different from the above, it is explained in the Report accordingly. The assurance team confirms that the material topics selected through the materiality assessment are completely reflected according to the physical and periodic reporting boundaries

[Reliability and quality: the accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems](#)

The assurance team has sampled data and tested accuracy and reliability of the sustainability performance data of the Company. We interviewed the responsible for the subject data handling and reviewed the data gathering process with the supporting documents and records. Based on the test, the intentional error or misstatement is not noted. Data owners were able to demonstrate to trace the origin of the data and to interpret the processed data in a reliable manner. The data was identifiable and traceable. The Company reports the sustainability performance of the last three years and can be compared over time. Any errors or unclear expressions found during the verification process were corrected prior to the publication of the Report.

Our competence, independence and quality control

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 – Conformity assessment, whose general principles are requirements for validation and verification bodies. Accordingly, DNV 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.

DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of sustainability assurance experiences. DNV conducted GHG verification for the Group and its subsidiaries in 2023 and we assess that this activity does not have impact on independence and impartiality of the assurance of this Report.

Limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and are free from material misstatements. 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.

The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement. The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

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Independent Assurance Statement

Responsibilities of the Directors of Shinhan Financial Group and of the assurance providers

The Company's management has sole responsibility for the integrity of the Report and this responsibility includes designing, implementing, and maintaining internal controls over collection, analysis, aggregation and preparation of data, fair presentation of the information and ensuring that data is free from material misstatement.

DNV's responsibility is to plan and perform the work to obtain assurance about whether the relevant information described in the 'Scope of Assurance' has been prepared in accordance with the reporting requirements and to report to Shinhan Financial Group in the form of an independent assurance conclusion, based on the work performed and the evidence obtained.

Our statement represents our independent opinion and is intended to inform the management and stakeholders of Shinhan Financial Group. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

Basis of our Opinion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Shinhan Financial Group. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. Our limited assurance procedures included, but were not limited to, the following activities:

- Peer and media review to identify relevant sustainability issues for Shinhan Financial Group in the reporting period;
- Review of the disclosures according to reporting requirements with a focus on the process and the result of materiality assessment, Topic Standards Disclosures and relevant management processes;
- Understanding of the key systems, processes and controls for consolidating, collecting, managing and reporting disclosures and KPIs in the Report;
- Review documentary evidence and management representations supporting adherence to the reporting principles and requirements, with a focus on understanding and testing, on a sample basis, key data sets
- On-site visit at the Shinhan Financial Group Head Office in Seoul, Republic of Korea to review the processes and systems for preparing site level sustainability data and implementation of sustainability strategy and carried out sample based assessment of site-specific data disclosures.
- Conduct interviews with representatives from the ESG team and relevant departments with overall responsibility of monitoring, data consolidation and reporting of the selected information

For and on behalf of DNV Business Assurance Korea Ltd.
Seoul, Republic of Korea
21 June 2024



Chang Rok Yun
Lead Verifier



Jin Seok Cho
Verifier



Jae Hee Kim
Reviewer

DNV Business Assurance Korea Ltd. is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. Supply Chain and Product Assurance – DNV

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GHG Assurance Statement

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by 16 companies including Shinhan Financial Group Co., Ltd ("Company") to perform third party verification for the Greenhouse Gas statement ("statement") of the Company. The Company is responsible for the preparation of the GHG statement on the basis set out within the 'ISO 14064-1:2018', 'IPCC Guidelines: 2006'. Our responsibility in performing this work is to the management of the Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this verification opinion.

Objectives and Scope of verification

The purpose of this verification is to present an independent verification opinion on the company's Greenhouse Gas statement, and the scope of verification is as follows;

- Organizational Boundary: Shinhan Financial Group Co., Ltd and subsidiaries*

* Subsidiaries: Shinhan Bank, Shinhan Card, Shinhan Investment & Securities, Shinhan Life, Shinhan Capital, Shinhan Asset Management, Jeju Bank, Shinhan Savings Bank, Shinhan Asset Trust, Shinhan DS, Shinhan Fund Partners, Shinhan REITs Management, Shinhan AI, Shinhan Venture Investment, Shinhan EZ General Insurance

- Operational Boundary: Scope 1, 2
- Reporting period: 2023.01.01 ~2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a reasonable level of assurance for the domestic companies. We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. May include partially hypothetical and projected data and information.

Conclusions

DNV has verified that the data presented in the Company's GHG statement has been accurately calculated and reported in accordance with the above-mentioned reporting criteria.

- DNV presents an 'Unmodified' opinion on Greenhouse Gas Emissions

(Unit: ton CO₂e)

Shinhan Finance Group (Year 2023)	Direct Emissions (Scope 1)	Indirect Emissions (Scope 2)	Total Emissionns
Domestic (Location-Based)*	14,967	82,832	97,789
Domestic (Market-Based)**		54,790	69,749

25th June 2024


Jang-Sub Lee
 Country Representative
 DNV Business Assurance Korea Ltd.

Annex to PRJN-746645-01-2024-AST-ENG Verification Opinion

Scope 1, 2 Greenhouse Gas Emissions from Shinhan Financial Group

(Unit: ton CO₂e)

Company	Scope		
	Direct Emissions(Scope 1)	Indirect Emissions(Scope 2)	Total Emissionns
Shinhan Finance Holdings	229	240	468
Shinhan Bank	10,373	52,113	62,485
Shinhan Card	1,395	10,365	11,759
Shinhan Investment & Securities	508	7,135	7,642
Shinhan Life	1,620	8,951	10,570
Shinhan Capital	118	525	642
Shinhan Asset Management	106	324	429
Jeju Bank	201	1,348	1,548
Shinhan Savings Bank	129	307	436
Shinhan Asset Trust	92	185	277
Shinhan DS	47	345	392
Shinhan Fund Partners	63	305	367
Shinhan REITs Management	14	137	151
Shinhan AI	9	127	135
Shinhan Venture Investment	53	227	279
Shinhan EZ General Insurance	11	198	209
Domestic (Location-Based)*	14,967	82,832	97,789
Domestic (Market-Based)**	14,967	54,790	69,749

※ The above greenhouse gas emissions may differ by less than ± 1 tCO₂e due to rounding for reporting as whole numbers.

* Location-based: Includes GHG emissions reported as Scope 2 by the Company under the domestic GHG emissions trading scheme, using electricity

** Market-based: Includes GHG emissions from Scope 2, reflecting the purchase of electricity generated through renewable energy (RECs and Green premiums) in 2023.

This Verification Opinion is valid as of the date of the issuance. Please note that this Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the company is subsequently brought to our attention.

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Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by 15 companies including Shinhan Financial Group Co., Ltd (“Company”) to perform third party verification for the Greenhouse Gas inventory (“inventory”) of the Company. The Company is responsible for the preparation of the GHG inventory on the basis set out within the ‘WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard/ The Corporate Value Chain (Scope 3) Accounting and Reporting Standard’, ‘IPCC Guidelines: 2006’, ‘PCAF Global GHG Standard (Financed Emission)’. Our responsibility in performing this work is to the management of the Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this verification opinion.

Objectives and Scope of verification

The purpose of this verification is to present an independent verification opinion on the company’s Greenhouse Gas inventory, and the scope of verification is as follows;

- Organizational Boundary: Shinhan Financial Group Co., Ltd and subsidiaries*
 - * Subsidiaries: Shinhan Bank, Shinhan Card, Shinhan Investment & Securities, Shinhan Life, Shinhan Capital, Shinhan Asset Management, Jeju Bank, Shinhan Savings Bank, Shinhan Asset Trust, Shinhan DS, Shinhan Fund Partners, Shinhan REITs Management, Shinhan Venture Investment, Shinhan EZ General Insurance
- Operational Boundary: Scope 3 (Other indirect emissions - Category : 1, 2, 3, 4, 5, 6, 7, 11, 12, 15)
- Reporting period: 2023.01.01 ~2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the ‘ISO 14064-3:2019’, based upon a limited level of assurance for the domestic companies. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. May include partially hypothetical and projected data and information.

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG inventory is not materially correct and is not a fair representation of GHG data and information;

- DNV presents an ‘Unmodified’ opinion on Greenhouse Gas Emissions

(Unit : ton CO2eq)

Year	Scope 3 (Other indirect emissions)		
	Upstream	Downstream	Total Emissions
2023	23,572	55,963,276	55,986,848

※ The above greenhouse gas emissions may differ by less than ± 1 tCO2eq due to rounding for reporting as whole numbers.
 ※ Upstream : Category 1, 2, 3, 4, 5, 6, 7 / Downstream : Category 11, 12, 15

June 2024

 Jang-Sub Lee
 Country Representative
 DNV Business Assurance Korea Ltd.

Annex to PRJN-746645-01-2024-AST-ENG Verification Opinion

Scope 3 greenhouse gas emissions from Shinhan Financial Group

(Unit : ton CO2eq)

Division	Category	2023
Upstream	1 Purchased goods and services	1,338
	2 Capital goods	1,090
	3 Fuel- and energy-related activities(not included in scope1 or scope 2)	10,294
	4 Upstream transportation & distribution	402
	5 Waste generated in operations	264
	6 Business travel	1,655
	7 Employee commuting	8,528
Downstream	11 Use of sold products	2,520
	12 End-of-Life Treatment of Sold Products	132
	15 Investments	55,960,623
Total Emissions		55,986,848

※ The above greenhouse gas emissions may differ by less than ± 1 tCO2eq due to rounding for reporting as whole numbers.
 ※ Based on the methodology of PCAF (Carbon Accounting and Finance Association), six asset groups were calculated, including listed stocks/corporate bonds, corporate loans/unlisted stocks, PF, commercial real estate, mortgages, and automobile loans, and the range includes assets for which emissions data can currently be secured. limited.

This Verification Opinion is valid as of the date of the issuance. Please note that this Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the company is subsequently brought to our attention.

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